

c) New Entry Price Adjustment

A Capacity Market Seller that submits a Sell Offer based on a Planned Generation Capacity Resource that clears in the BRA for a Delivery Year may, at its election, submit Sell Offers with a New Entry Price Adjustment in the BRAs for the six immediately succeeding Delivery Years if:

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a. Such Capacity Market Seller provides notice of such election at the time it submits its Sell Offer for such resource in the BRA for the first Delivery Year for which such resource is eligible to be considered a Planned Generation Capacity Resource;

b. Acceptance of such Sell Offer in such BRA increases the total Unforced Capacity in the LDA in which such Resource will be located from a megawatt quantity below the LDA Reliability Requirement to a megawatt quantity corresponding to a point on the VRR Curve, where price is no greater than 0.40 times the applicable Net CONE divided by (one minus the pool-wide average EFORD); and

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c. Such Capacity Market Seller submits Sell Offers in the BRA for the six immediately succeeding Delivery Years for the entire Unforced Capacity of such Generation Capacity Resource equal to the lesser of: 1) the price in such seller's Sell Offer for the BRA in which such resource qualified as a Planned Generation Capacity Resource.; or 2) 0.90 times the then-current Net CONE, on an Unforced Capacity basis, for such LDA.

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If the Sell Offer is submitted consistent with the foregoing conditions, then:

- (i) in the first Delivery Year, the Resource sets the Capacity Resource Clearing Price for the LDA and all resources in the LDA receive the Capacity Resource Clearing Price.
- (ii) in the subsequent six BRAs, the Resource shall receive the first Delivery Year Capacity Resource Clearing Price for such LDA. If the Resource does not clear, it shall be deemed resubmitted at the highest price per MW at which the Unforced Capacity of such Resource that cleared the first-year BRA will clear the subsequent-year BRA pursuant to the optimization algorithm described in section 5.12(a) of this Attachment, and it shall clear and shall be committed to the PJM Region in the amount cleared, plus any additional minimum-block quantity from its Sell Offer for such Delivery Year, but such additional amount shall be no greater than the portion of a minimum-block quantity, if any, from its first-year Sell Offer that is entitled to compensation for such first year pursuant to section 5.14(b)
- (iii) of this Attachment. The Capacity Resource Clearing Price, and the resources cleared, shall be re-determined to reflect such resubmission. In such case, the Resource submitted under this provision shall be paid for the entire committed quantity the Sell Offer price that it initially submitted in such subsequent BRA. The difference between such Sell Offer Price and the Capacity Resource Clearing Price (as well as any difference

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between the cleared quantity and the committed quantity), will be treated as a Resource Make-Whole Payment in accordance with Section 5.14(b). Other capacity resources that clear the BRA in such LDA receive the Capacity Resource Clearing Price as determined in Section 5.14(a).

The failure to submit a Sell Offer consistent with Section 5.14(c)(i)-(iii) in the BRA for Delivery Years 2-7, shall not retroactively revoke the New Entry Price Adjustment election for any prior Delivery Year.

For each Delivery Year that the foregoing conditions are satisfied, the Office of the Interconnection shall maintain and employ in the auction clearing for such LDA a separate VRR Curve, notwithstanding the outcome of the test referenced in Section 5.10(a)(ii) of this Attachment.

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