

PRD Proposal

MRC

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Consistency within CP design

- **The MMU proposal adjusts the PRD rules to create a consistent product within the CP design without additional changes to PRD.**



Differs for All but Three Items

Design Components	PJM	Proposal C	IMM Proposal
Auction/FRR Plan credit requirement	Credit based on new CP rates (which are higher than base rates)	same as PJM	same as PJM
Auction/FRR Plan Nominated capacity amount (PRD plan)	Existing based on prior registered capacity nomination, Planned based on estimated nominated capacity amount	same as PJM	PLC - FSL (adjusted for losses)
Nominated capacity amount (PRD registration)	Lesser of: PLC - Summer FSL (adjusted for losses), WPL - Winter FSL (adjusted for WWAFF and losses)	same as PJM	PLC - FSL (adjusted for losses)
Daily Commitment Compliance Penalty Rate	status quo	same as PJM	same as PJM
Event Compliance Penalty Rate	Subject to CP non-performance assessment. Higher of (Net Cone * 365/30 and Daily Commitment Penalty), up to the stop loss provision. Penalty applied on hourly basis	same as PJM	Subject to same CP non-performance penalties as all CP resources.
Test Failure Charge Rate	status quo	same as PJM	same as PJM
load reduction measurement	Summer = PLC minus Summer load, Winter = adjusted WPL minus Winter load. Performance measured for each hour	same as PJM	PLC - load. Performance measured for each hour.
add back (PJM unrestricted load for forecast and customer PLC input)	Based on when PRD required to reduce load from PRD energy curve (add back amount based on capacity compliance amount)	same as PJM	Need to discuss details of add back logic.
Trigger to assess CP Penalty	PAH and LMP greater than PRD curve triggers penalty	PAH	PAH
Overperformance/bonus payments	overperformance will be eligible for bonus payment (similar to Load Management event), update balancing ratio calculation to include PRD bonus performance (similar to DR bonus performance).	same as PJM	only eligible if PAH is trigger for performance requirement
Registration aggregation	status quo	same as PJM	PRD may aggregate with PRD within the same LDA

Consistency with CPDesign

- **The cost of capacity is allocated by PJM to LSEs based on customers' demand (PLC) in the single coincident peak hour in PJM (a summer hour).**
- **Load pays for capacity equal to PLC. PLC is the metric for reduced use at any time of the year.**
- **Treating capacity as an annual product is consistent with CP definition.**



PAH and bonus

- **PRD should be off during any PAH regardless of LMP.**
 - **Same rules for all CP resources.**
- **PRD should be eligible for bonus payments only if PRD has performance obligation.**



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