

#### 4.6.6 Auction Specific MW Transactions

RPM Market Participants have the ability to report Auction Specific MW Transactions to PJM through the eRPM system. Auction Specific MW Transactions must be for the transfer of physical MW of capacity from a seller to a buyer at the location of the physical resources identified as supplying the transaction.

The following are business rules that apply to Auction-Specific MW Transactions:

~~Auction Specific MW Transactions are not eligible to be offered in an RPM auction.~~

Auction Specific MW Transactions for a Delivery Year may be submitted following the completion of the RPM auction to which the transaction applies.

Both the Buyer and the Seller of Auction Specific MW Transaction must confirm the Auction Specific MW Transaction via the eRPM system before the start date of the Delivery Year.

An Auction Specific MW Transaction must specify the buyer, seller, start and end dates of the transaction.

The Seller of the Auction Specific MW must also specify the resource(s) (generation resource, demand resource, energy efficiency resource, ~~or aggregate resource~~), Auction Type (Base, First, Second, Third, Conditional, or Transitional), Product Type for 2018/2019 & 2019/2020 Delivery Year (Base Generation, Base DR/EE or Capacity Performance) and the MW amount of Auction Specific MW to be transacted from each resource. PJM will verify that the MW of capacity from each of the resources identified as supplying the Auction Specific MW Transaction have cleared in an RPM auction and that at least the MW of cleared capacity indicated for each resource is not committed in any other bilateral transactions. PJM will also verify that the specified MW of capacity from each of the resources does not exceed the commitment of the resource in the Seller's account. If such sufficient cleared capacity or commitment does not exist on any of the indicated resources, PJM will reject reporting of the transaction.

Once approved, the unforced capacity MW value will be converted to an installed capacity MW value using the then-current Effective EFORD for the specified unit(s). The installed capacity MW value will be capped for each unit at the ICAP Owned by the Seller. The committed unforced capacity MW and installed capacity MW will be transferred from the Seller to the Buyer and will be considered in the Buyer's Resource Position and in the Buyer's calculation of Available ICAP to offer for an Incremental Auction.

Auction Specific MW Transactions must be reported on an annual basis prior to each Delivery Year, therefore, the start and end date of the transaction must correspond to a 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.

The smallest increment that may be transacted through an Auction Specific MW Transaction is 0.1 MW.

The Seller of the Auction Specific MW is subject to all applicable resource performance assessments charges, including Capacity Resource Deficiency Charges and Capacity Performance Non-Performance Charges.

The Buyer of an Auction Specific MW Transaction will receive any Capacity Performance bonus credits based on the Expected Performance and Actual Performance of the underlying resource(s) in the Buyer's account.

The Buyer will indemnify PJM Settlement, the LLC, and the Members for any failure by the Seller of the Auction Specific MW transaction to pay deficiency penalties and charges owed to PJM Settlement and associated with the capacity that is the basis of the Auction Specific MW transaction.

PJM reserves the right under the PJM Operating Agreement and PJM Open Access Transmission Tariff, to deny reporting of Auction Specific MW Transactions in the event one of the parties fails to meet any requirements for such reporting.

The Seller of an Auction Specific MW Transaction will receive a charge equal to the transaction amount (in MW) times the price associated with in the transaction.

The Buyer of an Auction Specific MW Transaction will receive a credit equal to the transaction amount (in MW) times the price associated with the transaction.

The resource(s) transferred to the Buyer in an Auction Specific MW Transaction cannot be then subsequently sold in another bilateral transaction by the Buyer.