

Associated Units Proposed Tariff Clarifications

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- Goal of definition of Associated Units
 - Ensure that Frequently Mitigated Units (FMU) are not "cycled" and actually receive FMU adder
 - Ensure that only actual AUs are designated
- Elements of AU definition
 - Units are electrically identical
 - Units are in same design class
 - Units use same primary fuel
 - Units have cost-based offers in relevant range



Default AU definition

- If unit meets other criteria
 - Units are electrically identical
 - Units have cost-based offers in relevant range
- But unit does not meet criteria two and three
 - Units are in same design class
 - Units use same primary fuel
- And unit is regularly dispatched by PJM as a substitute for an FMU as a result of the FMU adder
- Then unit will be designated an AU



• Draft tariff language provided