

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.”

	2017						2018					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Offer Verification			Training: September 27 							Prod: April 12, 2018 – June 2018 Manual Verification Go Live		Prod: June 2018 Automated Offer Verification Go Live
						Market Trials: Simulated market operation for training purposes						

- 11/9: FERC largely accepts filing, requests additional details
- ★ Effective implementation date of April 12, 2018 was given by FERC
 - PJM continues to work with vendor with June 2018 targeting Automation

Legend

- Start Date
- End Date





Generator Implementation Overview

	April 12, 2018 – June 2018	June 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 > \$2,000 will be rejected in Markets Gateway• Cost Offers > \$1,000 will be capped at the greater of \$1,000, or the price on the highest verified segment of incremental 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>