



# PJM Proposal for Multi-year Price Assurance

Capacity Senior Task Force (CSTF)  
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- Duration of multi-year price assurance is 3 years (1<sup>st</sup> year BRA for qualification plus next 2 BRAs if price assurance provision is triggered)
- All planned and existing generation capacity resources located in a modeled LDA are eligible to request multi-year price assurance treatment
- Any planned or existing generation capacity resource that requests price assurance treatment qualifies for price assurance treatment if:
  - The resource clears the 1<sup>st</sup> year BRA; and,
  - The resource is located in a modeled LDA in which the price assurance provision is triggered
- Resources that qualify must commit to be in-service for entire 3-year duration in order to continue qualification
- Resources that qualify and continue to qualify are guaranteed to receive payment based on 1<sup>st</sup> year BRA clearing price

- Any planned or existing generation capacity resource located in a modeled LDA is eligible to request price assurance treatment
- Eligible resources must notify PJM of price assurance election when submitting sell offer into the 1<sup>st</sup> year BRA
- Any planned or existing generation capacity resource that requests price assurance treatment qualifies for price assurance treatment if:
  - The resource clears the 1<sup>st</sup> year BRA; and,
  - The resource is located in a modeled LDA in which the price assurance provision is triggered

- Price assurance provision is triggered if, absent any one of the cleared Triggering Resources, the total cleared UCAP quantity in a modeled LDA would have been to the left of Point B on the LDA VRR Curve
  - That is the quantity cleared would be below the quantity that provides a reserve margin of IRM+1
- A Triggering Resource is any Planned Generation Capacity Resource or any Existing Generation Capacity Resource with APIR of at least \$450/kW and that has requested Price Assurance.
- Once triggered, any Planned or Existing Generation Capacity Resource that requested price assurance treatment qualifies for price assurance treatment if:
  - The resource cleared in the auction; and,
  - The resource is located in a modeled LDA in which the price assurance provision is triggered

- Any resource that qualifies and continues to qualify for price assurance treatment will receive the 1<sup>st</sup> year BRA clearing price
  - If clearing price of subsequent auction is less than the 1<sup>st</sup> year BRA clearing price, then load is charged to make up the difference
  - If clearing price of subsequent auction is greater than 1<sup>st</sup> year BRA clearing price, then load is credited for the difference

## Requirements for Continued Price Assurance Treatment

- Any resource qualifying for price assurance treatment must:
  - offer into subsequent two auctions at or below Market Seller Offer Cap for the MW quantity that qualified; and,
  - Must remain committed without replacement for the entire 3-year duration
  - If a resource buys out its commitment through an IA or bilateral transaction, it must forfeit the difference between the assurance price and IA or bilateral price if the assurance price is greater than the IA or bilateral price.