

## Enhancements to Deactivation Rules

### Issue Source

PJM/IMM

### Issue Content

Given the anticipated volume of generation resource retirements expected in the coming years, there are areas where the provisions of the Tariff need to be reevaluated.

### Key Work Activities and Scope

1. Provide education around the general deactivation process and the provisions in the Tariff, mostly Part V, regarding requests for units to operate beyond their desired deactivation date, including, but not limited to, how units requested to operate beyond their desired deactivation date are included in the capacity and energy supply stack, and the criteria for and mechanism to account for units operating beyond their desired deactivation date in capacity market auctions.
2. Provide education around the current issues associated with situations where units have been requested to operate beyond their desired deactivation date.
3. Develop solution options for addressing the identified issues.
4. Review and discuss proposed solutions.
5. Refine proposed solutions.

### Areas in scope:

1. Compensation: Compensation mechanism for units agreeing to operate beyond their desired deactivation date. This includes how resources requested to operate beyond their requested deactivation date are offered and modeled in the capacity and energy markets
2. Timing: Deactivation notification timeline and when and under what circumstances a unit is no longer needed to continue to operate beyond its desired deactivation date.
3. Transparency: Ensure any rules developed in relation to in-scope items 1 and 2 include consideration of transparency of information.

### Areas not in scope:

1. Capacity market changes. Any capacity market and/or existing reliability backstop auction issues identified will be assigned separately to the appropriate stakeholder group

**Expected Deliverables**

- Proposed solution to address enhancements to deactivation rules.  
*Corresponding revisions to Part V and potentially other provisions of the Tariff consistent with the solution proposed will be brought to the MRC and MC for review and endorsement. Proposed revisions to PJM Business Practice Manuals conforming to the FERC approved solution will be brought to the appropriate Standing Committees for review and endorsement.*

**Decision-Making Method**

Tier 1 consensus (unanimity) on a single proposal (preferred default option)

**Stakeholder Group Assignment**

New Senior Task Force reporting to the MRC

**Expected Duration of Work Timeline**

Work is expected to be completed and voted out of the Senior Task Force in 4 months.

Start Date	Priority Level	Timing	Meeting Frequency
9/1/2023	<input checked="" type="checkbox"/> High <input type="checkbox"/> Medium <input type="checkbox"/> Low	<input checked="" type="checkbox"/> Immediate <input type="checkbox"/> Near Term <input type="checkbox"/> Far Term	<input type="checkbox"/> Weekly <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly

**Charter**

<input checked="" type="checkbox"/>	This document will serve as the Charter for a new group created by its approval.
<input type="checkbox"/>	This work will be handled in an existing group with its own Charter (and applicable amendments).