



# PJM Package D Overview

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DESTF

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- PJM is offering a second package (Package D) as a potential compromise package.
  - PJM received feedback expressing lack of support for Package A
    - Reasons cited included lack of specificity around the allowable expenses and the review process associated with the “actual monthly expenses” methodology in this package and the IMM package.
  - Package D maintains the important notification timing and transparency changes of Package A, while responding to feedback on the proposed compensation changes.

Package D is the same as PJM Package A except it maintains the existing Deactivation Avoidable Cost Rate (DACR) methodology, subject to the following changes:

- Removal of the \$2 million cap on Project Investment
- Limiting the yearly adder that is applied to Project Investment to 10%.
  - The adders applied to all other elements of the DACR continue to escalate each year as currently specified in the tariff.
- Removal of the clause that triggers the credit to be paid using the Daily Deficiency Rate rather than DACR if  $\text{DACR} + \text{Applicable Multiplier}$  is greater than the Daily Deficiency Rate.
  - This language dates back to 2004 (pre-RPM) and no longer makes sense in light of the current capacity construct.

The option to file a Cost of Service Recovery Rate with the FERC remains available under Package D

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