



Market Monitoring Issues

EMC
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MMU Issues

- Role of the Cost Development Task Force
 - The CDTF discusses and provides input on the cost of providing products to PJM markets
 - The historical (pre-market) function of CDTF cost input was to enable split savings arrangements
 - The current (market) function of the CDTF cost input is related to cost caps for the mitigation of local market power
 - Thus, the role of the CDTF is to discuss and provide input on cost caps for mitigating local market power

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- Future role of the Cost Development Task Force
 - CDTF representatives are primarily generation owners
 - CDTF members must be sensitive to antitrust issues
 - Generation owners cannot discuss setting prices.
 - Generation owners cannot discuss setting prices that apply when unit offers are being mitigated, i.e. cost capped.

- Future role of the Cost Development Task Force
 - The CDTF shall be an advisory group meeting at PJM's request to review PJM proposed modifications to the Cost Development Guidelines
- Input to MMU regarding appropriate costs for inclusion in market power mitigation caps
 - Appropriately via bilateral discussions with MMU
 - General proposals that result could be reviewed by the EMC

- Authority to approve changes in the definition of costs lies with the PJM Board per the Operating Agreement (Schedule 2(d))
- (d) The PJM Board, upon consideration of the advice and recommendations of the Members Committee, shall from time to time define in detail the method of determining the costs entering into the said components, and the Members shall adhere to such definitions in the preparation of incremental costs used on the Interconnection.