MOPR Exception Process
11/2/2011 Meeting

Package 3 Matrix - Details on Design Component #5 Standards for exception
Items 1 & 2 – alternative approach for 10/25/2011 materials

Add under Attachment DD 5.14(h)

(6) Notwithstanding the provisions to the contrary, a Capacity Market Seller, depending on the direct or indirect relationship with an LSE, may submit a Sell Offer, that would have otherwise been subject to restrictions under section 5.14(h), in an RPM Auction for a Planned Generation Capacity Resource ("PGCR") as self-supply and be self-scheduled as a price taker (i.e., at $0) and therefore be awarded or committed regardless of clearing price as long as the following conditions are all satisfied:

> (i) The LSE's size or position in the LDA where the PGCR is located is such that either the LSE's net short in the LDA after existing owned or long-term contracted resources prior to the PGCR is less than 1000 MW or the LSE's Obligation Peak Load in the LDA is less than 1000 MW.

> (ii) The LSE either owns the PGCR or has contracted for the output of PGCR for at least 10 years.

> (iii) The LSE is the beneficial off-taker of the PGCR's energy, ancillary services, and capacity.

> (iv) The LSE's customer(s) bear the PGCR investment gain or loss on revenues from PJM administered markets.

> (v) The LSE is a Public Power Entity or a Single Customer LSE.

Comments

1. The LSE may or may not be the Capacity Market Seller. The LSE could directly be the Capacity Market Seller if the LSE is the resource owner. Or, the LSE could be indirectly related to the Capacity Market Seller through a contractual relationship between the LSE and Capacity Market Seller.
2. Only the volume portion of the PGCR meeting these conditions can be committed as self supply under section 5.14(h)(6).
3. The PGCR under section 5.14(h)(6) is viewed based on the beneficial off-taker rather than solely the Capacity Market Seller meaning the entity submitting the Sell Offer.
4. Note willing to move forward with or without condition in 5.14(h)(6)(v) that further limits the type of LSE.