



<b>Effective Date</b>	2022/23 BRA
<b>Impacted Manual #(s)/Manual Title(s):</b>	
Manual 18: PJM Capacity Market	
<b>Conforming Order(s):</b>	
None	
<b>Associated Issue Tracking Title:</b>	MIC: Must Offer Exception Process Issue
<b>Committee Approval Path - What committee(s) have already seen these changes?</b>	
MIC 9/12/2018 MIC 10/10/2018 MIC 11/7/2018 MRC 12/6/2018 MIC 1/9/2019 MIC 2/6/2019 MIC 3/6/2019 MRC 3/21/2019	
<b>MRC 1<sup>st</sup> read date:</b>	12/6/2018, 3/21/2019 (second First Read)
<b>MRC voting date:</b>	4/25/2019
<b>Impacted Manual sections:</b>	
Section 5.2 RPM Auction Timeline Section 5.4.1 Resource-Specific Sell Offer Requirements Section 5.4.7 Removal of Generation Capacity Resource Status Section 8.9 Replacement Resources	
<b>Reason for change:</b>	
To address the Problem Statement and Issue Charge approved at the MIC to discuss potential reforms to the Must-Offer Exception process for clarity and improved efficiency, as well as a formalized process for Generation Capacity Resources to become an energy-only resource.	
<b>Summary of the changes:</b>	

Clarifying language added in Manual 18 on the Must-Offer Exception process:

- Clarify that Capacity Market Sellers may specify multiple auctions in their submitted written must-offer exception requests to PJM and the IMM
- Clarify that must-offer exception requests are not required for MW involved in an early replacement transaction, as those MW are ineligible to be offered in the auction
- Clarify that timing is an acceptable reason for a CP must-offer exception, specifically in regard to a project that may be needed by the unit to meet the requirements of a CP resource, but cannot be completed in time for the start of the Delivery Year

Business rules added on a process for a Generation Capacity Resource to become energy-only

- Requests seeking to remove Capacity Resource status from a Generation Capacity Resource shall be provided to PJM and the IMM on a timeline consistent with the deadlines for must-offer exception requests related to deactivation
- Capacity Interconnection Rights (CIRs) of the resource losing its Capacity Resource status will be terminated consistent with a generation unit that is deactivating, as described in the Tariff, section 230.3.3
- PJM will run any necessary reliability studies for the loss of CIRs by the generation unit and the IMM will review for potential market power issues
- A status change to energy-only will be required for Existing Generation Capacity Resources that are continually approved for CP Must-Offer Exceptions and not offered in the BRA for three consecutive Delivery Years, starting with the BRA for the 2022/2023 Delivery Year. The status change will be required at the start of the following, or fourth, Delivery Year.