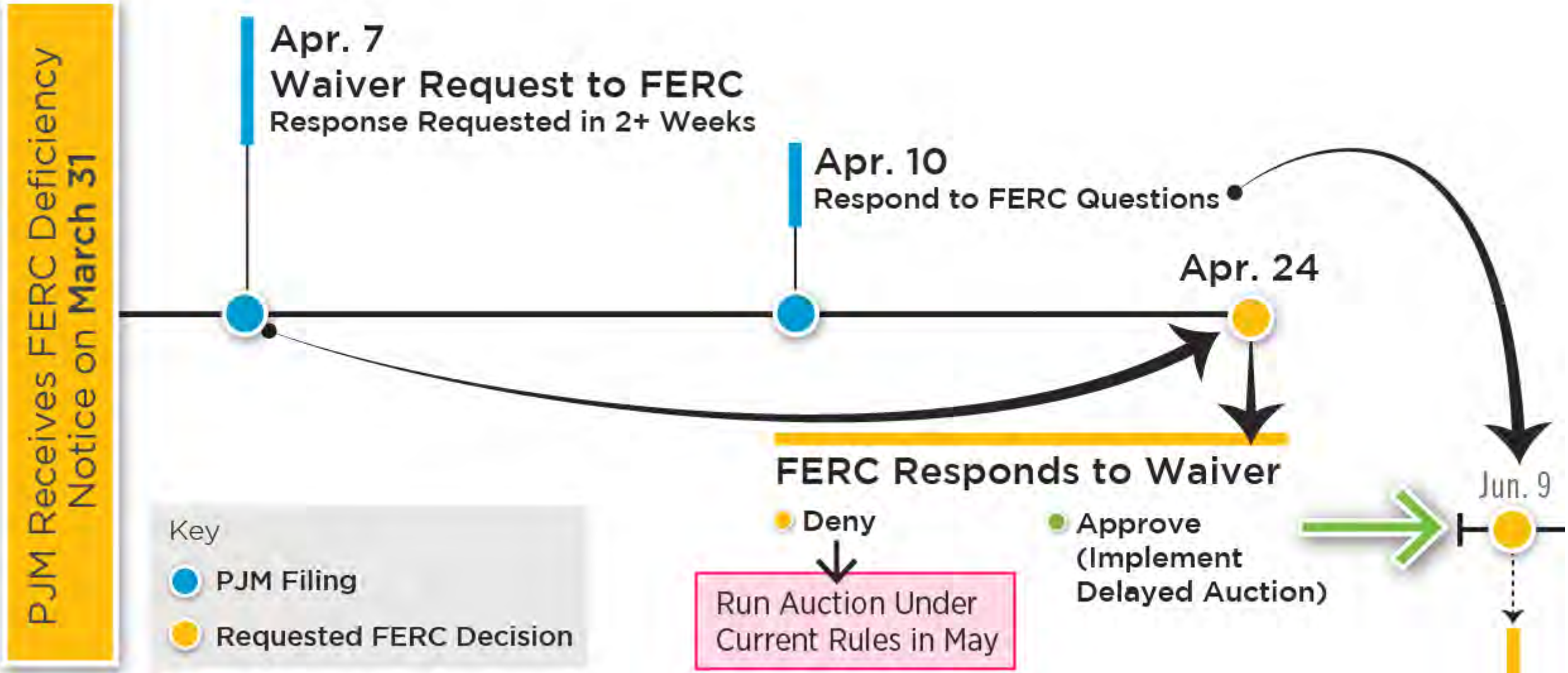




Next Steps for 2018/2019 Base Residual Auction

Jeff Bastian
Manager, Capacity Market Operations
MIC Meeting
May 6, 2015





- On April, 24, 2015, FERC granted waiver request to delay BRA
- FERC CP decision expected by no later than June 9, 2015 (60 days after PJM's April 10th response to FERC deficiency letter)
- PJM proposes to announce specific timing for BRA including deadlines for updates to market participant pre-auction submissions shortly after FERC decision on CP
- Tentative schedule to be discussed with stakeholders in the interim

- BRA to be conducted within 30-75 days after FERC CP order but not later than commencing on August 10, 2015
- Two possible scenarios for 2018/19 BRA
 - Conduct under CP provisions: either as filed by PJM on December 12, 2014, or as directed subject to potential compliance filing
 - Conduct under current rules: FERC rejects or finds deficient CP filing

- PJM proposes to use full 75 day lag period and August 10th cutoff in development of BRA schedule if conducted under CP provisions
 - possible compliance filing
 - Market participant pre-auction submission updates
 - Manual 18 update review in June/July
 - CP training in June/July

- Tentative BRA commencement dates under CP rules:

FERC Order Date Range

Tentative BRA Commencement

On or after May 27th

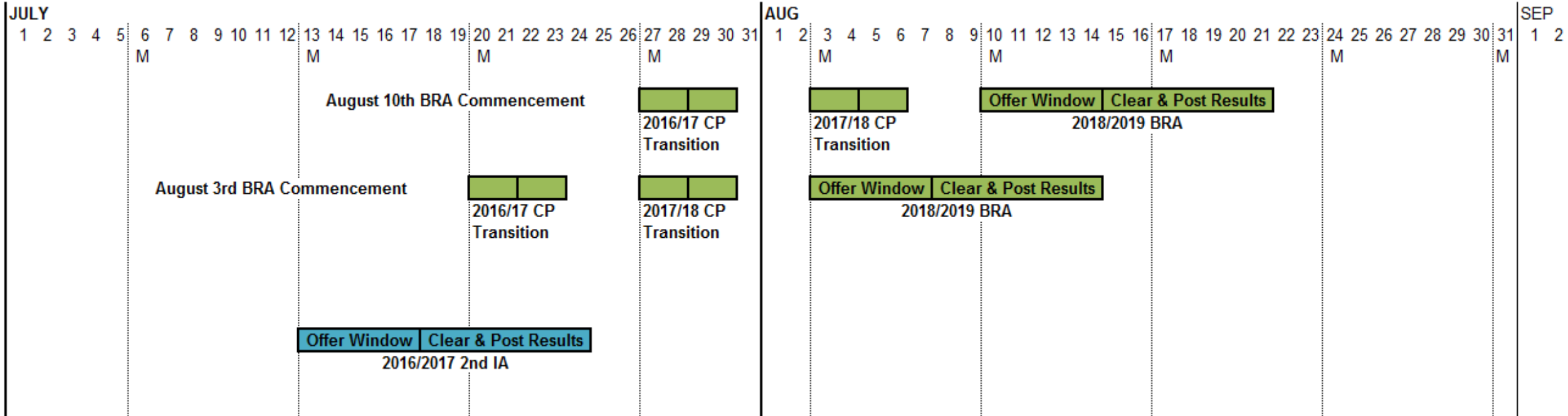
August 10th

prior to or on May 26th

August 3rd



Tentative BRA Schedules



Note: An August 3rd BRA commencement under CP provisions may require adjustment to 2016/2017 2nd IA and/or CP Transition schedule to avoid over-lapping auction time frames.



Status of Pre-Auction submissions and proposed update deadlines under CP Provisions

Pre-Auction Submission Activity	Status	Proposed Submission Update Deadlines
CP Must-Offer Exception Request	IMM/PJM review of requests made by 1/11/2015 deadline in progress	Permit submittal of new requests, updated requests or rescinded requests within 7 calendar days of a FERC CP decision followed by IMM determination within 15 calendar days followed by PJM determination within 7 calendar days.
	PJM and Essential Power agreement permits submittal of new or revised requests or rescinded requests within 7 calendar days of a FERC CP decision followed by IMM determination within 15 calendar days followed by PJM determination within 7 calendar days.	
Determination of Market Seller Offer Cap	Base Generation Capacity MSOC complete	Permit submittal of new requests, updated requests or rescinded requests within 7 calendar days of a FERC CP decision followed by IMM determination within 15 calendar days followed by PJM determination within 7 calendar days.
	IMM/PJM review of CP MSOC submittals made by 1/11/2015 deadline in progress	
DR Sell Offer Plans	DR Sell Offer Plan MW quantities determined under current provisions are unaffected by CP provisions	Permit submittal of new or revised DR Sell Offer Plans by 15 business days prior to re-scheduled auction
EE M&V Plans	EE M&V Plan MW quantities determined under current provisions are unaffected by CP provisions	EE M&V Plans updated to reflect allocation of approved MWs to Base and CP product types required 30 days prior to re-scheduled auction.
FRR Capacity Plans	FRR Entities were provided with obligation requirements under both current and CP provisions	FRR Entities required to update FRR Capacity Plan to meet requirements under CP by 30 days prior to re-scheduled auction

- If BRA conducted under current tariff provisions, the full 75 day lag period is not necessary (no need for pre-auction submission updates, M18 updates nor CP training)
- however, PJM proposes to use same BRA commencement dates as those set-up tentatively for BRA conducted under CP rules (i.e., August 10, 2015 for order received on or after May, 27th, and August 3 for order received on or before May 26th)