



MARKET MONITORING ISSUES

Energy Market Committee
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Black Start Working Group Issues

- Calculation of black start requirements/critical units
 - Transmission owners to submit critical units by April 10
 - Transmission owners to submit restoration plans
- Calculation of cost of black start
 - Generator data received (preliminary)
 - Generators to submit data for critical units by April 19
- PJM presentation to EMC at May 1 meeting
- EMC vote at June 20 meeting
- MC vote at June 21 meeting



Black Start Working Group Issues

- Transmission tariff black start cost collection.
 - Documentation required
 - Discussion with TOA Administrative Committee on April 5
- Zonal or PJM rates
 - Potential significant differences among zonal rates
 - Issue: Treatment of Rockland and UGI
- Incentive factor
 - Too low given performance penalties?
- Confidentiality
 - Zonal or unit specific costs filed with FERC



Market Monitoring Organization WG

- Next meeting on April 11
- Defined matrix of issues with three basic positions
- Group One:
 - Separate Board Monitoring Committee
 - MMU reports to Board only
- Group One End State:
 - Separate Market Monitoring non-profit company
 - Separate Market Monitoring board
- Group Two:
 - MMU reports to CEO and to Board
- Other issues
 - Confidentiality
 - Enforcement
 - Data management



Capacity Imports

- Transmission requirements for capacity imports
- Firm transmission required
 - RAA
 - Training
 - FAQs
- “In addition, for Capacity Resources located outside the metered boundaries of the PJM Control Area that are used to meet an Accounted-For Obligation, the capacity and energy of such Capacity Resources must be delivered to the metered boundaries of the PJM Control Area through firm transmission service.”
- Comparability with internal capacity resources



Start costs for Market Offers

- PJM implemented cost-based start costs for market-based offers
- Filed with FERC on October 19, 2001
- Approved by FERC on November 21, 2001
- Software implementation complex: 3-6 months
- Interim manual solution:
 - Weekly changes
 - Submit data to MMU on Monday by 1200
 - MMU verifies and provides to Market Operations by COB Monday
 - Market Operations enters data into database



Monthly Fuel Cost Data Reporting

- Fuel cost data reporting requirement: “eFUELS”
- Fuel cost data monthly
 - Like FERC/EIA 423
 - Fuel costs by plant
 - Fuel costs by unit
 - Fuel costs for all units
- GADS database
 - Card 98U: Unit specific fired fuel cost data
 - Card 98P: Plant specific delivered fuel cost data
 - Card 99: Unit specific fuel volume data
- Authorization: Membership form on pjm.com
- Web based training presented
- Training materials on pjm.com



Monthly Fuel Cost Data Reporting

- Authority to request data
- Pre-1996 units
 - MMU has authority to monitor compliance with market rules
 - Cost Development Task Force Manual
 - Compliance enforced by FERC
- Post-1996 units
 - MMU has authority to monitor for exercise of market power
 - MMU has authority to request data under the Market Monitoring Plan
 - Compliance enforced by FERC
- Use of fuel cost data
 - Verify cost curves
 - Market power monitoring
 - Fuel-cost weighted market price calculations/reporting



Transmission Facility Monitoring

- Penelec has an outstanding request for PJM to monitor additional facilities as of June 1
- MMU has requested Planning and Operational analyses of impacts
- Evaluation of whether facilities comply with new TMCWG guidelines
- MMU concerned about market impacts
- MMU may oppose PJM acceptance of the additional facilities:
 - if the facilities do not meet the TMCWG guidelines
 - and there are market impacts which result from the failure of these facilities to comply with the guidelines and any differences in operations which result