



DATE: January 6, 2018
TO: PJM Market Participants
FROM: The Independent Market Monitor for PJM
SUBJECT: Energy Price Offers in Excess of \$1,000 per MWh

This market message is to inform PJM market participants that it is the opinion of the Independent Market Monitor for PJM that:

The PJM OATT and Operating Agreement require that all incremental energy offers exceeding \$1,000 per MWh be cost based. An incremental energy offer on the price offer schedule that exceeds \$1,000 per MWh cannot exceed the incremental energy offer on the cost offer schedule for the corresponding MW level. If the price offer does exceed the cost offer for a corresponding MW level, the cost offer schedule must be used. A price offer over \$1,000 per MWh that exceeds the cost offer at any MW level constitutes a tariff violation.

From the OA, Section 1.10.1A (d) (viii), offers:

Shall not exceed an energy offer price of \$1,000/megawatt-hour for all generation resources, except (1) when a Market Seller's cost-based offer is above \$1,000/megawatt-hour and less than or equal to \$2,000/megawatt-hour, then its market-based offer must be less than or equal to the cost-based offer; and (2) when a Market Seller's cost-based offer is greater than \$2,000/megawatt-hour, then its market-based offer must be less than or equal to \$2,000/megawatt-hour;