

RPM Related Issues

Agenda Item 3
Adrien Ford
August 17, 2011

- Problem Statement approved May 24, 2011
 - Consideration of Changes to RPM and FRR Rules
- Combined with portions of the RPM related problem statement approved January 19, 2011
- Detailed discussions at special teleconference sessions of the MRC
- Email Adrien Ford with interests/considerations
 - forda1@pjm.com
- Brattle Report Findings – late summer

- New Entry Pricing Adjustment – October 1 Compliance Filing
 - Consider modifications to provide greater certainty of payment streams to encourage new investment.
- Fixed Resource Requirement
 - Identify if potential changes can make FRR Alternative viable for offering self-supply in RPM Auctions
- Self Supply
 - Identify potential changes to allow assured clearing that is not intended to manipulate clearing prices.
- Energy and Ancillary Service Offset
 - Identify benefits and costs of changing from real-time to day-ahead LMP.
- Minimum Offer Price Rule Exception Process
 - Explore opportunities for a less administratively burdensome process.

- Assess RPM performance within six months of the conclusion of the fourth delivery year
- Assessment due to FERC by November 30
- Perform triennial review of the
 - Shape of the Variable Resource Requirement curve
 - Cost of New Entry
 - Energy and Ancillary Service revenue offset methodology
- Triennial review must be shared with stakeholders by September 1 with feedback by October 30 and Board approval for a December 1 filing

Consensus Based Issue Resolution

Status of RPM Related Topics

- ✓ Problem Statement
- ✓ Education
- ✓ Interest Identification/Discussion
- Matrix Development
 - ✓ Establish design components
 - ✓ Rank importance of design components
 - ✓ Develop potential solution options (*nearly complete*)
- Decision Making

MRC Special Working Sessions Scheduled Meetings

- August 18, 9:00 am to 12:00 pm – Brattle Report Overview (in person)
- August 30, 10:00 am to 12:00 pm – Brattle Feedback Session
- September 9, 10:00 am to 12:00 pm – Brattle Feedback Session
- September 12, 9:30 am to 4:00 pm – Placeholder (in person)
- September 14, 9:30 am to 4:00 pm – Placeholder (in person)