



Order 831: Energy Offer Verification Roadmap

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- FERC Order 831 “Offer Caps”:
 - **Validation of cost of incremental energy offers** that exceed \$1,000/MWh before the unit is allowed to set LMP
 - Maximum incremental cost allowed to set LMP at \$2,000/MWh

“... ensure that a resource’s cost-based incremental energy offer reasonably reflects that resource’s actual or expected costs.”



Offer Verification

- 11/9: FERC largely accepts filing, requests additional details
- ★ 12/11: PJM submits latest compliance filing for Order 831
 - No effective date for implementation was given by the FERC
 - PJM continues to work with vendor with May, 2018 expectation

Legend

- Start Date
- ◆ End Date





Generator Implementation Overview

| | Potential March 2018 - April 2018 | May 2018 Automatic Offer Verification Process |
|------------------------------------|---|--|
| Offer Verification "Screen" | <ul style="list-style-type: none">• Cost Offers > \$1,000 will be rejected in Markets Gateway• Market Seller must submit an offer equal to \$1,000 in Markets Gateway, and provide PJM an excel template with the desired offer curve through SharePoint (Most up-to-date contacts in CAM) | <ul style="list-style-type: none">• Automated screen applied in Markets Gateway at time of offer submission• Cost Offers > \$1,000 will be capped at the at the greater of \$1,000, or the price on the most expensive verified segment on the curve |
| Exception Process | <ul style="list-style-type: none">• If the offer does not pass the verification screen, Market Sellers must submit documentation that supports cost offers > \$1,000• Market Seller to provide to PJM (completed excel template and documentation to support expected or actual fuel costs)• Approval/Rejection answer sent to Market Seller | |

- Energy Offer Verification Page
 - <https://pjm.com/markets-and-operations/energy/energy-offer-verification.aspx>
- Frequently Asked Questions
 - <https://pjm.com/-/media/markets-ops/energy/energy-offer-verification/offer-verification-faqs.ashx?la=en>
- Training – September 2017
 - <https://pjm.com/-/media/committees-groups/forums/tech-change/20170927/20170927-energy-offer-verification-education.ashx?la=en>