

Examples of Bilateral Transactions in RPM

David Mroz

Sr. Analyst, Capacity Market & Demand Response

Risk Management Committee

December 19, 2023

www.pjm.com | Public PJM © 2023



Key Takeaways

- Minimum trade specifications
- The procedure for Auction Specific & Locational UCAP Transactions
 - Two Steps: Seller Entry and Buyer Approval
- Historical trade data



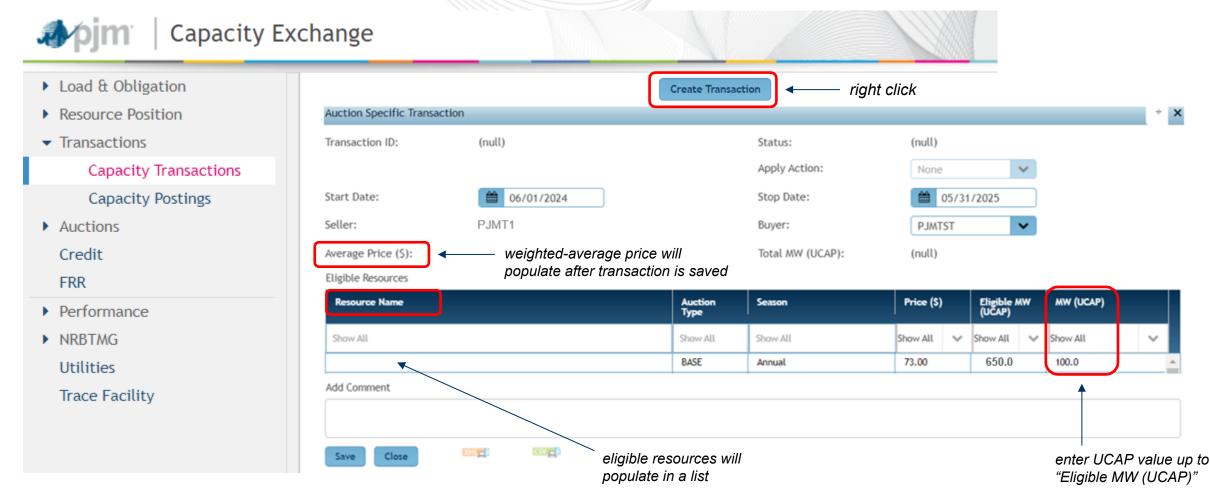
Minimum Trade Specifications

- Auction Specific Transaction
 - Start date, End date, Seller account, Buyer account, Resource Name(s), Auction Type, Season, MW amount
- Locational UCAP Transaction
 - Start date, End date, Seller account, Buyer account, Resource Name, MW amount



Example – Auction Specific Transaction

Step 1 – Seller enters transaction

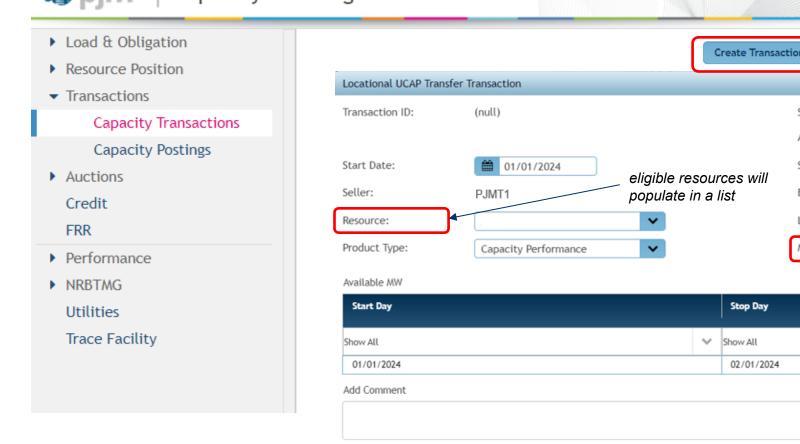


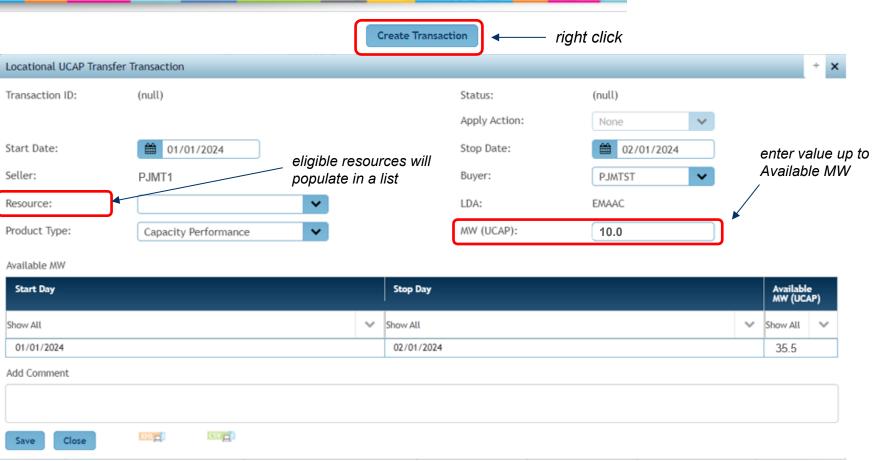


Example – Locational UCAP Transaction

Step 1 – Seller enters transaction



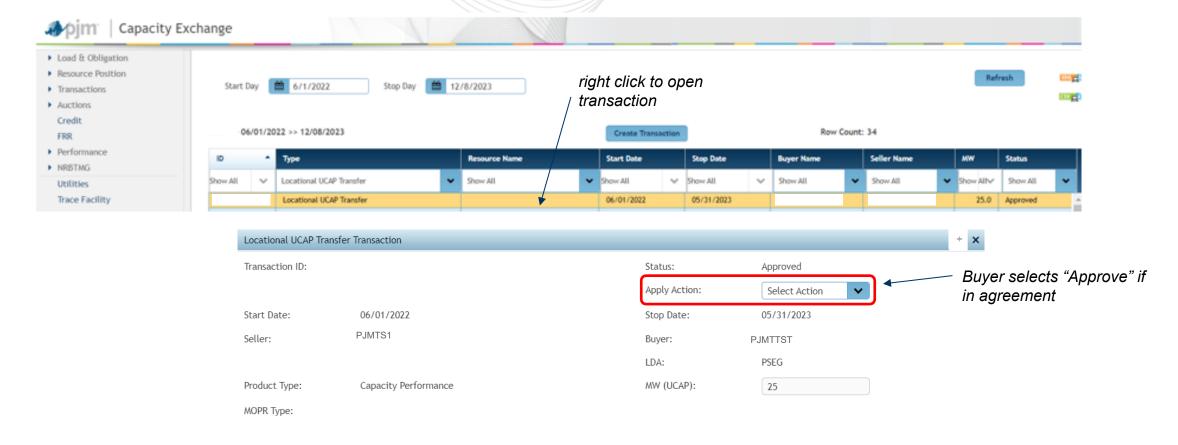






Example – Bilateral Transaction Approval

Step 2: Buyer confirms transaction





Historical Trade Data

Delivery Year	Auction Specific	Locational UCAP
2018/19	22	1011
2019/20	22	332
2020/21	17	234
2021/22	28	130
2022/23	29	84
2023/24	31	82

www.pjm.com | Public 7 PJM © 2023



Appendix

www.pjm.com | Public 8 PJM © 2023



Auction-Specific Bilateral Transaction

- Auction Specific MW Transactions transfers the capacity revenue of the cleared capacity from the Seller to the Buyer
- Transactions must be entered into Capacity Exchange and approved by Buyer prior to the respective Delivery Year
- Auction Specific MW Transactions are priced at the weighted average of the Resource Clearing Prices from the RPM auctions in which the MW from the units supplying the transaction cleared
- Seller retains all performance obligations and associated risks
- Buyer will receive any Bonus Credits related to resource(s) identified in transaction that over-perform during a Performance Assessment Interval

Responsibility	Seller	Buyer
Revenue		X
MW	X	
Performance	X	
Obligations	X	
Collateral	X	

PJM Tariff, Attachment DD, Section 4.6 (b); Manual 18 Section 4.6.6



Locational UCAP Bilateral Transaction

- A Locational UCAP Transaction allows a Seller with available resource-specific capacity to transfer Locational UCAP (MWs) to a Buyer
- Transactions can be entered after the 3IA for the respective Delivery Year
- Buyer may use the Locational UCAP as a replacement resource in a replacement transaction
- Transaction results in a commitment being placed on the Seller's resource
- Seller retains ownership of the resource and is subject to resource performance assessments

Responsibility	Seller	Buyer
Revenue		
MW		X
Performance	X	
Obligations	X	
Collateral	X	

PJM Tariff, Attachment DD, Section 4.6 (c); Manual 18, Section 4.6.8





Facilitator:

Thomas Zadlo, Thomas.Zadlo@pjm.com

Secretary:

Emmy Messina, Emmy.Messina@pjm.com

SME:

Dave Mroz, David.Mroz@pjm.com

Bilateral Capacity Transactions



Member Hotline

(610) 666 - 8980

(866) 400 - 8980

custsvc@pjm.com

