RMR Matrix Issues: Scope Areas 4, 5 and 6

DESTF

January 13, 2026

IMM

Monitoring Analytics

SCOPE AREA #4 - REDUCING THE LENGTH OF AN RMR

SCOPE AREA #5 - AVOIDING AN RMR

1a - Trigger(s) for retirement reliability analysis

- **PJM/IMM should perform ongoing evaluation of resource viability based on market results and state and federal regulations.**
- **PJM/IMM should use screens to identify resources at risk multiple years in advance.**
- **PJM/IMM should have confidential discussions with generation owners about retirement plans.**
- **PJM should start planning process for units at risk.**
- **Role of DOE 202(c)**

1a - Trigger(s) for retirement reliability analysis

- To prevent uneconomic retirements, capacity market needs to recognize transmission constraints within LDAs in market clearing and corresponding sub LDA clearing prices.
  - Indian River 4 example
- To prevent uneconomic retirements, need to correctly define EAS offsets for resources that change technologies or fuels so that offers can reflect correct net ACR.
  - Brandon Shores example

1b - Transparency of reliability analysis results

- **Information should be public as soon as possible, e.g. if public filings identify units at risk.**
  - **Replacement generation**
  - **Transmission options**
- **Public notice of reliability issues needs to respect confidential information.**

1c - Criteria to trigger the development of an immediate needs solution, as well as an alternative solutions solicitation

- **"Immediate-need Reliability Project" shall mean a reliability-based transmission enhancement or expansion that the Office of the Interconnection has identified to resolve a need that must be addressed within three years or less from the year the Office of the Interconnection identified the existing or projected limitations on the Transmission System that gave rise to the need for such enhancement or expansion pursuant to the study process described in Operating Agreement, Schedule 6, section 1.5.3**
- **Brandon Shores transmission was an immediate needs project.**

1c - Criteria to trigger the development of an immediate needs solution, as well as an alternative solutions solicitation

- **Immediate needs projects should not be limited to transmission projects.**
- **If a solution is needed consistent with immediate needs, PJM should also solicit proposals to advance queue positions or for new queue entry for earliest possible commercial date for as many projects as needed.**
- **Partial solutions should be included.**

2a - Cost containment requirements for immediate needs solution

- Generation alternatives should be compared with transmission alternatives.
- Generation alternatives are market resources.
- Transmission alternatives are cost of service and need a hard cost cap.
  - GETs (Grid Enhancing Technologies)
  - ATTs (Alternate Transmission Technologies
- Competitive process for generation
- Competition process for transmission

2b - Process for soliciting and evaluating modifications to the Immediate Needs solution

- Generation alternatives should be compared with transmission alternatives.
- Generation alternatives are market resources.
- Transmission alternatives are cost of service and need a hard cost cap.
- Competitive process for generation
- Competition process for transmission

3a - Minimum criteria for an alternative solution that fully satisfies the reliability need

- **Partial solutions should be included.**
- **Multiple partial solutions should be included.**
- **Key criteria are cost per unit of reliability or per avoided cost of alternate solutions including RMR and transmission.**

3c - Window Style (Solicitation vs Procurement)

- **Competitive procurement for all options, including generation and transmission.**
- **Clear criteria**

3d - Eligibility rules for submission of an alternative solution

- **All generation and storage resources eligible.**

3e - Evaluation criteria defining viable potential alternative solutions

- **Lowest cost for reliability target.**

3f - Solicitation procedures & timelines

- **TBD**

4a - Evaluation criteria process for viable alternative solutions, including cost-benefit analysis

- **Evaluation criteria should include:**
  - **Cost per MW of reliability or avoided cost**
  - **Cost caps**
  - **Uncertainty.**

4b - Selection criteria among viable alternative solutions

- **Evaluation criteria should include:**
  - **Cost per MW of reliability or avoided cost**
  - **Cost caps**
  - **Uncertainty.**

4c - Eligibility of entities selecting alternative solutions

- **Approved PJM selection criteria.**
  - **Credit**

4d - Operational requirements for selected alternative solutions

- **Operational requirements consistent with**
  - **system reliability needs**
  - **evaluation criteria and**
  - **claimed contribution to reliability.**

4e - Developmental milestone requirements for selected alternative solutions

- **Milestones included in offers.**

4g - Consideration of avoided cost

- **Avoided cost part of evaluation criteria.**
  - **Avoided cost is estimated cost of transmission investment avoided in whole or in part by option.**

4h - Analysis of Grid Enhancement Technology/Alternative Transmission Technology

- GETs (Grid Enhancing Technologies)
- ATTs (Alternate Transmission Technologies

5 - Cost recovery for selected alternative solutions

- **Market mechanisms for generators.**
- **Status quo for transmission options.**

6 - Eligibility for fast-track interconnection process for alternative solutions, if relevant

- **Fast track required.**

7 - Fast-track interconnection process procedures

- **IMM's CIR transfer proposal: (1) identified reliability need via short term reliability assessment triggers release of CIRs of the retiring generator (2) for use by next resource(s) in the queue with a defined in service date that can use some or all of the released CIRs to solve the identified reliability issue (3) if no eligible resources in the queue, PJM uses a limited scope "expedited reliability process" (fast track interconnection process) for alternative solutions as identified through the alternative solutions solicitation process.**

8 - Rules for disposition of interim alternative solutions if/when the permanent solution is in place

- **Interim solutions are market resources or transmission resources.**

SCOPE AREA #6- PRO FORMA AGREEMENT

IMPLEMENTATION

- **PJM/GO/IMM/Interested parties all included in review.**

Termination by Generation Owner

- **Not subject to termination by GO.**

Termination by PJM

- **Termination by PJM based on reliability need.**

Extension

- **PJM may request an extension.**
- **GO cannot refuse extension unless unit cannot operate safely.**

4 - Operating Requirements

- **Treat like all other resources.**
  - **Unless the resource is subject to federal/state regulations that prevent the units from participating economically.**
- **PJM call on RMR resources not limited to the three items in column A of matrix.**
- **Performance obligations need to be specified**
  - **Failure results in reduction to markup payments.**

5 - Market Offer Obligations

- Cost-based offer daily at full ICAP based on approved fuel cost policy.
- PJM needs to create a new unit status type that allows the energy clearing engines to commit these units.
- Making the units unavailable in Markets Gateway means that PJM has to do these commitments outside of the energy commitment models.
  - Inefficient

6 - Compensation and settlement - general provisions (e.g. generator option to submit 205 cost-of-service filing or elect the DACC).

- **Per OATT as modified.**

7 - Invoicing and Billing

- Gross revenues offset all costs. Only net costs paid by customers. If gross revenue>costs, customers should be credited with net.
- Billing monthly on an estimated basis,
- Review process for final bills must permit time for MMU to request and receive supporting information.

8 - Inclusion of RMR Units in Supply Stack

- **Resources included in capacity market supply.**
- **Resources included in energy market supply.**
- **Resource included in ancillary services supply.**

Monitoring Analytics, LLC
2621 Van Buren Avenue
Suite 160
Eagleville, PA
19403
(610) 271-8050

MA@monitoringanalytics.com
www.MonitoringAnalytics.com