



Effective Date	2022/23 BRA
Impacted Manual #(s)/Manual Title(s):	
Manual 18: PJM Capacity Market	
Conforming Order(s):	
None	
Associated Issue Tracking Title:	MIC: Must Offer Exception Process Issue
Committee Approval Path - What committee(s) have already seen these changes?	
MIC 9/12/2018 MIC 10/10/2018 MIC 11/07/2018	
MRC 1st read date:	12/6/2018
MRC voting date:	12/20/2018
Impacted Manual sections:	
Section 5.2 RPM Auction Timeline Section 5.4.1 Resource-Specific Sell Offer Requirements Section 5.4.7 Removal of Generation Capacity Resource Status Section 8.9 Replacement Resources	
Reason for change:	
To address the Problem Statement and Issue Charge approved at the MIC to discuss potential reforms to the Must-Offer Exception process for clarity and improved efficiency, as well as a formalized process for Generation Capacity Resources to become an energy-only resource.	
Summary of the changes:	

Clarifying language added in Manual 18 on the Must-Offer Exception process:

- Clarify that Capacity Market Sellers may specify multiple auctions in their submitted written must-offer exception requests to PJM and the IMM
- Clarify that must-offer exception requests are not required for MW involved in an early replacement transaction, as those MW are ineligible to be offered in the auction
- Clarify that timing is an acceptable reason for a CP must-offer exception, specifically in regard to a project that may be needed by the unit to meet the requirements of a CP resource, but cannot be completed in time for the start of the Delivery Year

Business rules added on a process for a Generation Capacity Resource to become energy-only

- Requests seeking to remove Capacity Resource status from a Generation Capacity Resource shall be provided to PJM and the IMM on a timeline consistent with the deadlines for must-offer exception requests related to deactivation
- Capacity Interconnection Rights (CIRs) of the resource losing its Capacity Resource status will be terminated consistent with a generation unit that is deactivating, as described in the Tariff, section 230.3.3
- PJM will run any necessary reliability studies for the loss of CIRs by the generation unit and the IMM will review for potential market power issues
- A status change to energy-only will be required for Existing Generation Capacity Resources that are continually approved for CP Must-Offer Exceptions and not offered in the BRA for three consecutive Delivery Years, starting with the BRA for the 2022/2023 Delivery Year. The status change will be required at the start of the following, or fourth, Delivery Year.