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DATE: March 30, 2019
TO: PJM Market Participants
FROM: PJM Market Monitoring Unit
SUBJECT: MMU Fuel Cost Policy Templates Revisions

The Market Monitor has updated the fuel cost policy templates posted on Monitoring Analytics website.

These templates were developed by Monitoring Analytics to aid Market Sellers in the development of fuel cost policies that meet the Market Monitor's standards. These templates can be used to update current fuel cost policies or to draft fuel cost policies for new resources.

The updates include:

- Removal of the company details and unit information. The fuel cost policy to unit assignment is supported by the MIRA Fuel Cost Policy module. The company and unit information in the fuel cost policy is redundant.
- Removal of the general overview language in the natural gas fuel cost policies. FERC recommended the refinement of Fuel Cost Policies in order to prevent disputes between the Market Monitor, PJM and Market Sellers. This refinement helps ensure that the content of the fuel cost policy is specifically about the referenced units.¹
- Inclusion of the definition of independent third party quotes.
- Removal of the Day-Ahead Energy Market and rebid period deadlines. This will prevent future fuel cost policy updates due to changes to PJM market deadlines.
- Removal of references to operating costs and other fuel related costs. Operating costs are not part of Fuel Cost Policies. There is a separate review of operating costs.
- Removal of multiday next day product section in the natural gas cost policy template. Market Sellers can still include a section in their fuel cost policies to describe the process used to develop multiday next day prices.

If you have any questions, please email MMU_Energy_Offers_Review@monitoringanalytics.com.

¹ 169 FERC ¶ 61,231