



Auction Schedule Discussion

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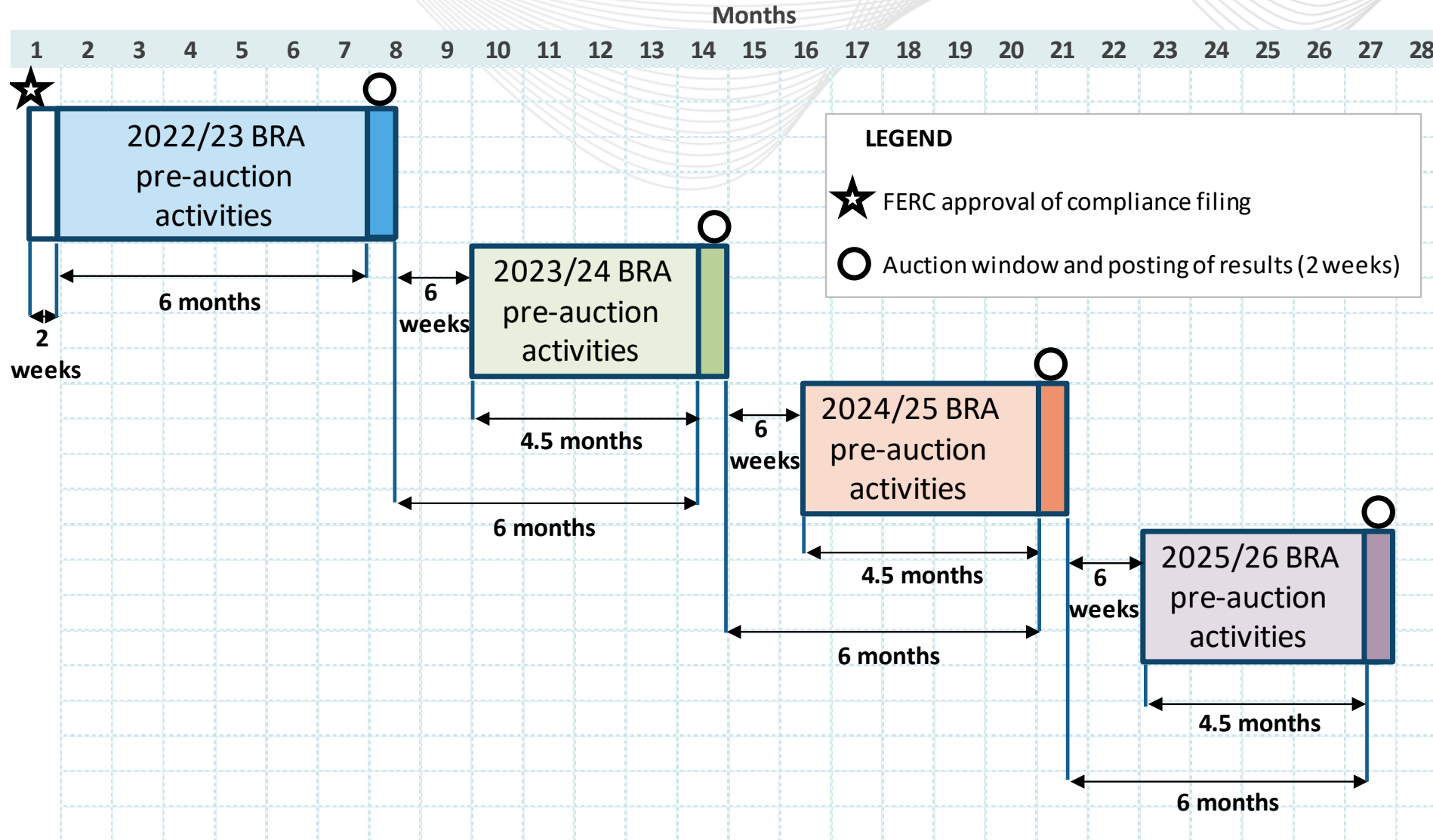
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March 12, 2020

- PJM appreciates the feedback it has received to date on the desired timing of the upcoming auctions.
- PJM respects that there are valid desires to both run the auctions expeditiously and to delay the start of the auctions to provide additional time for state action.
- PJM has listened to and carefully considered stakeholder input and proposes, at this point, the following schedule. PJM welcomes further stakeholder feedback.

- Compress pre-auction activities into 6 months to conduct the next, 2022/2023 BRA as soon as possible after FERC approval of compliance filing
- Request flexibility from FERC to delay start of the 2022/2023 auction no later than mid-March and completion no later than March 31, 2021 IF a state passes legislation PRIOR TO June 1, 2020 and the state requests the additional time
- If FERC approves PJM's compliance filing by September, March 31, 2021 is the last date by which PJM would complete the next auction
- If FERC does not approve PJM's compliance filing by September, first auction would be 6 months after issuance, because that would be after March 2021
- Conduct the 2023/2024 thru 2025/2026 BRAs at 6 month intervals thereafter: six week pause between posting of auction results and commencement of activities for next BRA, and compress pre-auction activities into 4.5 months

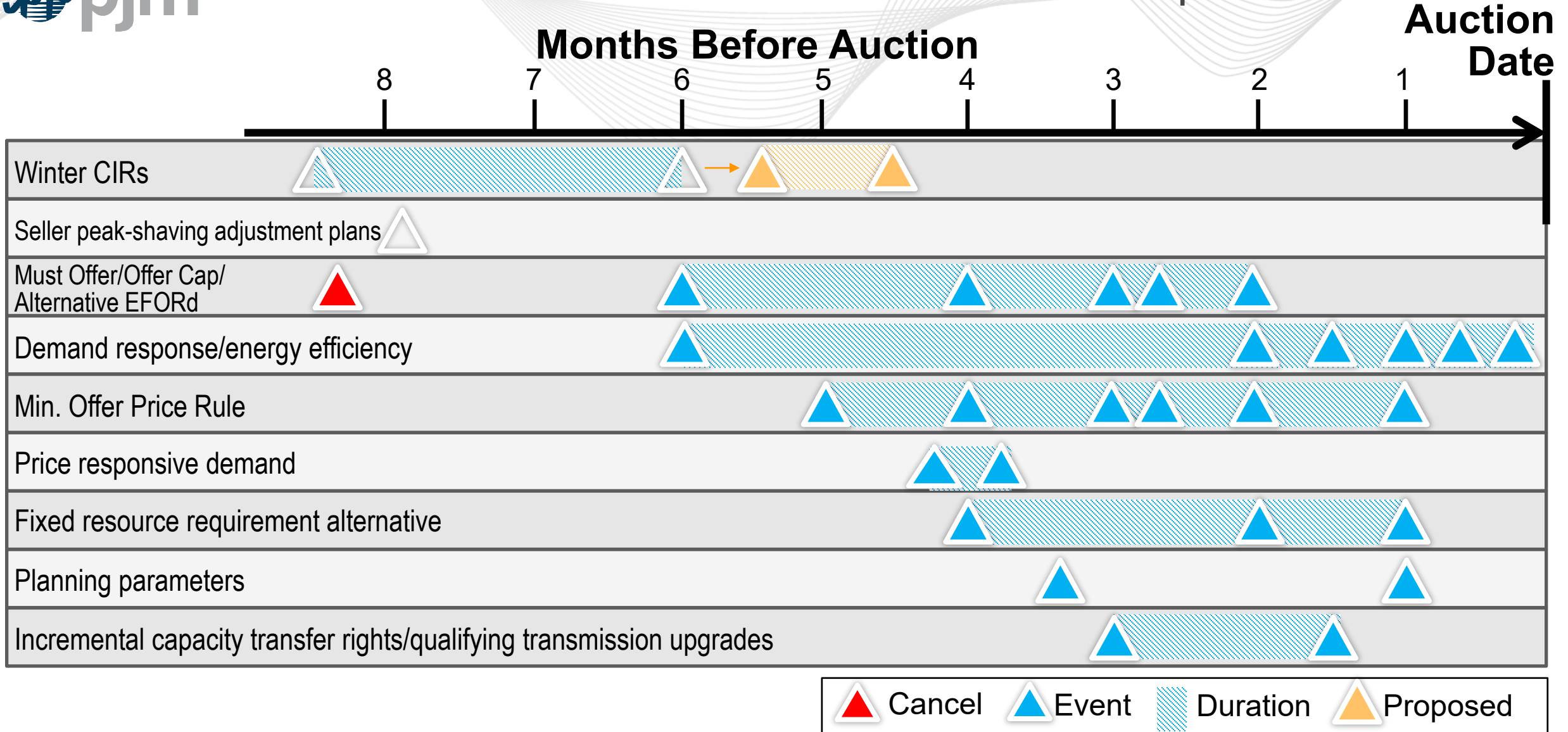
- Sets baseline for executing the next auction as soon as practically possible after receiving FERC approval of PJM's compliance filing – PJM needs 6 months for the first auction under the new rules
- Allows some extra time for any state(s) that pass legislation by June 1, but limits the delay such that auction is completed by March 31, 2021
 - Reason behind the requested flexibility is a direct request from states
 - Requires legislation is passed soon, and stretches as far as reasonable to achieve a balance between providing flexibility and limiting the potential delay
 - Provides certainty as to whether there will be any delay in the next auction by June 1, 2020
- Compresses pre-auction activity timeline for subsequent auctions from the normal 9 months to 6 months for the 22/23 auction and 4.5 months for subsequent auctions to get back on the normal auction schedule



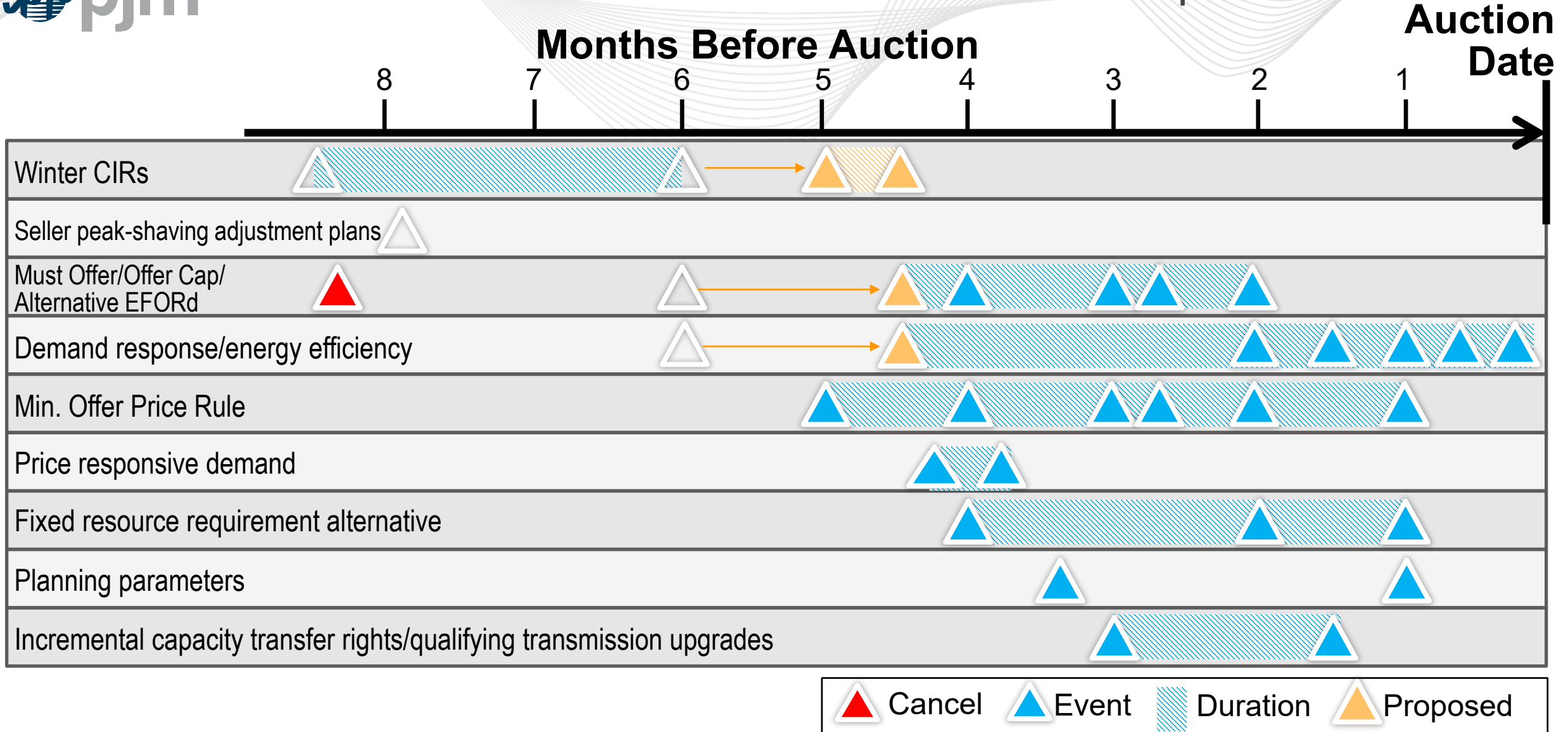


Pre-BRA Activity Deadline Changes

Activity	~ Months Prior to Auction				
	Normal	2022/23 BRA	2023/24 BRA	2024/25 BRA	2025/26 BRA
Winter CIR Open	8.5	5.5	5	5	5
Preliminary must offer for deactivation	8.5	cancel	cancel	cancel	cancel
Winter CIR close	6.5	4.5	4.5	4.5	4.5
Final must offer for deactivation	6	no change	4.5	4.5	4.5
Post DR zones of concern	6	no change	4.5	4.5	4.5



2023/24 thru 2025/26 BRA Proposed Timeline



- PJM will always conduct a Third Incremental Auction
- A scheduled incremental auction will be cancelled if it's normally scheduled date has already passed
- A scheduled incremental auction will be cancelled if it would fall within the same calendar year as the BRA for that delivery year.
 - No material change to the inputs to the incremental auction (i.e. same load forecast, IRM etc.)
- A scheduled incremental auction will be cancelled if it falls within 10 months or less from the BRA for that delivery year.

2019

2020

2021

2022

Normal Incremental Auction Schedule

May



Base Residual Auction

Sept.



July



Feb.



Proposed Incremental Auction Schedule

2022/2023
Delivery
Year

Scheduled
IA date has
passed

Sept.



Dec.



EXAMPLE

Base Residual Auction

July



Feb.



10 months or
less from its
BRA

2020

2021

2022

2023

Normal Incremental Auction Schedule

May



Base Residual Auction

Sept.



July



Feb.



Proposed Incremental Auction Schedule

June



EXAMPLE

Base Residual Auction

Sept.



Same calendar year as BRA

July



Feb.



2023/2024
Delivery
Year

2021

2022

2023

2024

May



Base Residual Auction

Normal Incremental Auction Schedule

Sept.



July



Feb.



Proposed Incremental Auction Schedule

Sept.



July



Feb.



10 months or less from its BRA

2024/2025
Delivery
Year

Dec.



EXAMPLE

Base Residual Auction