



DATE: October 6, 2021
TO: Capacity Market Participants
FROM: The Independent Market Monitor for PJM
SUBJECT: Data Submission Window Opening for the 2022/2023 RPM Third Incremental Auction

The following message contains important information about the upcoming PJM 2022/2023 RPM Third Incremental Auction.

Market Seller Offer Cap Order

In the September 2, 2021, Order in Docket Nos. EL19-47-000, EL19-64-000, ER21-2444-000, and ER21-2877-000, the Commission established a market seller offer cap (MSOC) of net avoidable cost rate (ACR), replacing the net CONE times B offer cap.

Minimum Offer Price Rule Notice

On September 29, 2021, PJM's FPA section 205 filing revising the Minimum Offer Price Rule (MOPR) was made effective by operation of law. The revised MOPR in OATT Attachment DD § 5.14(h-2) is effective for RPM auctions for the 2023/2024 and subsequent delivery years.

The MOPR rules in OATT Attachment DD § 5.14(h) and OATT Attachment DD § 5.14(h-1) continue to apply to the 2022/2023 Third Incremental Auction.

RPM/ACR Module

As of Tuesday, October 5, 2021, the RPM/ACR system is opened for entering data for the PJM 2022/2023 RPM Third Incremental Auction. The RPM/ACR system will remain open for entering data for purposes of calculating offer caps through Sunday, October 31, 2021.

Guidance on using the RPM/ACR system is available on the Monitoring Analytics website: http://www.monitoringanalytics.com/tools/docs/IMM_RPMACR_in_MIRA_User_Guide_20210913.pdf

RPM Requests Module

As of Tuesday, October 5, 2021, the RPM Requests module is open for submitting RPM request data and documentation and RPM offer cap documentation for the PJM 2022/2023 RPM Third Incremental Auction. The RPM Requests module will remain open for submitting requests and documentation through the tariff defined deadlines for each request type. The RPM requests submitted in the RPM Requests module include preliminary and final RPM must offer requirement exception requests, CP must offer requirement exception requests, alternate

maximum EFORd requests, Minimum Offer Price Rule (MOPR) unit and resource specific exception requests, MOPR default requests, and MOPR competitive exemption requests.

For MOPR Unit Specific Exception Request for Certain New Generation Capacity Resources that are not Capacity Resources with State Subsidy as defined in PJM OATT Attachment DD § 5.14(h)(5) and MOPR Resource Specific Exception Request for a New Entry Capacity Resource with State Subsidy as defined in PJM OATT Attachment DD § 5.14(h-1)(3)(B), the MIRA RPM request type of “MOPR Unit Specific – New” should be used. For MOPR Resource Specific Exception Request for a Cleared Capacity Resource with a State Subsidy as defined in PJM OATT Attachment DD § 5.14(h-1)(3)(C), the MIRA RPM request type of “MOPR Unit Specific – Existing” should be used.

For details and instructions, please refer to the RPM Requests User Guide: [http://www.monitoringanalytics.com/tools/docs/IMM RPM Requests Module User Guide 20201215.pdf](http://www.monitoringanalytics.com/tools/docs/IMM_RPM_Requests_Module_User_Guide_20201215.pdf)

Default ACR

Default ACR based offer caps in ICAP/nameplate terms are defined as the applicable technology and delivery year specific default ACR value less the MMU calculated resource specific projected net energy & ancillary services (E&AS) revenues. Table 1 shows the default ACR values for the 2022/2023 Delivery Year, as specified in the September 2, 2021, FERC Order in Docket Nos. EL19-47-000, EL19-63-000 and ER21-2444-000. (DR and EE are not included because neither is subject to offer capping under the existing tariff. PJM is seeking clarification from the Commission on this point. Any change in the status of DR and EE will be incorporated in revisions to this document.) If a Capacity Market Seller intends to offer greater than \$0 per MW-day for an Existing Generation Capacity Resource which has no defined default gross ACR for its technology, a unit specific ACR should be requested. To facilitate the offer cap application process and to ensure the clear communication of the Seller’s intended resource specific applicable offer cap, Capacity Market Sellers should indicate their intent to use the default ACR in the RPM/ACR module no later than Sunday, October 31, 2021.

Table 1 Default ACR values: 2022/2023 Delivery Year

Technology Type	Default Gross ACR (\$ per MW-Day)
Nuclear - single	\$697.00
Nuclear - dual	\$445.00
Coal	\$80.00
Combined Cycle	\$56.00
Combustion Turbine	\$50.00
Solar PV (fixed and tracking)	\$40.00
Wind Onshore	\$83.00

Third Incremental Auction Offer Cap Option

For RPM Third Incremental Auctions, Capacity Market Sellers have the option to elect an offer cap for Existing Generation Capacity Resources, per PJM OATT Attachment DD § 6.4(d). To facilitate the offer cap application process and to ensure the clear communication of the Seller’s intended resource specific applicable offer cap, Capacity Market Sellers should indicate their intent to use the Third Incremental Auction offer cap option of 1.1 times the BRA clearing price in the RPM/ACR module no later than Sunday, October 31, 2021.

Unit Specific ACR Requests

RPM/ACR Template

The RPM/ACR Template, Version 14.3, is available for Capacity Market Sellers to use to support unit specific offer cap requests: http://www.monitoringanalytics.com/tools/docs/RPM_ACR_Template_v14.3.xlsx

Capacity Market Sellers should download the template, fill it out, and upload it to the RPM/ACR module for unit specific offer cap requests. Instructions for using the RPM/ACR Template Version 14.3 can be found in the RPM/ACR Template Version 14.3 Instructions document: http://www.monitoringanalytics.com/tools/docs/IMM_RPM-ACR_Template_Version_14_3_Instructions_20210913.pdf

For ACR escalation guidelines, please see: http://www.monitoringanalytics.com/tools/docs/IMM_ACR_Escalation_Guidelines_20201209.pdf

ACR Supporting Documentation Requirements

A supporting documentation requirements document for unit specific MSOC requests is available on the Monitoring Analytics website:

http://www.monitoringanalytics.com/tools/docs/IMM_Supporting_Documentation_Requirements_for_Unit_Specific_MSOC_Requests_20210913.pdf

APIR Calculation

An example APIR calculation for multiple projects with varying start dates is available on the Monitoring Analytics website:
http://www.monitoringanalytics.com/tools/docs/APIR_Example_20210929.xlsx

MOPR Requests

RPM/ACR Template

The RPM/ACR Template, Version 14.3, is available for Capacity Market Sellers to use to support MOPR resource specific exception requests for cleared capacity resources with state subsidy: http://www.monitoringanalytics.com/tools/docs/RPM_ACR_Template_v14.3.xlsx

Capacity Market Sellers should download the template, fill it out, and upload it to the RPM Requests module for MOPR resource specific requests for cleared capacity resources with state subsidies. Instructions for using the RPM/ACR Template Version 14.3 can be found in the RPM/ACR Template Version 14.3 Instructions document:
http://www.monitoringanalytics.com/tools/docs/IMM_RPM-ACR_Template_Version_14_3_Instructions_20210913.pdf

For ACR escalation guidelines, please see:
http://www.monitoringanalytics.com/tools/docs/IMM_ACR_Escalation_Guidelines_20201209.pdf

CONE Template

A cost of new entry (CONE) template is available for Capacity Market Sellers to use to support MOPR unit specific exception requests and MOPR Resource Specific Exception requests for a New Entry Capacity Resource with State Subsidy:
http://www.monitoringanalytics.com/tools/docs/IMM_MOPR_Gross_CONE_Template_v1_2_0201215.xlsx

Capacity Market Sellers should download the template, fill it out, and upload it to the RPM Requests module. Instructions for using the CONE template are available here:
http://www.monitoringanalytics.com/tools/docs/IMM_MOPR_CONE_Template_User_Guide_20201215.pdf

MOPR Supporting Documentation Requirements

A supporting documentation requirements for MOPR exceptions requests is available on the Monitoring Analytics website: http://www.monitoringanalytics.com/tools/docs/IMM_Supporting_Documentation_Requirements_for_MOPR_Exception_Requests_20210729.pdf

A MOPR supporting documentation key is available for Capacity Market Sellers to map supporting documentation to data: http://www.monitoringanalytics.com/tools/docs/IMM_MOPR_Supporting_Documentation_Key_v1_20210729.xlsx

Net Revenue Data

MMU Calculated Net Revenues and Process

MMU calculated net revenue values will be available in MIRA by Monday, October 11, 2021. MMU calculated net revenues can be viewed in MIRA by clicking the Export button in the RPM/ACR module (ACR Calculation screen).

For information on the projected net revenue process, please see: http://www.monitoringanalytics.com/tools/docs/IMM_Projected_Net_EAS_Options_Revised_20210913.pdf

Requests for MMU calculated projected net revenues for new operating parameters (planned units) or for adjusted operating parameters (in service units) should be submitted no later than October 11, 2021, through the MIRA RPM Requests module by creating a MOPR request or an RPM Offer Cap Documentation request, uploading a completed net revenue template and also notifying the MMU by email at rpmacr@monitoringanalytics.com: http://www.monitoringanalytics.com/tools/docs/IMM_Unit_Specific_EAS_Parameters_Template_v1_20201215.xlsx

Reactive Capability Revenue Data

Capacity Market Sellers who intend to have an ACR based offer cap calculated for a resource must submit a reactive capability revenue value in \$ per MW-year in the Reactive Capability Revenues field in Section 2B of the RPM/ACR system, regardless of whether the unit was part of a fleet rate or received unit specific revenue. The value should be equal to the expected reactive capability revenue for the delivery year. Capacity Market Sellers should enter the relevant reactive filing docket number(s) in the Reactive Capability Revenue Justification field in Section 2B of the RPM/ACR system.

Planned Generation Capacity Resources

Capacity Market Sellers who intend to offer Planned Generation Capacity Resources are asked to notify Monitoring Analytics. Please email rpmacr@monitoringanalytics.com of any intended offer for a Planned Generation Capacity Resource and the expected sell offer.

New Account and Resource Set Up

To facilitate the submittal of MOPR requests and net revenue requests for new resources and accounts that are not yet set up as PJM members or resources, a proxy account and resource can be set up in MIRA. To request this, please email rpmacr@monitoringanalytics.com.

Remaining RPM/ACR Timeline

The remaining milestones/timeline for RPM/ACR related tasks can be found on the Monitoring Analytics [web site:](http://www.monitoringanalytics.com/tools/docs/IMM_Timeline_for_20222023_RPM_Third_I_A_20211005.pdf)
http://www.monitoringanalytics.com/tools/docs/IMM_Timeline_for_20222023_RPM_Third_I_A_20211005.pdf

Please direct any questions regarding this communication to the Monitoring Analytics RPM/ACR email address at rpmacr@monitoringanalytics.com.