Exelon Package Summary for URMSTF ECPE – December 8, 2016

Package B:

Exelon's Package B is intended to make changes to the requirements for external resources to participate in the capacity market to ensure comparability with internal PJM generation and address the operational, market, and reliability issues that have surfaced with the existing pseudo-ties. Exelon's objective with our package is to have comparable and consistent rules for all resources participating in the 2017 BRA for 2020/2021.

Package B, New Requests:

This set of rules will apply for all new pseudo-ties. Exelon's Package B is the same as PJM's Package E for the requirements for these resources. Key features include:

- Requiring long term firm point to point transmission service with rollover rights for the external service
- Requiring Network External Designated service for the internal PJM transmission service
- Ensuring deliverability studies are completed consistent with PJM's deliverability requirements
- Requiring a certification that ongoing planning consistent with PJM criteria is established
- The establishment of a new operational modeling requirement
- Assessing performance for pseudo-tied resources during a Performance Assessment Hour at a sub RTO granularity based on operational requirements

Package B, Existing Requests:

This set of rules applies to pseudo-ties that have a capacity commitment for DYs 16/17 through 19/20. Package B balances the commitments that have already been made by existing pseudo-ties and creates a level playing field for the 2017 BRA. Key features include:

- Studying cleared RPM external resources against PJM deliverability standards for future auctions
 - All resources must be fully deliverable for 2020/2021 without the use of operating guides to be eligible as a capacity resource
- Assessing performance for pseudo-tied resources during a Performance Assessment Hour at a sub RTO granularity based on operational requirements
- Potential allocation of certain congestion management and ARR infeasibility charges
- Exception for Market Sellers that self-supply and have a long term contract that is 10 years or longer and was entered into before 6/1/16

If you have any questions about Exelon's Package B, you can reach Sharon Midgley at <u>sharon.midgley@exeloncorp.com</u>.