



Must-Offer Exception Process: PJM/IMM Alternative Proposal

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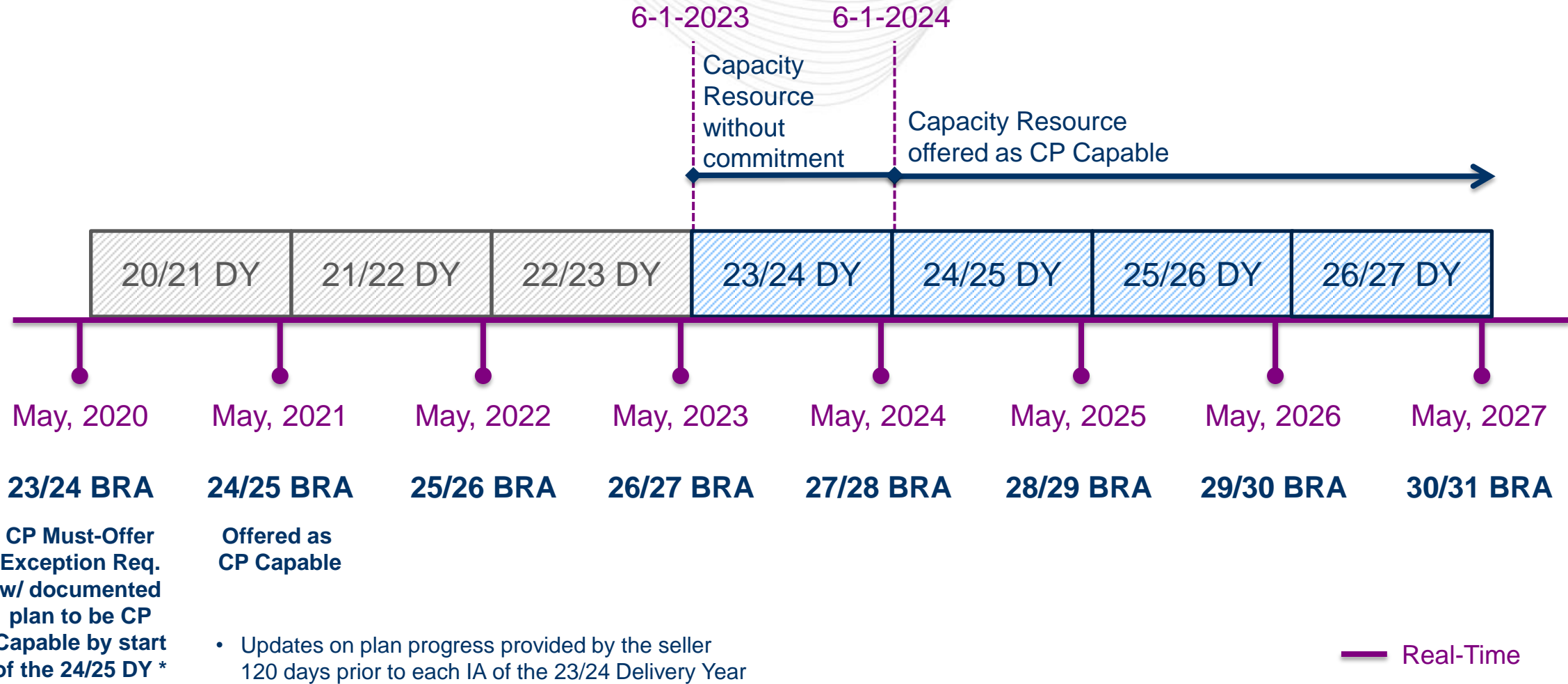
- No changes from the MIC endorsed proposal in regard to:
 - The revisions to the Must-Offer Exception Process for improved efficiency and clarity
 - The documented process for Existing Generation Capacity Resources to voluntarily request a status change to energy only
- Proposes a revised set of rules for Existing Generation Capacity Resources seeking CP Must-Offer Exceptions, and their potential required status change to energy only
 - CP Must-Offer Exception requests, as described in section 6.6A of Att. DD of the Tariff, are those in which the seller is demonstrating their generator is physically incapable of satisfying the requirements of a CP Resource

- Effective with the 2023/2024 Delivery Year, a documented plan shall be required for BRA CP Must-Offer Exception Requests showing the steps the seller intends to pursue for the resource to become physically capable of satisfying the requirements of a CP Resource
- Documented plan shall include:
 - Timeline for design, permitting, procurement, and construction milestones, as applicable; not to exceed one BRA exception
 - Evidence of corporate commitment (e.g., an SEC filing, a press release, or a letter from a duly authorized corporate officer indicating intent to make such investment)

- Updates on the progress, or any changes to the plan shall be provided prior to each relevant auction until the plan has been completed and the resource is physically capable of satisfying the requirements of a CP Resource
 - Must be provided no later than 120 days prior to IAs and by 12/1 prior to subsequent BRAs
- A one year extension to the timeline shall be permissible only for delays (i) not caused by the seller, and (ii) could not have been remedied by the seller through the exercise of due diligence
 - In no event may a CP Must-Offer Exception be requested for more than two BRAs
- Failure to submit a plan or lack of good faith effort by the seller to make the unit physically capable shall result in the required status change to energy only
 - Status change effective with the first Delivery Year for which the resource requested an exception and was not committed as a Capacity Resource (no earlier than the 2023/2024 DY)



Example 1: Plan Submitted w/ CP Must-Offer Exception Request to be CP Capable by the 24/25 DY





Example 2: No Plan Submitted w/ CP Must-Offer Exception Request (Required Status Change)

