

PJM Interconnection, L.L.C., Intra-PJM Tariffs  
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OATT ATT DD.8, OATT ATTACHMENT DD.8. CAPACITY RESOURCE DEFICIENCY CHARGE, 3.0.0

## 8. CAPACITY RESOURCE DEFICIENCY CHARGE

### 8.1

A Capacity Resource Deficiency Charge shall be assessed on any Capacity Market Seller that commits a Capacity Resource, and on any Locational UCAP Seller that sells Locational UCAP for a Delivery Year based on a Generation Capacity Resource, for a Delivery Year that is unable or unavailable to deliver Unforced Capacity for all or any part of such Delivery Year for any reason, including but not limited to the following, and that does not obtain replacement Unforced Capacity meeting the same locational requirements and same or better temporal availability characteristics (i.e., Annual Resource, Extended Summer Demand Resource, or Limited Demand Resource) in the megawatt quantity required to satisfy the capacity committed from such resource by such seller as a result of all cleared Sell Offers from such seller based on such resource in any RPM Auctions for such Delivery Year, the reduction in any such commitment for such resource to the extent and for the time period of any replacement capacity committed in lieu of such resource, and the increase in any such commitment for such resource to the extent and for the time period that such resource is committed as replacement capacity for any other resource:

- a) Unit Derating - Such Capacity Resource is a Generation Capacity Resource and its capacity value is derated prior to or during the Delivery Year;
- b) EFORD Increase - Such Capacity Resource is a Generation Capacity Resource and the EFORD value determined for such resource at least two (2) months prior to the Third Scheduled Incremental Auction (or, for Delivery Years through the 2016-2017 Delivery Year, at least two (2) months prior to the Third Incremental Auction) is higher than the EFORD value submitted in the Capacity Market Seller's cleared Sell Offer;
- c) External Generation Resource - Such Capacity Resource is an Existing Generation Capacity Resource that is located outside of the PJM Control Area and arrangements for the firm delivery of the output of such resource to the interface with the PJM Region are not in place for such resource prior to the start of the Delivery Year;
- d) Planned Generation Resource - Such Capacity Resource is a Planned Generation Capacity Resource and Interconnection Service has not commenced as to such resource prior to the start of the Delivery Year;
- e) Planned Demand Resource - Such Capacity Resource is a Planned Demand Resource or an Energy Efficiency Resource and the associated demand response program or energy efficiency measure is not installed prior to the start of the Delivery Year; or

f) Existing Demand Resource - Such Capacity Resource is an existing Demand Resource or Energy Efficiency Resource and, subject to section 8.4, is not capable of providing the megawatt quantity of load response specified in the cleared Sell Offer for the time periods of availability associated with the product type.

## **8.2. Capacity Resource Deficiency Charge**

The Capacity Resource Deficiency Charge shall equal, for Delivery Years through May 31, 2017, the Daily Deficiency Rate (as defined in section 7), and for the Delivery Year starting June 1, 2017 and subsequent Delivery Years, the Capacity Resource Clearing Price (weighted as necessary to reflect the clearing prices in all RPM Auctions that resulted in installed capacity commitments from such resource), in \$/MW-day, applicable to the Capacity Resource (for purposes of replacement capacity, including Locational UCAP transactions, the applicable Capacity Resource Clearing Price shall be the clearing price for the Locational Deliverability Area in which such resource is located) plus the greater of (iii) 0.50 times such weighted average Capacity Resource Clearing Price; or (iv) \$50/MW-Day, multiplied by the megawatt quantity of deficiency below the level of capacity committed in such Capacity Market Seller's Sell Offer(s) or bilateral capacity commitments, or Locational UCAP Seller's Locational UCAP sale for each day such seller is deficient.

## **8.3. Allocation of Revenue Collected from Capacity Resource Deficiency Charges**

The revenue collected from the assessment of a Capacity Resource Deficiency Charge shall be distributed on a pro-rata basis to all LSEs that were charged a Locational Reliability Charge for the day for which such Capacity Resource Deficiency Charge was assessed. Such revenues shall be distributed on a pro-rata basis to such LSEs based on their Daily Unforced Capacity Obligations.

## **8.4 Relief from Charges**

A Capacity Market Seller or Locational UCAP Seller that is otherwise subject to the Capacity Resource Deficiency Charge solely as a result of section 8.1(f) may receive relief from such Charge if it demonstrates that the inability to provide the level of demand response specified in its Sell Offer is due to the permanent departure (due to plant closure, efficiency gains, or similar reasons) from the Transmission System of load that was relied upon for load response in such Sell Offer; provided, however, that such seller must provide the Office of the Interconnection with all information deemed necessary by the Office of the Interconnection to assess the merits of the request for relief. Such seller shall receive no RPM Auction Credit for the amount of reduction in the committed Existing Demand Resources.