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Impacted Manual #(s)/Manual Title(s):	
Manual 18: PJM Capacity Market	
Conforming Order(s):	
CIFP-RA Filing: ER24-99-000 & 186 FERC ¶ 61,080 CONE Area 5: ER24-462-000 & 186 FERC ¶ 61,053	
Associated Issue Tracking Title:	
Committee Approval Path - What committee(s) have already seen these changes?	
MIC First Read: 4.3.2024 MIC Endorsement: 5.1.2024 MRC First Read: 5.22.2024 MRC Endorsement: 6.27.2024	
MRC 1st read date:	5.22.2024
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Impacted Manual sections:	
<p>M-18 Sections:</p> <p>Introduction</p> <p>1.2.2 Participation of Resource Providers</p> <p>2.1.1 Installed Reserve Margin</p> <p>2.1.2 Peak Load Forecasts</p> <p>2.1.3.1 Pool-wide Average EFORd (Through 2024/2025 Delivery Year)</p> <p>2.1.3.2 Pool-wide average Accredited UCAP Factor (Starting with 2025/2026 Delivery Year)</p> <p>2.1.4 Forecast Pool Requirement</p> <p>2.1.5 Effective Load Carrying Capability and ELCC Resources in Capacity Exchange</p> <p>2.2 Role of Load Deliverability in the Reliability Pricing Model</p> <p>2.3 Locational Constraints in the Reliability Pricing Model</p> <p>2.3.1 Locational Constraints in the Reliability Pricing Model</p> <p>2.4 Reliability Requirements</p> <p>3.3 Parameters of the Variable Resource Requirement</p> <p>3.3.1 Cost of New Entry</p> <p>3.4 Plotting the Variable Resource Requirement Curve</p> <p>4.2.1 Existing Generation Capacity Resource – Internal</p> <p>4.2.2 Existing Generation Capacity Resources – External</p> <p>4.2.3 Planned Generation Capacity Resources – Internal</p> <p>4.2.3.1 Binding Notice of Intent to Offer (Effective with the 2025/2026 Delivery Year)</p> <p>4.2.4 Planned Generation Capacity Resources – External</p> <p>4.2.5 Equivalent Demand Forced Outage Rate</p> <p>4.2.7 Accredited UCAP for ELCC Resources</p> <p>4.3.1 Requirements of Load Management Products in RPM</p> <p>4.3.8 Determination of the UCAP Value of Load Management</p> <p>4.4 Energy Efficiency Resources</p> <p>4.6.2 Entering Unit-Specific Bilateral Transactions</p> <p>4.6.3 Exporting a Generation Resource</p> <p>4.6.5 Treatment of Unit-Specific Capacity Transactions that Start/End Mid-Delivery Year</p> <p>4.6.8 Locational Unforced Capacity (UCAP) Transactions</p>	

4.7.1 Resource Position for Generation Capacity Resources
 4.7.2 Resource Position for Demand Resources
 5.2 RPM Auction Timeline
 5.3. RPM Auction Parameters
 5.4.1 Resource-Specific Sell Offer Requirements
 5.4.3 New Entry Pricing Adjustment
 5.4.4 Sell Offer Caps
 5.4.8.4 Default MOPR Floor Offer Prices
 5.7.1 Participation in the Base Residual Auction
 5.8.1 Participation in the Incremental Auctions
 8.1 Overview of Resource Performance Assessments
 8.2.1 Generation (RPM Commitment Compliance)
 8.2.2 Demand Resources (RPM Commitment Compliance)
 8.4A Non-Performance Assessment
 8.7 Load Management Test Compliance
 8.8 Replacement Resources
 9.1.9 Non-Performance Charge/Bonus Performance Credit
 11.1.3 Participation in the FRR Alternative
 11.2.1 Preliminary Unforced Capacity Obligation
 11.3 Capacity Plan
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 11.4.7 Load Management Products
 11.8.1 FRR Capacity Resource Deficiency Charges

Reason for change:

Conforming changes to Manual 18 for the recently approved FERC filing for the CIFP-RA and the CONE Area 5 changes.

Summary of the changes:

Capacity Accreditation

- ELCC approach used for all Generation Capacity Resources and DR in accordance with RAA, Schedule 9.2
- $UCAP \text{ Value of Generation Capacity Resource} = ICAP * \text{Accredited UCAP Factor}$
- New Defined Term Added: "Accredited UCAP Factor"
- $UCAP \text{ Value of DR} = \text{nominated value times applicable ELCC Class Rating}$
- All Sell Offers of Generation Capacity Resources to specify Accredited UCAP Factor. The Accredited UCAP Factor to be established by PJM prior to the applicable RPM Auction, and is multiplied by the ICAP offered to determine the UCAP offered.
- The Nominated DR Value of a Demand Resource's Sell Offer is multiplied by the applicable ELCC Class Rating to determine the UCAP offered.

Reliability Risk Modeling & Procurement Targets

- Pool-wide average Accredited UCAP Factor replaces Pool-wide average EFORD in FPR determination
- Change to CETO Definition
- Posting deadline of Installed Reserve Margin

Participation Requirements for Planned Generation Capacity Resources

- Require all Capacity Market Sellers of any Planned Generation Capacity Resource to provide a binding notice of intent if such resource will be offered into in the relevant RPM Auction
- Such binding notice is required no later than the December 1 prior to a BRA and no later than 90 days prior to the conduct of an IA
- Planned Generation Capacity Resources that are the subject of such binding notice of intent would then be required to be offered into the applicable RPM Auction. Conversely, Planned Generation Capacity Resources that are not the subject of a binding notice of intent would not be allowed to be offered as capacity into the relevant RPM Auction.
- Any Planned Generation Capacity Resource associated with a notice of intent to offer, but is not offered into the auction, will not be allowed to be offered in any of the subsequent IAs associated with that Delivery Year

Update the Inputs Used in Determining the VRR Curve

- X-axis of Points (1), (2) and (3); in UCAP MW determined by use of set percentages applied directly against the Reliability Requirement rather than against the IRM
- Y-axis of Points (1) and (2); Net CONE of Reference Resource converted to \$/MW-day UCAP based on Reference Resource's ELCC Class Rating rather than based on (1 - pool-wide EFORD)

Conforming Revisions to Testing and Failure Charge Requirements for Demand Resources

- Tariff, Attachment DD, section 11A, revised to conform the testing requirements for DR and to clarify how failure charges apply to DR that fails to perform.
- Beginning with the 2024/2025 Delivery Year, Demand Resource test would not be required if there is a Load Management event and such Demand Resource is assessed for performance during a Performance Assessment Interval in a Delivery Year.
- The net capability testing shortfall in a Zone will be a MW quantity, converted to an UCAP basis using the applicable Forecast Pool Requirement prior to 2025/2026 Delivery Year, and the applicable ELCC Class Rating beginning with the 2025/2026 Delivery Year.

PAI Reform

- Revise the index price of the stop-loss limit to the BRA clearing price rather than to the net CONE.
- Revise stop-loss from $1.5 \times \text{net CONE} \times 365$ to $1.5 \times [\text{Base Residual Auction}] \text{ Clearing Price} \times 365$

Changes Related to FRR Alternative including Transition Period

- Set the deficiency and insufficiency charge rates for FRR Entities at the price-level corresponding to Point 1 on the LDA VRR curve where the FRR obligation exists.
- Apply new rate to Deficiency Charge starting with the 2025/2026 Delivery Year. Apply new rate to Insufficiency Charge for FRR Plans beginning with the 2029/2030 Delivery Year.
- Allow FRR Entities that have not yet satisfied the minimum five-year commitment of the FRR election the opportunity to re-join RPM beginning with the 2025/2026 Delivery Year. FRR Entities electing this option must commit to a five year minimum commitment period to stay in RPM. FRR Entities electing this option must provide written notice of the termination of its election of the FRR Alternative at least two months prior to the Base Residual Auction through the 2028/2029 Delivery Year.
- For FRR Entities that elect to remain in FRR, potential insufficiency charges are suspended through the end of the 2028/2029 Delivery Year.

Additional Conforming Changes

- Update Manual references to include the new planning Manuals
- Revise posting deadline for BRA Planning parameters to in accordance with the posting deadline provided on the RPM Auction Schedule on the PJM website
- Create new CONE Area 5 for ComEd with relevant asset life factors
- Updated timeline to reflect changes
- Clean up for how MSOC is calculated and used
- General editing