

Market Monitor Report

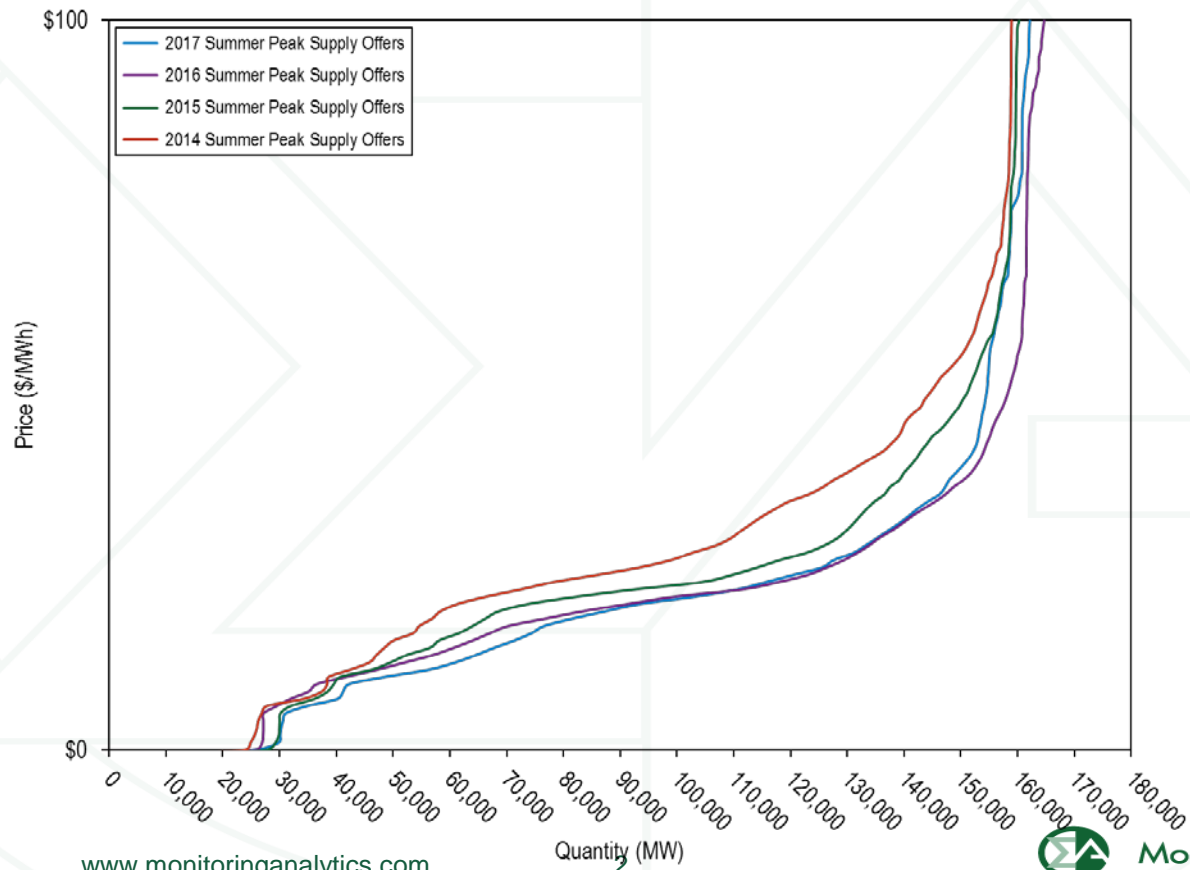
Members Committee
September 25, 2017

Catherine Tyler

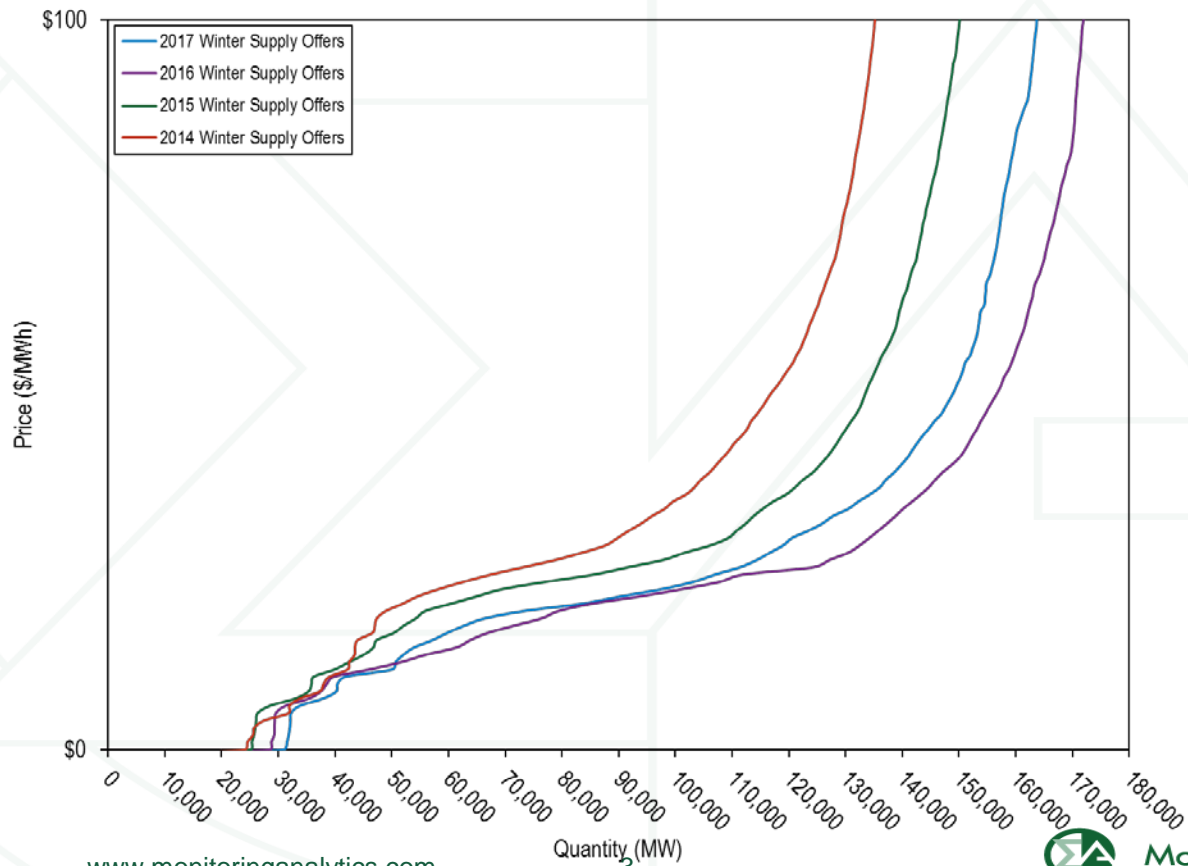


Monitoring Analytics

Summer Peak Supply Curve



Winter Peak Supply Curve



Fuel Cost Policy Annual Review

- Review focus is hourly and intraday offers.
- Day-ahead offers should no longer include intraday costs, whether opt in or out.
- Intraday updates require objective triggers.

IMM Status	Units	Percent
Pass	722	53%
Submitted	323	24%
Fail	199	15%
Reviewed - Major	109	8%
Reviewed - Minor	12	1%
Not Submitted	0	0%
Total	1,365	100%

Price Update Timing in Fuel Cost Policies

Rationale for tying price update frequency (not price level) to cost update frequency:

- **Cost offers should be required to be reduced, and have the option to increase, with fuel prices, regardless of whether the price offer changes.**
- **Market Sellers that want to limit the obligation to check the fuel market, should also limit the frequency of price changes.**
- **Without tying the two offers, Market Sellers could make only upward offer updates.**

MIRA COA Compliance

- **The MIRA Cost Assumptions Module allows the MMU to verify cost offer compliance.**
- **Important for verification of cost offers exceeding \$1,000/MWh.**
 - **PJM verification will use COA.**
 - **Inaccurate or missing COA data should be rectified prior to October 1.**

Cost based Start and No Load Requirements

- **OA Schedule 1, Section 1.9.7(b)**
- **Two options for start up and no load costs in price-based offers:**
 1. **Market based values, restricted to updates once each six months**
 2. **Cost based values, updated daily**
 - **Hourly beginning Nov. 1, 2017**

Cost based Start and No Load Implementation

- **Market Seller chooses option for each six months and informs PJM.**
- **PJM locks the price based value if the market based option is chosen.**
- **The Market Seller bears the responsibility to correctly submit cost based values.**
- **The MMU monitors for differences between the cost based values in cost schedules and price schedules.**

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