



DATE: August 2010
TO: PJM RPM Participants
FROM: Monitoring Analytics RPM/ACR System Administrator
SUBJECT: Instructions for Using the Offer Cap Data Screen in the RPM/ACR system

The “Offer Cap Data” screen in the RPM/ACR tool presents to participants the calculated offer cap values and provides participants with the ability to select the offer caps that will apply to their resources in a PJM RPM auction.

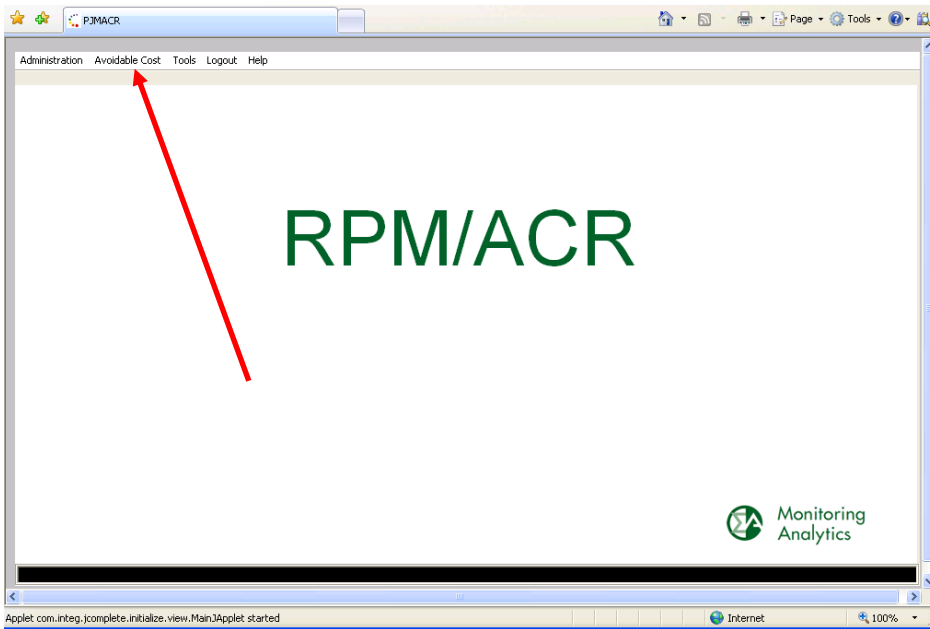
After the ACR data entry window for an RPM auction has closed, Monitoring Analytics posts the calculated offer cap values to the “Offer Cap Data” screen in the RPM/ACR system according to its posted RPM/ACR timeline. Participants must log in to the RPM/ACR system to see the presented offer cap values and must affirmatively enter the offer cap values that they wish to apply to the upcoming RPM auction.

To get an account on the RPM/ACR system, see the “[RPM-ACR Registration Instructions and Form](#)” on the Monitoring Analytics web site’s “Tools” page.

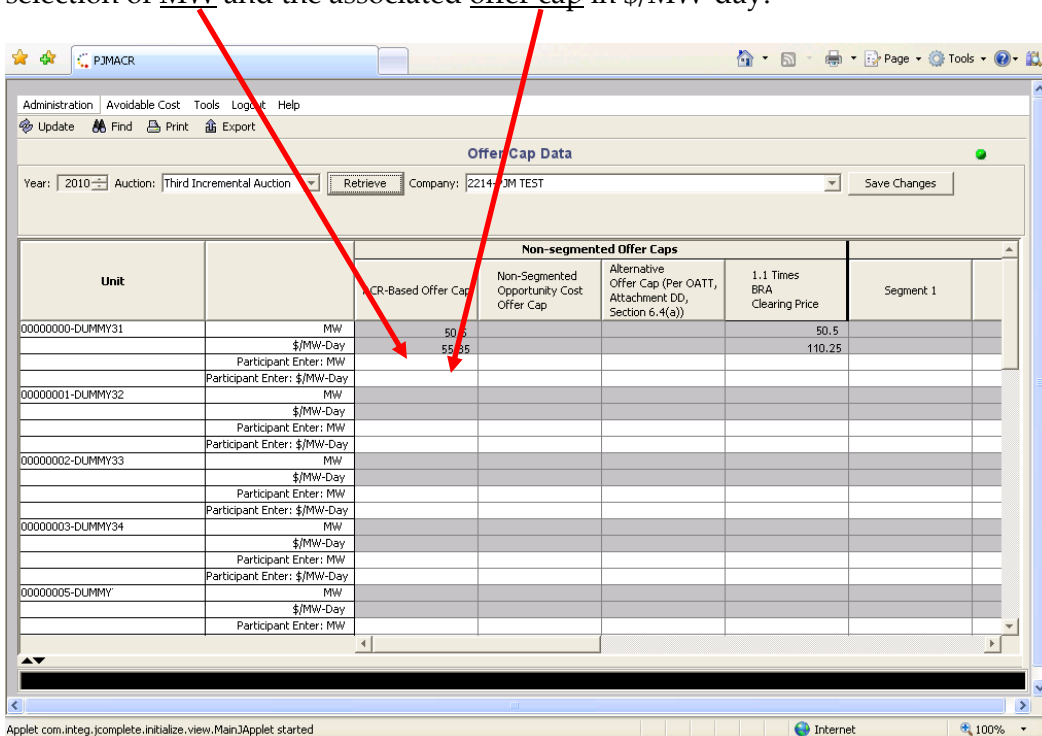
To have offer cap values presented in the RPM/ACR system, participants must submit data in the RPM/ACR system when the ACR data entry window for an RPM auction is open and provide any supporting documentation. (For instructions related to entering ACR data, please see “[RPM-ACR User Manual version 2](#)” and “[RPM-ACR Template Version 10 Instructions](#)”.) Offer cap options include (per section 6.4 of Attachment DD of the PJM OATT):

- An ACR based offer cap which is calculated as the ACR less net revenues, where the ACR is either the default or calculated unit specific. The currently defined default ACR values and the [RPM/ACR Template](#) to calculate a unit specific ACR are posted on the Monitoring Analytics website’s “Tools” page. This option requires the participant to input data into the RPM/ACR system and request net revenues by emailing RPMNetRevenue@monitoringanalytics.com.
- An opportunity cost based offer cap which is the documented price available to an existing generation resource in a market external to PJM. This option requires the participant to input this value into the RPM/ACR system and submit a calculation of opportunity cost along with detailed supporting documentation to the MMU.
- An alternative offer cap as approved by the MMU and FERC.
- Election of the 1.1 times the Base Residual Auction clearing price offer cap for the Third Incremental Auction.

To access the “Offer Cap Data” screen, log in to the RPM/ACR system, click on the “Avoidable Cost” drop-down menu, and select “Offer Cap Data”:



On the “Offer Cap Data” screen, select the year, auction type, and company name. Then click on “Retrieve”. A set of four rows for each resource associated with the company and planning year will appear. The first two rows, colored gray, present the MW and offer cap values. The next two rows for each resource, colored white, are where participants enter their selection of MW and the associated offer cap in \$/MW-day.



The columns in the “Offer Cap Data” screen represent the different offer cap types as described above. If sufficient data and supporting documentation were submitted and the MMU review is complete, the offer cap value and MW will be presented in the corresponding offer cap type column. The columns in the left section represent non-segmented offer caps, and the columns in the right section represent segmented offer caps. Offer cap data will be presented in the “Segmented Offer Caps” section when different offer caps are to be applied by segment.

Offer cap values in the “Offer Cap Data” screen are presented in \$/MW-day in terms of installed capacity (ICAP) for all auctions except Third Incremental Auctions (and possibly other special auctions), where offer caps are presented in terms of unforced capacity (UCAP). An ICAP based offer cap can be converted to a UCAP basis by dividing by $(1 - \text{EFORD})$, where the EFORD is the value submitted with the offer. The submission of seller offer prices and the application of offer caps in the auction are on a UCAP basis.

Capacity values in the “Offer Cap Data” screen are presented in terms of ICAP MW for all auctions except Third Incremental Auctions, where the capacity values are presented in terms of UCAP MW. For Base Residual Auctions and Third Incremental Auctions, the MW value in the “Offer Cap Data” screen represents the Available MW value for the auction. For First and Second Incremental Auctions, the MW value in the “Offer Cap Data” screen represents the Minimum Available MW value for the auction.

To select an offer cap to be applied to all offered MW, enter the offer cap value in the “Participant Enter: \$/MW-Day” field in the corresponding offer cap type column, and the “Participant Enter: MW” field may be left blank. It is only necessary to enter a value in the “Participant Enter: MW” field when different offer caps are to be applied by segment.

If you have questions about how to access the “Offer Cap Data” screen in the RPM/ACR system or how to enter offer cap data, please contact Monitoring Analytics at rpmacr@monitoringanalytics.com.