

News

PJM CAPACITY MARKET REFORMS: CHANGES IN RESOURCE ACCREDITATION AND NEW TESTING REQUIREMENTS

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BCLP Counsel Maxwell Multer authored an article in [Power magazine](#) discussing PJM’s capacity market reform package recently approved by the Federal Energy Regulatory Commission (FERC). Key market reforms discussed include shifting from Equivalent Demand Forced Outage Rate (EFORd) to Effective Load Carrying Capability (ELCC) for capacity accreditation, new capacity testing requirements, a mandatory “binding notice of intent” to participate in capacity auctions, a significant reduction in the Performance Assessment Interval (PAI) “stop loss” penalty charge amount, and aligning the calculations of RPM and Fixed Resource Requirement (FRR) insufficiency and deficiency charges while providing a multi-year waiver of insufficiency charges as a transition mechanism. Most changes are effective beginning with the 2025/2026 Delivery Year.

PJM is a Regional Transmission Organization (RTO) that operates the transmission grid and coordinates the movement of wholesale electricity in all or parts of 13 states and the District of Columbia.

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