

**Package 3
(Submitted by LS Power)**

1A, 2E, 3C, 4A, 5SQ, 6D, 7D, 8A, 9SQ

Multi-year (e.g. 5, 7, 9 years)

Not to exceed 10% of reliability requirement with aggregate of all NEPA units in an LDA

Clearing price set for X years - no upside potential

No discrimination

N/A

Up to X years - auction part of BRA

Voluntary

None

N/A

Replaces NEPA with a new, longer term capacity product into annual BRA

Modeled after multiple DR products in the BRA

Eliminate existing qualifying test (LDA impact test)

Qualifying LDAs are EMAAC, MAAC, SWMAAC, and RTO (nothing more granular).

PJM simultaneously (iteratively) clears BRA using 1-year offers and [7]-year offers to build supply curve and clear the BRA similar to method used to clear multiple DR products

[7]-year product could "bind" at a lower price if more is offered in excess of the target (10%) below the 1-year clearing price

The point on the supply curve where the [7]-year target amount is satisfied and the BRA has not cleared, is the clearing price for the long term product

Once the targeted amount has been satisfied, PJM rejects all other [7]-year offers from the supply curve and continues to clear the BRA with the 1-year product only

[7]-year product would never clear higher than 1-year product

[7]-year auction winners will be offered into subsequent BRAs as follows: i) Existing resources offered in at \$0/MWD, ii) Planned Resources – lesser of 90% of Net CONE or first year offer price; maintain current NEPA clearing mechanism if Planned Resource's offer price is higher than clearing price for subsequent auction

MOPR applies to new entry in accordance with the MOPR rules

Current offer mitigation rules for existing generators do not apply for the [7]-year product

Offers are unit and site-specific for all resources

Block bidding allowed

Current deficiency rules apply to long-term product winners each Delivery Year