

Amend the Joint Stakeholder Package (Package D) with the following clarifications:

Agreement to Further Evaluate the Operations of Limited Duration Resources

Following FERC approval of an ELCC-related filing that includes a 4-hour Limited Duration Class, PJM will initiate a stakeholder process to further evaluate the coordination of the operation of Limited Duration Capacity Resources with system needs. The proceeding will consider rules to sufficiently ensure that the operational behavior of Limited Duration Capacity Resources is appropriately aligned with the resource adequacy construct and system reliability by examining issues including but not limited to bidding, operations, emergency procedures, and energy market offer requirements.

Clarification of Intent of Transition

(Recommend to Board to include this language in the cover letter to ELCC filing)

Nothing in the Joint Stakeholder Package is intended to preclude any potential changes to the structure and market design of PJM's Reliability Pricing Model or create the expectation that current market design will remain intact. The Class ELCC% floor values are intended to exist in the case that two market design criteria are met: that (1) PJM is the entity that determines the capacity value of capacity resources, and that (2) PJM pre-determines the capacity value of a resource or class of resources on expectations of system conditions or resource performance other than actual real-time performance or conditions. On the other hand, if, and only if, FERC approves a change to PJM's market design that results from a stakeholder process, whether or not a motion received final stakeholder approval, and that results in a market design that no longer satisfies the above criteria, or if FERC requires changes that result in the criteria no longer being satisfied, the Class ELCC% floor values would no longer be applicable to ELCC resources, regardless of if the resource had previously received a Table of Class ELCC% Floor values. For the avoidance of doubt, nothing in the Joint Stakeholder package is intended to constrain in any way the Board's authority under the relevant PJM governing documents.

Market design changes that would fail to satisfy the criteria and cause the Class ELCC% Floor values to cease to exist include, but are not limited to market designs in which: 1) some other party (e.g., states) determine the capacity value of resources; and 2) no party pre-determines the capacity value of resources such as an energy-only market or resource adequacy payments based solely on real-time conditions and performance.

To avoid any confusion, the intent of the minimum floor value is to create a floor for the Class Average ELCC%; the Class Average ELCC% is not a substitute for unit-specific UCAP values, which are not bound by the floors.