DATE: **October 18, 2022**

TO: **Capacity Market Participants**

FROM: **The Independent Market Monitor for PJM**

SUBJECT: **Data Submission Window Opening for the 2023/2024 RPM Third Incremental Auction**

The following message contains important information about the upcoming PJM 2023/2024 RPM Third Incremental Auction.

RPM/ACR Module

As of Tuesday, October 18, 2022, the RPM/ACR system is opened for entering data for the PJM 2023/2024 RPM Third Incremental Auction. The RPM/ACR system will remain open for entering data for purposes of calculating offer caps through Monday, November 21, 2022.

Guidance on using the RPM/ACR system is available on the Monitoring Analytics website: https://www.monitoringanalytics.com/tools/docs/IMM_RPMACR_in_MIRA_User_Guide_20220707.pdf

RPM Requests Module

As of Tuesday, October 18, 2022, the RPM Requests module is opened for submitting RPM offer cap documentation and RPM request data and documentation for the PJM 2023/2024 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, Minimum Offer Price Rule (MOPR) unit specific exception requests, and MOPR default requests.

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

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 2023/2024 Delivery Year. 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 Monday, November 21, 2022.

Table 1 Default ACR values: 2023/2024 Delivery Year

Technology Type	Default Gross ACR ($ per MW-Day)
Nuclear - single	$719.23
Nuclear - dual	$459.20
Coal	$82.55
Combined Cycle	$57.79
Combustion Turbine	$51.60
Solar PV (fixed and tracking)	$41.28
Wind Onshore	$85.65

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 Monday, November 21, 2022.

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

The RPM/ACR Template, Version 14.3, includes updated ACR technology classes.

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: https://www.monitoringanalytics.com/tools/docs/IMM_ACR_Escalation_Guidelines_20220127.pdf

ACR Supporting Documentation Requirements

A supporting documentation requirements document for unit specific MSOC requests is available on the Monitoring Analytics website: https://www.monitoringanalytics.com/tools/docs/IMM_Supporting_Documentation_Requirements_for_Unit_Specific_MSOC_Requests_20220127.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 unit specific exception requests for cleared capacity resources in OATT Attachment DD § 5.14(h-2): 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 for new entry capacity resources in OATT Attachment DD § 5.14(h-2): http://www.monitoringanalytics.com/tools/docs/IMM_MOPR_Gross_CONE_Template_v1_20201215.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

The MMU calculated preliminary net revenue values are available in MIRA. The final net revenue values will be posted by November 6, 2022, or if the MMU and the Capacity Market Seller mutually agree to a change, by December 21, 2022. MMU calculated net revenues can be viewed in MIRA by clicking the Export button in the RPM/ACR module (ACR Calculation screen).

Capacity Market Sellers are asked to promptly review the posted net revenues and contact the MMU with any questions by email at rpmacr@monitoringanalytics.com, as soon as possible.

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 current annual reactive capability revenue. 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.

Remaining RPM/ACR Timeline

The remaining milestones/timeline for RPM/ACR related tasks can be found on the Monitoring Analytics web site: https://www.monitoringanalytics.com/tools/docs/IMM_Timeline_for_20232024_RPM_Third_IA_20220915.pdf

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