

Joint Stakeholder Transition Package

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Markets & Reliability
Committee Special Session:
Capacity Capability Senior
Task Force

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Negotiated Consensus Package

Sponsors:

- Avangrid
- Dayton Power & Light
- Enel North America
- GlidePath Power Solutions
- Invenergy
- Modern Energy
- Recurrent Energy
- Tangibl / Renewable Developer Clients

Consensus Package Finds Balance Between:

- Accurate and stable market signals
- Stakeholder preferences
- Various business models of asset owners
- Existing and future resources



Table of Minimum Values

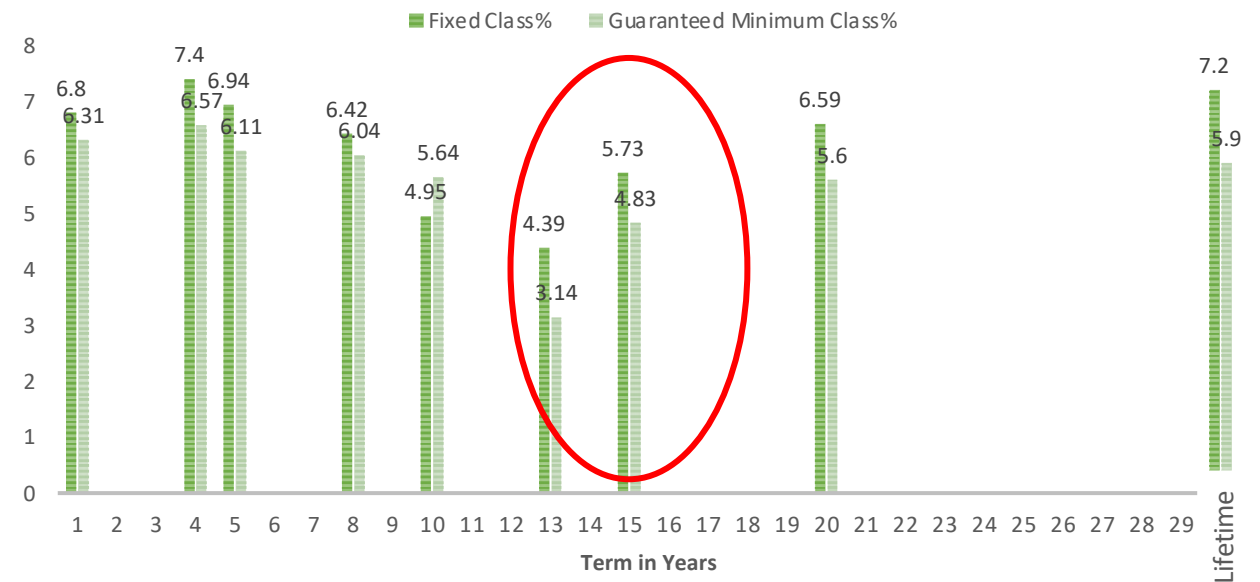
- Allows PJM to be confident in minimum values
- Minimum values unlikely to affect the value of future resources
- Provides investors with baseline visibility

2024 Cohort Example	
DY	Min. Class ELCC%
2024/25	60
2025/26	57
2026/27	54
2027/28	51
2029/30	48
2030/31	45
2031/32	42
2032/33	45
2033/34	48
2034/35	51

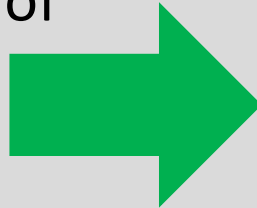
10 Delivery Years

- Equity between business models
 - Most projects financed on 20-year terms
 - Can be refinanced ahead of operation
 - 10 years of visibility unlocks numerous financing options
- Stakeholder Preferences
- Respects PJM forecasting ability

STAKEHOLDER PREFERENCES FROM POLL



Balancing Forecasting and Delivery Years

- **Must Balance:**
 - PJM desire to forecast maximum of 10 years forward
 - Investor need to have baseline visibility for 10 years of revenue (i.e., Delivery Years)
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- **Updated Table of Minimum Values**
 - Forecast only 10 years out
 - Update Table of Minimum Value with one additional year
 - For three additional years

Example 2024 Updated Table of Min. Values

	2024	2025	2026	2027	
DY	Class ELCC%	Class ELCC%	Class ELCC%	Class ELCC%	Project Status
2024/25	60	-	-	-	Signs ISA / Clears BRA
2025/26	57		-	-	Under Construction
2026/27	54			-	Under Construction
2027/28	51				Delivery Year
2029/30	48				Delivery Year
2030/31	45				Delivery Year
2031/32	42				Delivery Year
2032/33	45				Delivery Year
2033/34	48				Delivery Year
2034/35	51				Delivery Year
2035/36	-	53			Delivery Year
2036/37	-	-	55		Delivery Year
2037/38	-	-	-	57	Delivery Year

Update →
Update →
Update →



10
Delivery
Years

Transition Mechanism

- This transition package will be evaluated in the 2026 quadrennial review, in which PJM will evaluate its efficacy and appropriateness and make recommendations as to whether some or all components of this package should be reconsidered through a stakeholder process.”
- In the year that a Resource's Table of Minimum Class ELCC% Values expires, the rules in place at that time will apply. So if in 2038, the applicable market rules provide an ELCC% value that changes each year, with no floor, a Resource whose initial Table of Minimum Class ELCC% Values expires after 2037/38 would be subject to those rules.

Updated Table of Minimum Values

Finds Balance Among Competing Interests:

- Market Signal accuracy and stability
- Stakeholder preferences
- Business models of asset developers and owners
- Project financing requirements in face of new type of risk category
- PJM comfort
- Equity between existing and future resources