

Overview of Capacity Performance

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Key features of Capacity Performance construct

Stricter performance requirements in energy markets with very limited excuses available

Higher
non-performance
charges during
Performance
Assessment Hours

Opportunity for increased capacity market revenues





Increased Performance Expectations

Performance expectations during emergencies

Very limited excuses

Parameter Limited Schedules

Increased Non-Performance Charges

> High nonperformance charge rate

Can result in having to pay back more than all capacity revenues received

Increased Revenue Opportunities

High default offer cap

Opportunity for bonus payments from non-performance charge revenues



- Two voluntary CP Incremental Transition Auctions
 - 16/17 and 17/18 Delivery Years
- Base Residual Auctions (BRAs)
 - 18/19 and 19/20 Delivery Years at least 80% CP, with no more than 20% Base Capacity
 - 20/21 Delivery Year All CP



1st BRA

Obtained more than the targeted 80% of CP (~140,600 MWs)

Clearing prices rose as expected (but below the established cap)

1st Transition Auction

Obtained the targeted amount of CP (~95,000 MWs)

Clearing price robust: (but below the established cap)

2nd Transition Auction

Obtained the targeted amount of CP (~112,000 MWs)

Clearing price robust (but below the established cap)