

### Capacity Market Enhancements – Data Transparency

#### Problem / Opportunity Statement

After the FERC approved the new marginal ELCC capacity accreditation methodology for all resources in Docket ER24-99, PJM provided significant additional detail related to the calculation methodology in response to Stakeholder request. Based on that information, certain assumptions used in that methodology should be reexamined. Given the large adjustments recently announced to near-term load growth expectations and continued retirement declarations, it has become increasingly important to determine whether and how the accreditation approach as currently implemented will incent needed investment in new and existing resources to maintain resource adequacy.

The complexity of the marginal ELCC methodology remains an important determining factor in the ability of PJM's Capacity Market to send transparent price signals and attract investment where needed.

To make that determination, significantly more data and analytical transparency is needed, such that the following conditions can be met:

1. Resource owners can validate the capacity accreditations assigned to their resources, with consideration of existing, and potential changes to, data confidentiality rules
2. Resource owners can estimate changes in accreditation based on changes to key assumptions
3. Resource owners and investors have the information to understand the underlying assumptions for the indicative 10-year preliminary ELCC class ratings provided by PJM, subject to data confidentiality rules
4. PJM has established a set date within the tariff and/or manuals after which auction planning parameters will no longer be updated due to changes in underlying assumptions

Achieving these conditions will allow the Capacity Market to retain investor confidence and promote healthy competition.