

TABLE OF CONTENTS

PREFACE	I	Markup Component of Real-Time Zonal Prices	19
SECTION 1 - INTRODUCTION	1	Markup by Real-Time System Price Levels	19
<i>PJM Market Background</i>	1	Day-Ahead Markup	19
<i>Conclusions</i>	1	Unit Markup Characteristics	20
<i>Role of MMU in Market Design Recommendations</i>	2	Markup Component of System Price	21
<i>Recommendations</i>	2	Markup Component of Zonal Prices	21
<i>Total Price of Wholesale Power</i>	2	Markup by System Price Levels	21
Components of Total Price	2	Markup Component by Fuel, Unit Type	21
SECTION 2 – ENERGY MARKET, PART 1	5	Frequently Mitigated Unit and Associated Unit Adders – Component of Price	22
<i>Overview</i>	5	<i>Market Performance: Load and LMP</i>	22
Market Structure	5	Load	22
Market Performance: Markup, Load and Locational Marginal Price	6	Locational Marginal Price (LMP)	28
Demand-Side Response	7	Load and Spot Market	50
Conclusion	8	<i>Demand-Side Response (DSR)</i>	52
<i>Market Structure</i>	9	PJM Load Response Programs Overview	52
Supply	9	Participation	52
Demand	9	SECTION 3 - ENERGY MARKET, PART 2	61
Market Concentration	10	<i>Overview</i>	61
Local Market Structure and Offer Capping	11	Net Revenue	61
Local Market Structure	12	Existing and Planned Generation	62
<i>Market Performance: Markup</i>	17	Scarcity	62
Real-Time Markup	17	Credits and Charges for Operating Reserve	62
Unit Markup Characteristics	18	Conclusion	63
Markup Component of System Price	19	<i>Net Revenue</i>	65



TABLE OF CONTENTS

2010 Quarterly State of the Market Report for PJM: January through June

Capacity Market Net Revenue	65	Interface Imports and Exports	109
New Entrant Net Revenues	66	<i>Interface Pricing</i>	<i>112</i>
New Entrant Combustion Turbine	67	PJM Interface Pricing with Organized Markets	113
New Entrant Combined Cycle	68	Operating Agreements with Bordering Areas	117
New Entrant Coal Plant	68	<i>Interchange Transaction Issues</i>	<i>119</i>
New Entrant Day-Ahead Net Revenues	69	Loop Flows	119
Net Revenue Adequacy	71	TLRs	120
<i>Existing and Planned Generation</i>	<i>75</i>	Interface Pricing Agreements with Individual Companies	122
Installed Capacity and Fuel Mix	75	Spot Import	124
Energy Production by Fuel Source	75	Willing to Pay Congestion and Not Willing to Pay Congestion	125
Planned Generation Additions	76	Ramp Availability	125
<i>Operating Reserve</i>	<i>82</i>	SECTION 5 – CAPACITY MARKET 127	
Credit and Charge Categories	82	<i>Overview</i>	<i>127</i>
Credit and Charge Results	84	RPM Capacity Market	127
Characteristics of Credits and Charges	88	Generator Performance	130
Impacts of Revised Operating Reserve Rules	90	Conclusion	130
Concentration of Unit Ownership for Operating Reserve Credits	95	<i>RPM Capacity Market</i>	<i>132</i>
Eastern Reliability	97	Market Structure	132
SECTION 4 – INTERCHANGE TRANSACTIONS 101		Market Conduct	137
<i>Overview</i>	<i>101</i>	<i>Generator Performance</i>	<i>144</i>
Interchange Transaction Activity	101	Generator Performance Factors	144
Interactions with Bordering Areas	101	Generator Forced Outage Rates	145
Interchange Transaction Issues	105	SECTION 6 - ANCILLARY SERVICE MARKETS 151	
Conclusion	107	<i>Overview</i>	<i>151</i>
<i>Interchange Transaction Activity</i>	<i>108</i>	Regulation Market	151
Aggregate Imports and Exports	108	Synchronized Reserve Market	152

DASR	154	Constraint Costs	176
Black Start Service	155	Congestion-Event Summary for Midwest ISO Flowgates	178
Conclusion	155	Congestion-Event Summary for the 500 kV System	180
Regulation Market	156	Zonal Congestion	181
Market Structure	156	Summary	181
Market Performance	158	Details of Regional and Zonal Congestion	183
Regulation Market Changes	159		
Synchronized Reserve Market	160	SECTION 8 – FINANCIAL TRANSMISSION AND AUCTION REVENUE RIGHTS	217
Market Structure	160	Overview	217
Market Conduct	162	Financial Transmission Rights	217
Market Performance	163	Auction Revenue Rights	219
Day Ahead Scheduling Reserve (DASR)	165	Market Performance	219
Black Start Service	165	Conclusion	220
		Financial Transmission Rights	220
SECTION 7 – CONGESTION	167	Supply	220
Overview	167	Market Performance	221
Congestion Cost	167	Auction Revenue Rights	232
Congestion Component of LMP and Facility or Zonal Congestion	167	Market Structure	232
Economic Planning Process	168	Market Performance	234
Conclusion	169		
Congestion	170		
Total Calendar Year Congestion	170		
Monthly Congestion	170		
Congestion Component of LMP	171		
Congested Facilities	171		
Congestion by Facility Type and Voltage	171		
Constraint Duration	174		

TABLES

SECTION 1 - INTRODUCTION..... 1

Table 1-1 Total price per MWh by Category and Total Revenues by Category:
January through December 2009 and January through June 2010
(See 2009 SOM, Table 1-1) 3

SECTION 2 – ENERGY MARKET, PART 1 5

Table 2-1 Actual PJM footprint peak loads: April through June of 2003 to 2010
(See 2009 SOM, Table 2-1) 9

Table 2-2 PJM hourly Energy Market HHI: January through June 2010 (See 2009
SOM, Table 2-2). 10

Table 2-3 PJM hourly Energy Market HHI (By segment): January through
June 2010 (See 2009 SOM, Table 2-3) 10

Table 2-4 Annual real-time offer-capping statistics: Calendar years 2006 through
June 2010 (See 2009 SOM, Table 2-4) 11

Table 2-5 Real-time offer-capped unit statistics: January through June 2010
(See 2009 SOM, Table 2-5) 11

Table 2-6 Look ahead UDS based three pivotal supplier results summary for
regional constraints: January 1, 2010 through June 8, 2010 (See 2009 SOM,
Table 2-6) 12

Table 2-7 SCED 2 based three pivotal supplier results summary for regional
constraints: June 9, 2010 through June 30, 2010 (See 2009 SOM,
Table 2-6). 12

Table 2-8 Look ahead UDS based three pivotal supplier test details for
regional constraints: January 1, 2010 through June 8, 2010 (See 2009 SOM,
Table 2-7). 13

Table 2-9 SCED 2 based three pivotal supplier test details for regional constraints:
June 8, 2010 through June 30, 2010 (See 2009 SOM, Table 2-7) 13

Table 2-10 Three pivotal supplier results summary for constraints located in
the AECO Control Zone: January 1, 2010 through June 8, 2010
(See 2009 SOM, Table 2-10) 14

Table 2-11 Three pivotal supplier test details for constraints located in the
AECO Control Zone: January 1, 2010 through June 8, 2010 (See 2009
SOM, Table 2-11). 14

Table 2-12 Three pivotal supplier results summary for constraints located in the AEP
Control Zone: January 1, 2010 through June 8, 2010 (See 2009 SOM,
Table 2-12). 14

Table 2-13 Three pivotal supplier test details for constraints located in the
AEP Control Zone: January 1, 2010 through June 8, 2010 (See 2009 SOM,
Table 2-13). 14

Table 2-14 Three pivotal supplier results summary for constraints located in the
AP Control Zone: January 1, 2010 through June 8, 2010 (See 2009 SOM,
Table 2-14). 14

Table 2-15 Three pivotal supplier test details for constraints located in the AP
Control Zone: January 1, 2010 through June 8, 2010 (See 2009 SOM,
Table 2-15). 15

Table 2-16 Three pivotal supplier results summary for constraints located in the
BGE Control Zone: January 1, 2010 through June 8, 2010 (See 2009 SOM,
Table 2-16). 15

Table 2-17 Three pivotal supplier test details for constraints located in the
BGE Control Zone: January 1, 2010 through June 8, 2010 (See 2009 SOM,
Table 2-17). 15

Table 2-18 Three pivotal supplier results summary for constraints located in
the ComEd Control Zone: January 1, 2010 through June 8, 2010
(See 2009 SOM, Table 2-18) 15

Table 2-19 Three pivotal supplier test details for constraints located in the
ComEd Control Zone: January 1, 2010 through June 8, 2010
(See 2009 SOM, Table 2-19) 16

Table 2-20 Three pivotal supplier results summary for constraints located in
the DLCO Control Zone: January 1, 2010 through June 8, 2010
(See 2009 SOM, Table 2-20) 16

Table 2-21 Three pivotal supplier test details for constraints located in the
DLCO Control Zone: January 1, 2010 through June 8, 2010 (See 2009
SOM, Table 2-21). 16

Table 2-22 Three pivotal supplier results summary for constraints located in
the Dominion Control Zone: January 1, 2010 through June 8, 2010
(See 2009 SOM, Table 2-22) 16

Table 2-23 Three pivotal supplier test details for constraints located in the
Dominion Control Zone: January 1, 2010 through June 8, 2010 (See
2009 SOM, Table 2-23) 17

Table 2-24 Three pivotal supplier results summary for constraints located in
the PSEG Control Zone: January 1, 2010 through June 8, 2010
(See 2009 SOM, Table 2-30) 17

Table 2-25 Three pivotal supplier test details for constraints located in the
PSEG Control Zone: January 1, 2010 through June 8, 2010
(See 2009 SOM, Table 2-31) 17

Table 2-26 Marginal unit contribution to PJM real-time, annual, load-weighted
LMP (By parent company): January through June 2010
(See 2009 SOM, Table 2-32) 17

Table 2-27 Type of fuel used (By real-time marginal units): January through
June 2010 (See 2009 SOM, Table 2-33) 18

Table 2-28 The markup component of the overall PJM real-time, load-weighted,
average LMP by primary fuel type and unit type: January through June 2010
(See 2009 SOM, Table 2-34) 18

Table 2-29 Average, real-time marginal unit markup index (By price category):
January through June 2010 (See 2009 SOM, Table 2-35) 18

Table 2-30 Monthly markup components of real-time load-weighted LMP:
January through June 2010 (See 2009 SOM, Table 2-36) 19

Table 2-31 Average real-time zonal markup component: January through
June 2010 (See 2009 SOM, Table 2-37) 19

Table 2-32 Average real-time markup component (By price category):
January through June 2010 (See 2009 SOM, Table 2-38) 19

Table 2-33 Marginal unit contribution to PJM day-ahead, annual, load-weighted LMP (By parent company): January through June 2010 (See 2009 SOM, Table 2-39)	19	Table 2-55 RGGI CO ₂ allowance auction prices and quantities: 2009-2011 Compliance Period (See 2009 SOM, Table 2-62)	33
Table 2-34 Day-ahead marginal resources by type/fuel: January through June 2010 (See 2009 SOM, Table 2-40)	20	Table 2-56 PJM real-time annual, fuel-cost-adjusted, load-weighted LMP (Dollars per MWh): January through June 2009 and 2010 (See 2009 SOM, Table 2-63).	33
Table 2-35 Average, day-ahead marginal unit markup index (By primary fuel and unit type): January through June 2010 (See 2009 SOM, Table 2-41)	20	Table 2-57 Components of PJM real-time, annual, load-weighted, average LMP: January 1, 2010, through June 30, 2010 (See 2009 SOM, Table 2-64)	33
Table 2-36 Average, day-ahead marginal unit markup index (By price category): January through June 2010 (See 2009 SOM, Table 2-42)	20	Table 2-58 PJM day-ahead, simple average LMP (Dollars per MWh): Calendar years 2000 through June 2010 (See 2009 SOM, Table 2-65).	34
Table 2-37 Monthly markup components of day-ahead, load-weighted LMP: January through June 2010 (See 2009 SOM, Table 2-43)	21	Table 2-59 Zonal day-ahead, simple average LMP (Dollars per MWh): January through June 2009 and 2010 (See 2009 SOM, Table 2-66)	35
Table 2-38 Day-ahead, average, zonal markup component: January through June 2010 (See 2009 SOM, Table 2-44)	21	Table 2-60 Jurisdiction day-ahead, simple average LMP (Dollars per MWh): January through June 2009 and 2010 (See 2009 SOM, Table 2-67)	35
Table 2-39 Average, day-ahead markup (By price category): January through June 2010 (See 2009 SOM, Table 2-45)	21	Table 2-61 PJM day-ahead, load-weighted, average LMP (Dollars per MWh): Calendar years 2000 through June 2010 (See 2009 SOM, Table 2-68)	36
Table 2-40 Markup component of the overall PJM day-ahead, load-weighted, average LMP by primary fuel type and unit type: January through June 2010 (See 2009 SOM, Table 2-46)	21	Table 2-62 Zonal day-ahead, load-weighted, average LMP (Dollars per MWh): January through June 2009 to 2010 (See 2009 SOM, Table 2-69).	37
Table 2-41 Frequently mitigated units and associated units (By month): January through June 2010 (See 2009 SOM, Table 2-47)	22	Table 2-63 Jurisdiction day-ahead, load weighted LMP (Dollars per MWh): January through June 2009 and 2010 (See 2009 SOM, Table 2-70)	37
Table 2-42 Frequently mitigated units and associated units total months eligible: January through June 2010 (See 2009 SOM, Table 2-48)	22	Table 2-64 Components of PJM day-ahead, annual, load-weighted, average LMP (Dollars per MWh): January through June 2010 (See 2009 SOM, Table 2-71).	38
Table 2-43 PJM real-time average load: Calendar years 1998 through June 2010 (See 2009 SOM, Table 2-49)	23	Table 2-65 PJM real-time, simple average LMP components (Dollars per MWh): Calendar years 2006 through June 2010 (See 2009 SOM, Table 2-72).	38
Table 2-44 PJM annual Summer THI, Winter WWP and average temperature: cooling, heating and shoulder months of 2006 through June 2010 (See 2009 SOM, Table 2-51)	23	Table 2-66 Zonal real-time, simple average LMP components (Dollars per MWh): January through June 2009 and 2010 (See 2009 SOM, Table 2-73).	39
Table 2-45 PJM day-ahead average load: Calendar years 2000 through June 2010 (See 2009 SOM, Table 2-52).	24	Table 2-67 Hub real-time, simple average LMP components (Dollars per MWh): January through June 2010 (See 2009 SOM, 2-74).	40
Table 2-46 Cleared day-ahead and real-time load (MWh): January through June 2010 (See 2009 SOM, Table 2-53).	25	Table 2-68 Zonal and PJM real-time, annual, load-weighted, average LMP components (Dollars per MWh): January through June 2010 (See 2009 SOM, Table 2-75).	40
Table 2-47 Day-ahead and real-time generation (MWh): January through June 2010 (See 2009 SOM, Table 2-54)	26	Table 2-69 PJM day-ahead, simple average LMP components (Dollars per MWh): Calendar years 2006 through June 2010 (See 2009 SOM, Table 2-76).	41
Table 2-48 PJM real-time, simple average LMP (Dollars per MWh): Calendar years 1998 through June 2010 (See 2009 SOM, Table 2-55).	28	Table 2-70 Zonal day-ahead, simple average LMP components (Dollars per MWh): January through June 2009 and 2010 (See 2009 SOM, Table 2-77).	41
Table 2-49 Zonal real-time, simple average LMP (Dollars per MWh): January through June 2009 and 2010 (See 2009 SOM, Table 2-56)	29	Table 2-71 Zonal and PJM day-ahead, load-weighted, average LMP components (Dollars per MWh): January through June 2010 (See 2009 SOM, Table 2-78).	42
Table 2-50 Jurisdiction real-time, simple average LMP (Dollars per MWh): January through June 2009 and 2010 (See 2009 SOM, Table 2-57)	29	Table 2-72 Marginal loss costs by type (Dollars (Millions)): January through June 2010 (See 2009 SOM, Table 2-79)	42
Table 2-51 Hub real-time, simple average LMP (Dollars per MWh): January through June 2009 and 2010 (See 2009 SOM, Table 2-58)	30	Table 2-73 Marginal loss costs by control zone and type (Dollars (Millions)): January through June 2010 (See 2009 SOM, Table 2-80)	43
Table 2-52 PJM real-time, annual, load-weighted, average LMP (Dollars per MWh): Calendar years 1998 through June 2010 (See 2009 SOM, Table 2-59).	30	Table 2-74 Monthly marginal loss costs by control zone (Dollars (Millions)): January through June 2010 (See 2009 SOM, Table 2-81)	44
Table 2-53 Zonal real-time, annual, load-weighted, average LMP (Dollars per MWh): January through June 2009 and 2010 (See 2009 SOM, Table 2-60).	31	Table 2-75 Monthly volume of cleared and submitted INCs, DECs: January through June 2010 (See 2009 SOM, Table 2-82).	45
Table 2-54 Jurisdiction real-time, annual, load-weighted, average LMP (Dollars per MWh): January through June 2009 and 2010 (See 2009 SOM, Table 2-61).	32	Table 2-76 Type of day-ahead marginal units: January through June 2010 (See 2009 SOM, Table 2-83)	45

Table 2-77 PJM virtual bids by type of bid parent organization (MW): January through June 2010 (See 2009 SOM, Table 2-84) 46

Table 2-78 PJM virtual bids by top ten locations (MW): January through June 2010 (See 2009 SOM, Table 2-85) 46

Table 2-79 Day-ahead and real-time simple annual average LMP (Dollars per MWh): January through June 2010 (See 2009 SOM, Table 2-86) 46

Table 2-80 Day-ahead and real-time simple annual average LMP (Dollars per MWh): Calendar years 2000 through June 2010 (See 2009 SOM, Table 2-87) 46

Table 2-81 Frequency distribution by hours of PJM real-time and day-ahead load-weighted hourly LMP difference (Dollars per MWh): Calendar years 2006 through June 2010 (See 2009 SOM, Table 2-88) 47

Table 2-82 Zonal day-ahead and real-time simple annual average LMP (Dollars per MWh): January through June 2010 (See 2009 SOM, Table 2-89) 48

Table 2-83 Jurisdiction day-ahead and real-time simple annual average LMP (Dollars per MWh): January through June 2010 (See 2009 SOM, Table 2-90) 49

Table 2-84 Monthly average percentage of real-time self-supply load, bilateral-supply load and spot-supply load based on parent companies: Calendar years 2009 to June 30, 2010 (See 2009 SOM, Table 2-91) 50

Table 2-85 Monthly average percentage of day-ahead self-supply load, bilateral supply load, and spot-supply load based on parent companies: Calendar years 2009 to June 30, 2010 (See 2009 SOM, Table 2-92) 51

Table 2-86 Overview of Demand Side Programs (See 2009 SOM, Table 2-93) 52

Table 2-87 Economic Program registration on peak load days: Calendar years 2002 to 2009 and January through June 2010 (See 2009 SOM, Table 2-94) 52

Table 2-88 Economic Program registrations on the last day of the month: January 2007 through June 2010 (See 2009 SOM, Table 2-95) 53

Table 2-89 Distinct registrations and sites in the Economic Program: June 23, 2010 (See 2009 SOM, Table 2-96) 54

Table 2-90 PJM Economic Program by zonal reduction: January through June 2010 (See 2009 SOM, Table 2-99) 55

Table 2-91 Settlement days submitted by month in the Economic Program: January 2007 through June 2010 (See 2009 SOM, Table 2-100) 56

Table 2-92 Distinct customers and CSPs submitting settlements in the Economic Program by month: January 2007 through June 2010 (See 2009 SOM, Table 2-101) 56

Table 2-93 Hourly distribution of Economic Program MWh reductions and credits: January through June 2010 (See 2009 SOM, Table 2-102) 57

Table 2-94 Distribution of Economic Program zonal, load-weighted, average LMP (By hours): January through June 2010 (See 2009 SOM, Table 2-103) 58

Table 2-95 Registered sites and MW in the Emergency Program (By zone and option): June 23, 2010 (See 2009 SOM, Table 2-104) 59

Table 2-96 Registered MW in the Load Management Program by program type: Delivery years 2007/2008 through 2010/2011 (See 2009 SOM, Table 2-105) 59

Table 2-97 Zonal monthly capacity credits: January 1, 2010 through June 30, 2010 (See 2009 SOM, Table 2-106) 60

Table 2-98 Demand Response (DR) offered and cleared in RPM Base Residual Auction: Delivery years 2007/2008 through 2013/2014 (See 2009 SOM, Table 2-107) 60

SECTION 3 - ENERGY MARKET, PART 2 61

Table 3-1 2010 PJM RPM auction-clearing capacity price and capacity revenue by LDA and zone: Effective for January 1, through December 31, 2010 (See 2009 SOM, Table 3-3) 65

Table 3-2 Capacity revenue by PJM zones (Dollars per MW-year): January through June 2009 and 2010 (See 2009 SOM, Table 3-4) 66

Table 3-3 Average delivered fuel price in PJM (Dollars per MBtu): January through June 2009 and 2010 (See 2009 SOM, Table 3-5) 66

Table 3-4 PJM Real-Time Energy Market net revenue for a new entrant gas-fired CT under economic dispatch (Dollars per installed MW-year) : Net revenue for January through June 2009 and 2010 (See 2009 SOM, Table 3-6) 66

Table 3-5 PJM Real-Time Energy Market net revenue for a new entrant gas-fired CC under economic dispatch (Dollars per installed MW-year): Net revenue for January through June 2009 and 2010 (See 2009 SOM, Table 3-7) 67

Table 3-6 PJM Real-Time Energy Market net revenue for a new entrant CP under economic dispatch (Dollars per installed MW-year): Net revenue for January through June 2009 and 2010 (See 2009 SOM, Table 3-8) 67

Table 3-7 Real-time PJM average net revenue for a CT under peak-hour, economic dispatch by market (Dollars per installed MW-year): January through June 2010 (See 2009 SOM, Table 3-9) 67

Table 3-8 Real-time zonal combined net revenue from all markets for a CT under peak-hour, economic dispatch (Dollars per installed MW-year): January through June 2009 and 2010 (See 2009 SOM, Table 3-10) 68

Table 3-9 Real-time PJM average net revenue for a CC under peak-hour, economic dispatch by market (Dollars per installed MW-year): January through June 2010 (See 2009 SOM, Table 3-11) 68

Table 3-10 Real-time zonal combined net revenue from all markets for a CC under peak-hour, economic dispatch (Dollars per installed MW-year): January through June 2009 and 2010 (See 2009 SOM, Table 3-12) 68

Table 3-11 Real-time PJM average net revenue for a CP under peak-hour, economic dispatch by market (Dollars per installed MW-year): January through June 2010 (See 2009 SOM, Table 3-13) 68

Table 3-12 Real-time zonal combined net revenue from all markets for a CP under peak-hour, economic dispatch (Dollars per installed MW-year): January through June 2009 and 2010 (See 2009 SOM, Table 3-14) 69

Table 3-13 PJM Day-Ahead Energy Market net revenue for a new entrant gas-fired CT under economic dispatch (Dollars per installed MW-year): January through June 2009 and 2010 (See 2009 SOM, Table 3-15) 69

Table 3-14 PJM Day-Ahead Energy Market net revenue for a new entrant gas-fired CC under economic dispatch (Dollars per installed MW-year): January through June 2009 and 2010 (See 2009 SOM, Table 3-16) 70

Table 3-15 PJM Day-Ahead Energy Market net revenue for a new entrant CP under economic dispatch (Dollars per installed MW-year): January through June 2009 and 2010 (See 2009 SOM, Table 3-17) 70

Table 3-16 Real-Time and Day-Ahead Energy Market net revenues for a CT under economic dispatch (Dollars per installed MW-year): Calendar year 2000 to 2009 and January through June 2010 (See 2009 SOM, Table 3-18) 71

Table 3-17 Real-Time and Day-Ahead Energy Market net revenues for a CC under economic dispatch scenario (Dollars per installed MW-year): Calendar year 2000 to 2009 and January through June 2010 (See 2009 SOM, Table 3-19) 71



Table 3-18 Real-Time and Day-Ahead Energy Market net revenues for a CP under economic dispatch scenario (Dollars per installed MW-year): Calendar year 2000 to 2009 and January through June 2010 (See 2009 SOM, Table 3-20). 71

Table 3-19 New entrant 20-year levelized fixed costs (By plant type (Dollars per installed MW-year)) (See 2009 SOM, Table 3-21) 71

Table 3-20 CT 20-year levelized fixed cost vs. real-time economic dispatch, zonal net revenue (Dollars per installed MW-year): January through June 2009 and 2010 (See 2009 SOM, Table 3-23). 72

Table 3-21 CC 20-year levelized fixed cost vs. real-time economic dispatch, zonal net revenue (Dollars per installed MW-year): January through June 2009 and 2010 (See 2009 SOM, Table 3-25) 73

Table 3-22 CP 20-year levelized fixed cost vs. real-time economic dispatch, zonal net revenue (Dollars per installed MW-year): January through June 2009 and 2010 (See 2009 SOM, Table 3-27). 74

Table 3-23 PJM installed capacity (By fuel source): January 1, May 31, June 1, and June 30, 2010 (See 2009 SOM, Table 3-35). 75

Table 3-24 PJM generation (By fuel source (GWh)): January through June 2010 (See 2009 SOM, Table 3-36) 75

Table 3-25 Year-to-year capacity additions from PJM generation queue: Calendar years 2000 through June 2010 (See 2009 SOM, Table 3-37) 76

Table 3-26 Queue comparison (MW): June 30, 2010 vs. December 31, 2009 (See 2009 SOM, Table 3-38) 76

Table 3-27 Capacity in PJM queues (MW): At June 30, 2010 (See 2009 SOM, Table 3-39). 76

Table 3-28 Average project queue times: At June 30, 2010 (See 2009 SOM, Table 3-40). 76

Table 3-29 Capacity additions in active or under-construction queues by control zone (MW): At June 30, 2010 (See 2009 SOM, Table 3-41). 77

Table 3-30 Capacity additions in active or under-construction queues by LDA (MW): At June 30, 2010 (See 2009 SOM, Table 3-42) 77

Table 3-31 Existing PJM capacity: At June 30, 2010 (By zone and unit type (MW)) (See 2009 SOM, Table 3-43) 78

Table 3-32 PJM capacity age: At June 30, 2010 (MW) (See 2009 SOM, Table 3-44). 79

Table 3-33 Comparison of generators 40 years and older with slated capacity additions (MW): Through 2018 (See 2009 SOM, Table 3-45). 79

Table 3-34 Capacity factor of wind units in PJM, January through June 2010 (See 2009 SOM, Table 3-46) 81

Table 3-35 Wind resources in real time offering at a negative price in PJM, January through June 2010 (See 2009 SOM, Table 3-47) 81

Table 3-36 Capacity factor of wind units in PJM by month, January through June 2010 (See 2009 SOM, Table 3-48) 81

Table 3-37 Peak and off-peak seasonal capacity factor, average wind generation, and PJM load, January through June 2010 (See 2009 SOM, Table 3-49) 81

Table 3-38 Operating reserve credits and charges (See 2009 SOM, Table 3-50). 82

Table 3-39 Operating reserve deviations (See 2009 SOM, Table 3-51) 83

Table 3-40 Balancing operating reserve allocation process (See 2009 SOM, Table 3-52). 83

Table 3-41 Monthly operating reserve charges: Calendar year 2009 and January through June 2010 (See 2009 SOM, Table 3-54). 84

Table 3-42 Regional balancing charges allocation: January through June 2010 (See 2009 SOM, Table 3-55) 85

Table 3-43 Monthly balancing operating reserve deviations (MWh): Calendar year 2009 and January through June 2010 (See 2009 SOM, Table 3-56) 85

Table 3-44 Regional charges determinants (MWh): January through June 2010 (See 2009 SOM, Table 3-57). 86

Table 3-45 Regional balancing operating reserve rates (\$/MWh): January through June 2010 (See 2009 SOM, Table 3-58). 86

Table 3-46 Credits by month (By operating reserve market): January through June 2010 (See 2009 SOM, Table 3-59) 87

Table 3-47 Credits by unit types (By operating reserve market): January through June 2010 (See 2009 SOM, Table 3-60). 88

Table 3-48 Credits by operating reserve market (By unit type): January through June 2010 (See 2009 SOM, Table 3-61). 88

Table 3-49 Monthly balancing operating reserve charges and credits to generators (By location): January through June 2010 (See 2009 SOM, Table 3-65). 89

Table 3-50 Regional balancing operating reserve credits: January through June 2010 (See 2009 SOM, Table 3-66) 90

Table 3-51 Total deviations: January through June 2010 (See 2009 SOM, Table 3-67). 90

Table 3-52 Charge allocation under old operating reserve construct: January through June 2010 (See 2009 SOM, Table 3-68). 90

Table 3-53 Actual regional credits, charges, rates and charge allocation (MWh): January through June 2010 (See 2009 SOM, Table 3-69) 90

Table 3-54 Difference in total charges between old rules and new rules: January through June 2010 (See 2009 SOM, Table 3-70). 91

Table 3-55 Total virtual bids and amount of virtual bids paying balancing operating charges (MWh): January through June 2010 (see 2009 SOM, Table 3-71). 91

Table 3-56 Comparison of balancing operating reserve charges to virtual bids: January through June 2010 (See 2009 SOM, Table 3-72) 91

Table 3-57 Summary of impact on virtual bids under balancing operating reserve allocation: January through June 2010 (See 2009 SOM, Table 3-73) 92

Table 3-58 Impact of segmented make whole payments: December 2008 through June 2010 (See 2009 SOM, Table 3-74). 92

Table 3-59 Impact of segmented make whole payments (By unit type): January through June 2010 (See 2009 SOM, Table 3-75) 93

Table 3-60 Share of balancing operating reserve increases for segmented make whole payments (By unit type): January through June 2010 (See 2009 SOM, Table 3-76) 93

Table 3-61 Unit Parameter Limited Schedule Matrix (See 2009 SOM, Table 3-77). 94

Table 3-62 Units receiving credits from a parameter limited schedule: January through June 2010 (See 2009 SOM, Table 3-78) 94

Table 3-63 Unit operating reserve credits for units (By zone): January through June 2010 (See 2009 SOM, Table 3-80). 95

Table 3-64 Top 10 units and organizations receiving total operating reserve credits: January through June 2010 (See 2009 SOM, Table 3-81). 95

Table 3-65 Top 10 units and organizations receiving day-ahead generator credits: January through June 2010 (See 2009 SOM, Table 3-82). 95

Table 3-66 Top 10 units and organizations receiving synchronous condensing credits: January through June 2010 (See 2009 SOM, Table 3-83). 96

Table 3-67 Top 10 units and organizations receiving balancing generator credits: January through June 2010 (See 2009 SOM, Table 3-84). 96

Table 3-68 Top 10 units and organizations receiving lost opportunity cost credits: January through June 2010 (See 2009 SOM, Table 3-85). 96

Table 3-69 Regional balancing charges allocation: January through June 2009 (New Table). 97

Table 3-70 Regional balancing charges allocation: January through June 2010 (New Table). 98

Table 3-71 Differences between regional balancing charges allocation: January through June 2009 and 2010 (New Table) 98

Table 3-72 Table 35 Percent differences between regional balancing charges allocation: January through June 2009 and 2010 (New Table). 99

Table 3-73 Regional reliability and deviation balancing operating reserve credits: December 2008 through June 2010 (New Table) 100

SECTION 4 – INTERCHANGE TRANSACTIONS 101

Table 4-1 Real-time scheduled net interchange volume by interface (GWh): January through June 2010 (See 2009 SOM, Table 4-1) 109

Table 4-2 Real-time scheduled gross import volume by interface (GWh): January through June 2010 (See 2009 SOM, Table 4-2) 109

Table 4-3 Real-time scheduled gross export volume by interface (GWh): January through June 2010 (See 2009 SOM, Table 4-3) 110

Table 4-4 Day-ahead net interchange volume by interface (GWh): January through June 2010 (See 2009 SOM, Table 4-4). 110

Table 4-5 Day-ahead gross import volume by interface (GWh): January through June 2010 (See 2009 SOM, Table 4-5). 111

Table 4-6 Day-ahead gross export volume by interface (GWh): January through June 2010 (See 2009 SOM, Table 4-6). 111

Table 4-7 Active interfaces: January through June 2010 (See 2009 SOM, Table 4-7). 112

Table 4-8 Active pricing points: January through June 2010 (See 2009 SOM, Table 4-8). 112

Table 4-9 Average real-time LMP difference (PJM minus Midwest ISO): January 2008 through June 2010 (See 2009 SOM, Table 4-9). 114

Table 4-10 Average day-ahead LMP difference (PJM minus Midwest ISO): January 2008 through June 2010 (See 2009 SOM, Table 4-10). 115

Table 4-11 Con Edison and PSE&G wheeling settlement data: January through June 2010 (See 2009 SOM, Table 4-11). 117

Table 4-12 Net scheduled and actual PJM interface flows (GWh): January through June 2010 (See 2009 SOM, Table 4-12). 119

Table 4-13 Number of TLRs by TLR level by reliability coordinator: January through June 2010 (See 2009 SOM, Table 4-13). 121

Table 4-14 Up-to congestion MW by Import, Export and Wheels: January 2006 through June 2010 (See 2009 SOM, Table 4-14). 121

Table 4-15 Real-time average hourly LMP comparison for southeast, southwest, SouthIMP and SouthEXP Interface pricing points: November 1, 2006 through June 2010 (See 2009 SOM, Table 4-15). 122

Table 4-16 Real-time average hourly LMP comparison for Duke, PEC and NCMPA: January through June 2010 (See 2009 SOM, Table 4-17). 122

Table 4-17 Day-ahead average hourly LMP comparison for Duke, PEC and NCMPA: January through June 2010 (See 2009 SOM, Table 4-19). 123

SECTION 5 – CAPACITY MARKET 127

Table 5-1 Internal capacity: June 1, 2009, to June 1, 2013 (See 2009 SOM, Table 5-1). 132

Table 5-2 PJM Capacity Market load obligation served: June 1, 2010 (See 2009 SOM, Table 5-2) 133

Table 5-3 Preliminary market structure screen results: 2009/2010 through 2013/2014 RPM Auctions (See 2009 SOM, Table 5-3) 134

Table 5-4 RSI results: 2010/2011 through 2013/2014 RPM Auctions (See 2009 SOM, Table 5-4) 134

Table 5-5 PJM capacity summary (MW): June 1, 2007, to June 1, 2013 (See 2009 SOM, Table 5-5). 135

Table 5-6 RPM load management statistics: June 1, 2009 to June 1, 2013 (See 2009 SOM, Table 5-6) 136

Table 5-7 ACR statistics: 2010/2011 RPM Auctions (See 2009 SOM,) 137

Table 5-8 ACR statistics: 2011/2012 through 2013/2014 RPM Auctions (See 2009 SOM, Table 5-8) 138

Table 5-9 APIR statistics: 2010/2011 through 2013/2014 RPM Auctions (See 2009 SOM, Table 5-9) 139

Table 5-10 Capacity prices: 2007/2008 through 2013/2014 RPM Auctions (See 2009 SOM, Table 5-10) 141

Table 5-11 RPM cost to load: 2010/2011 through 2013/2014 RPM Auctions (See 2009 SOM, Table 5-11) 142

Table 5-12 RTO offer statistics: 2010/2011 RPM Base Residual Auction (See Analysis of the 2010/2011 RPM Auction Revised). 142

Table 5-13 DPL South offer statistics: 2010/2011 RPM Base Residual Auction (See Analysis of the 2010/2011 RPM Auction Revised). 143

Table 5-14 RTO offer statistics: 2010/2011 RPM Third Incremental Auction (New table) 144

Table 5-15 PJM EFORd data for different unit types: 2007 to 2010 (January through June) (See 2009 SOM, Table 5-17). 145

Table 5-16 Contribution to EFORd for specific unit types (Percentage points): 2007 to 2010 (January through June) (See 2009 SOM, Table 5-18). 145

Table 5-17 Outage cause contribution to PJM EFOF: Calendar year 2010 (January through June) (See 2009 SOM, Table 5-19). 146

Table 5-18 Contributions to Economic Outages: 2010 (January through June) (See 2009 SOM, Table 5-20) 147

Table 5-19 Contribution to EFOF by unit type for the most prevalent causes: Calendar year 2010 (January through June) (See 2009 SOM, Table 5-21). 147

Table 5-20 Contribution to EFOF by unit type: Calendar year 2010 (January through June) (See 2009 SOM, Table 5-22)	148
Table 5-21 PJM EFORd vs. XEFORd: Calendar year 2010 (January through June) (See 2009 SOM, Table 5-23)	148
Table 5-22 Contribution to EFORp by unit type (Percentage points): 2009 to 2010 (January through June) (See 2009 SOM, Table 5-24)	148
Table 5-23 PJM EFORp data by unit type: 2009 to 2010 (January through June) (See 2009 SOM, Table 5-25)	148
Table 5-24 Contribution to PJM EFORd, XEFORd and EFORp by unit type: Calendar year 2010 (January through June) (See 2009 SOM, Table 5-26)	149
Table 5-25 PJM EFORd, XEFORd and EFORp data by unit type: Calendar year 2010 (January through June) (See 2009 SOM, Table 5-27)	149

SECTION 6 - ANCILLARY SERVICE MARKETS 151

Table 6-1 PJM Regulation Market required MW and ratio of supply to requirement: January through June 2010 (See 2009 SOM, Table 6-1)	156
Table 6-2 PJM regulation capability, daily offer and hourly eligible: January through June 2010 (See 2009 SOM, Table 6-2)	156
Table 6-3 PJM cleared regulation HHI: January through June 2010 (See 2009 SOM, Table 6-3)	156
Table 6-4 Highest annual average hourly Regulation Market shares: January through June 2010 (See 2009 SOM, Table 6-4)	157
Table 6-5 Regulation market monthly three pivotal supplier results: January through June 2010 (See 2009 SOM, Table 6-5)	157
Table 6-6 Percent of hours when marginal unit supplier was pivotal: January through June 2010 (See 2009 SOM, Table 6-6)	157
Table 6-7 Total regulation charges: January through June 2010 (See 2009 SOM, Table 6-7)	159
Table 6-8 Summary of changes to Regulation Market design (See 2009 SOM, Table 6-8)	159
Table 6-9 Regulation Market pivotal supplier test results: December 2008 through June 2010 and December 2007 through June 2009 (See 2009 SOM, Table 6-9)	160
Table 6-10 Mid-Atlantic Subzone RFC Tier 2 Synchronized Reserve Market's cleared market shares: January through June 2010 (See 2009 SOM, Table 6-15)	161
Table 6-11 Average RFC SRMCP when all cleared synchronized reserve is DSR, average SRMCP, and percent of all cleared hours that all cleared synchronized reserve is DSR: January through June 2010 (See 2009 SOM, Table 6-16)	162
Table 6-12 PJM, Day-Ahead Scheduling Reserve Market MW and clearing prices: January through June 2010 (See 2009 SOM, Table 6-17)	165
Table 6-13 Black Start yearly zonal charges for network transmission use: January through June 2010 (See 2009 SOM, Table 6-18)	165

SECTION 7 – CONGESTION 167

Table 7-1 Total annual PJM congestion (Dollars (Millions)): Calendar years 2003 through June 2010 (See 2009 SOM, Table 7-1)	170
---	-----

Table 7-2 Total annual PJM congestion costs by category (Dollars (Millions)): January through June 2009 and 2010 (See 2009 SOM, Table 7-2)	170
Table 7-3 Monthly PJM congestion charges (Dollars (Millions)): Calendar years 2008 through June 2010 (See 2009 SOM, Table 7-3)	170
Table 7-4 Annual average congestion component of LMP: January through June 2009 and 2010 (See 2009 SOM, Table 7-4)	171
Table 7-5 Congestion summary (By facility type): January through June 2010 (See 2009 SOM, Table 7-5)	171
Table 7-6 Congestion summary (By facility type): January through June 2009 (See 2009 SOM, Table 7-6)	172
Table 7-7 Congestion summary (By facility voltage): January through June 2010 (See 2009 SOM, Table 7-7)	172
Table 7-8 Congestion summary (By facility voltage): January through June 2009 (See 2009 SOM, Table 7-8)	173
Table 7-9 Top 25 constraints with frequent occurrence: January through June 2009 and 2010 (See 2009 SOM, Table 7-9)	174
Table 7-10 Top 25 constraints with largest year-to-year change in occurrence: January through June 2009 and 2010 (See 2009 SOM, Table 7-10)	175
Table 7-11 Top 25 constraints affecting annual PJM congestion costs (By facility): January through June 2010 (See 2009 SOM, Table 7-11)	176
Table 7-12 Top 25 constraints affecting annual PJM congestion costs (By facility): January through June 2009 (See 2009 SOM, Table 7-12)	177
Table 7-13 Top congestion cost impacts from Midwest ISO flowgates affecting PJM dispatch (By facility): January through June 2010 (See 2009 SOM, Table 7-13)	178
Table 7-14 Top congestion cost impacts from Midwest ISO flowgates affecting PJM dispatch (By facility): January through June 2009 (See 2009 SOM, Table 7-14)	179
Table 7-15 Regional constraints summary (By facility): January through June 2010 (See 2009 SOM, Table 7-15)	180
Table 7-16 Regional constraints summary (By facility): January through June 2009 (See 2009 SOM, Table 7-16)	180
Table 7-17 Congestion cost summary (By control zone): January through June 2010 (See 2009 SOM, Table 7-17)	181
Table 7-18 Congestion cost summary (By control zone): January through June 2009 (See 2009 SOM, Table 7-18)	182
Table 7-19 AECO Control Zone top congestion cost impacts (By facility): January through June 2010 (See 2009 SOM, Table 7-19)	183
Table 7-20 AECO Control Zone top congestion cost impacts (By facility): January through June 2009 (See 2009 SOM, Table 7-20)	184
Table 7-21 BGE Control Zone top congestion cost impacts (By facility): January through June 2010 (See 2009 SOM, Table 7-21)	185
Table 7-22 BGE Control Zone top congestion cost impacts (By facility): January through June 2009 (See 2009 SOM, Table 7-22)	186
Table 7-23 DPL Control Zone top congestion cost impacts (By facility): January through June 2010 (See 2009 SOM, Table 7-23)	187
Table 7-24 DPL Control Zone top congestion cost impacts (By facility): January through June 2009 (See 2009 SOM, Table 7-24)	188
Table 7-25 JCPL Control Zone top congestion cost impacts (By facility): January through June 2010 (See 2009 SOM, Table 7-25)	189

Table 7-26 JCP&L Control Zone top congestion cost impacts (By facility):
January through June 2009 (See 2009 SOM, Table 7-26) 190

Table 7-27 Met-Ed Control Zone top congestion cost impacts (By facility):
January through June 2010 (See 2009 SOM, Table 7-27) 191

Table 7-28 Met-Ed Control Zone top congestion cost impacts (By facility):
January through June 2009 (See 2009 SOM, Table 7-28) 192

Table 7-29 PECO Control Zone top congestion cost impacts (By facility):
January through June 2010 (See 2009 SOM, Table 7-29) 193

Table 7-30 PECO Control Zone top congestion cost impacts (By facility):
January through June 2009 (See 2009 SOM, Table 7-30) 194

Table 7-31 PENELEC Control Zone top congestion cost impacts (By facility):
January through June 2010 (See 2009 SOM, Table 7-31) 195

Table 7-32 PENELEC Control Zone top congestion cost impacts (By facility):
January through June 2009 (See 2009 SOM, Table 7-32) 196

Table 7-33 Pepco Control Zone top congestion cost impacts (By facility):
January through June 2010 (See 2009 SOM, Table 7-33) 197

Table 7-34 Pepco Control Zone top congestion cost impacts (By facility):
January through June 2009 (See 2009 SOM, Table 7-34) 198

Table 7-35 PPL Control Zone top congestion cost impacts (By facility):
January through June 2010 (See 2009 SOM, Table 7-35) 199

Table 7-36 PPL Control Zone top congestion cost impacts (By facility):
January through June 2009 (See 2009 SOM, Table 7-36) 200

Table 7-37 PSEG Control Zone top congestion cost impacts (By facility):
January through June 2010 (See 2009 SOM, Table 7-37) 201

Table 7-38 PSEG Control Zone top congestion cost impacts (By facility):
January through June 2009 (See 2009 SOM, Table 7-38) 202

Table 7-39 RECO Control Zone top congestion cost impacts (By facility):
January through June 2010 (See 2009 SOM, Table 7-39) 203

Table 7-40 RECO Control Zone top congestion cost impacts (By facility):
January through June 2009 (See 2009 SOM, Table 7-40) 204

Table 7-41 AEP Control Zone top congestion cost impacts (By facility):
January through June 2010 (See 2009 SOM, Table 7-41) 205

Table 7-42 AEP Control Zone top congestion cost impacts (By facility):
January through June 2009 (See 2009 SOM, Table 7-42) 206

Table 7-43 AP Control Zone top congestion cost impacts (By facility):
January through June 2010 (See 2009 SOM, Table 7-43) 207

Table 7-44 AP Control Zone top congestion cost impacts (By facility):
January through June 2009 (See 2009 SOM, Table 7-44) 208

Table 7-45 ComEd Control Zone top congestion cost impacts (By facility):
January through June 2010 (See 2009 SOM, Table 7-45) 209

Table 7-46 ComEd Control Zone top congestion cost impacts (By facility):
January through June 2009 (See 2009 SOM, Table 7-46) 210

Table 7-47 DAY Control Zone top congestion cost impacts (By facility):
January through June 2010 (See 2009 SOM, Table 7-47) 211

Table 7-48 DAY Control Zone top congestion cost impacts (By facility):
January through June 2009 (See 2009 SOM, Table 7-48) 212

Table 7-49 DLCO Control Zone top congestion cost impacts (By facility):
January through June 2010 (See 2009 SOM, Table 7-49) 213

Table 7-50 DLCO Control Zone top congestion cost impacts (By facility):
January through June 2009 (See 2009 SOM, Table 7-50) 214

Table 7-51 Dominion Control Zone top congestion cost impacts (By facility):
January through June 2010 (See 2009 SOM, Table 7-51) 215

Table 7-52 Dominion Control Zone top congestion cost impacts (By facility):
January through June 2009 (See 2009 SOM, Table 7-52) 216

SECTION 8 – FINANCIAL TRANSMISSION AND AUCTION REVENUE RIGHTS 217

Table 8-1 Top 10 principal binding transmission constraints limiting the Annual FTR Auction: Planning period 2010 to 2011 (See 2009 SOM Table 8-2) 220

Table 8-2 Annual FTR Auction patterns of ownership by FTR direction: Planning period 2010 to 2011 (See 2009 SOM Table 8-4) 221

Table 8-3 Monthly Balance of Planning Period FTR Auction patterns of ownership by FTR direction: January through June 2010 (See 2009 SOM Table 8-5) 221

Table 8-4 Comparison of self scheduled FTRs: Planning periods 2008 to 2009, 2009 to 2010 and 2010 to 2011 (See 2009 SOM Table 8-8) 221

Table 8-5 Annual FTR Auction market volume: Planning period 2010 to 2011 (See 2009 SOM Table 8-7) 222

Table 8-6 Monthly Balance of Planning Period FTR Auction market volume: January through June 2010 (See 2009 SOM Table 8-9) 223

Table 8-7 Monthly Balance of Planning Period FTR Auction buy-bid bid and cleared volume (MW per period): January through June 2010 (See 2009 SOM Table 8-10) 224

Table 8-8 Secondary bilateral FTR market volume: Planning periods 2009 to 2010 and 2010 to 2011 (See 2009 SOM Table 8-11) 224

Table 8-9 Annual FTR Auction weighted-average cleared prices by FTR direction (Dollars per MWh): Planning period 2010 to 2011 (See 2009 SOM Table 8-13) 225

Table 8-10 Monthly Balance of Planning Period FTR Auction cleared, weighted-average, buy-bid price per period (Dollars per MWh): January through June 2010 (See 2009 SOM Table 8-14) 226

Table 8-11 Annual FTR Auction revenue by FTR direction: Planning period 2010 to 2011 (See 2009 SOM Table 8-16) 227

Table 8-12 Monthly Balance of Planning Period FTR Auction revenue: January through June 2010 (See 2009 SOM Table 8-17) 229

Table 8-13 Total annual PJM FTR revenue detail (Dollars (Millions)): Planning periods 2009 to 2010 and 2010 to 2011 (See 2009 SOM Table 8-18) 230

Table 8-14 Monthly FTR accounting summary (Dollars (Millions)): Planning periods 2009 to 2010 and 2010 to 2011 (See 2009 SOM Table 8-19) 231

Table 8-15 Incremental ARR allocation volume: Planning periods 2008 to 2009, 2009 to 2010 and 2010 to 2011 (See 2009 SOM Table 8-20) 232

Table 8-16 Top 10 principal binding transmission constraints limiting the annual ARR allocation: Planning period 2010 to 2011 (See 2009 SOM Table 8-21) 232

Table 8-17 ARRs and ARR revenue automatically reassigned for network load changes by control zone: June 1, 2009, through June 30, 2010 (See 2009 SOM Table 8-22) 233



Table 8-18 Annual ARR allocation volume: Planning periods 2009 to 2010 and 2010 to 2011 (See 2009 SOM Table 8-23) 234

Table 8-19 ARR revenue adequacy (Dollars (Millions)): Planning periods 2009 to 2010 and 2010 to 2011 (See 2009 SOM Table 8-24) 234

Table 8-20 ARR and self scheduled FTR congestion hedging by control zone: Planning period 2009 to 2010 (See 2009 SOM Table 8-25) 236

Table 8-21 FTR congestion hedging by control zone: Planning period 2009 to 2010 (See 2009 SOM Table 8-26) 237

Table 8-22 ARR and FTR congestion hedging by control zone: Planning period 2009 to 2010 (See 2009 SOM Table 8-27) 239

Table 8-23 ARR and FTR congestion hedging: Planning periods 2008 to 2009 and 2009 to 2010 (See 2009 SOM Table 8-28) 239

Table 8-24 ARRs and self-scheduled FTR credits as a hedge against energy charges by control zone: January through June 2010 (See 2009 SOM, Table 8-29) 240

Table 8-25 FTRs as a hedge against energy charges by control zone: January through June 2010 (See 2009 SOM, Table 8-30) 241

Table 8-26 ARRs and FTRs as a hedge against energy charges by control zone: January through June 2010 (See 2009 SOM, Table 8-31) 242

FIGURES

SECTION 1 - INTRODUCTION..... 1

Figure 1-1 PJM’s footprint and its 17 control zones (See 2009 SOM, Figure A-1) . . . 1

SECTION 2 – ENERGY MARKET, PART 1 5

Figure 2-1 Average PJM aggregate supply curves: April through June, 2009 and 2010 (See 2009 SOM, Figure 2-1) 9

Figure 2-2 Actual PJM footprint peak loads: April through June of 2003 to 2010 (See 2009 SOM, Figure 2-2) 10

Figure 2-3 PJM second quarter peak-load comparison: Wednesday, June 23, 2010 and Thursday, June 25, 2009 (See 2009 SOM, Figure 2-3). 10

Figure 2-4 PJM hourly Energy Market HHI: January through June 2010 (See 2009 SOM, Figure 2-4) 11

Figure 2-5 Real-time load-weighted unit markup index: January through June 2010 (See 2009 SOM, Figure 2-5) 18

Figure 2-6 Day-ahead load-weighted unit markup index: January through June 2010 (See 2009 SOM, Figure 2-6) 20

Figure 2-7 PJM real-time load duration curves: Calendar years 2006 through June 2010 (See 2009 SOM, Figure 2-7). 22

Figure 2-8 PJM real-time average load: Calendar years 2009 through June 2010 (See 2009 SOM, Figure 2-8) 23

Figure 2-9 PJM day-ahead load duration curves: Calendar years 2006 through June 2010 (See 2009 SOM, Figure 2-9). 24

Figure 2-10 PJM day-ahead average load: Calendar years 2009 through June 2010 (See 2009 SOM, Figure 2-10) 24

Figure 2-11 Day-ahead and real-time loads (Average hourly volumes): January through June 2010 (See 2009 SOM, Figure 2-11) 25

Figure 2-12 Day-ahead and real-time loads (Average daily volumes): January through June 2010 (New Figure) 26

Figure 2-13 Day-ahead and real-time generation (Average hourly volumes): January through June 2010 (See 2009 SOM, Figure 2-12) 27

Figure 2-14 Day-ahead and real-time generation (Average daily volumes): January through June 2010 (New Figure) 27

Figure 2-15 Price duration curves for the PJM Real-Time Energy Market during hours above the 95th percentile: Calendar years 2006 through June 2010 (See 2009 SOM, Figure 2-13) 28

Figure 2-16 PJM real-time, monthly, load-weighted, average LMP: Calendar years 2006 through June 2010 (See 2009 SOM, Figure 2-14) 31

Figure 2-17 Spot average fuel price comparison: Calendar years 2009 through June 2010 (See 2009 SOM, Figure 2-15). 32

Figure 2-18 Spot average emission price comparison: Calendar years 2009 through June 2010 (See 2009 SOM, Figure 2-16) 32

Figure 2-19 Price duration curves for the PJM Day-Ahead Energy Market during hours above the 95th percentile: Calendar years 2006 through June 2010 (See 2009 SOM, Figure 2-17) 34

Figure 2-20 Day-ahead, monthly, load-weighted, average LMP: Calendar years 2006 through June 2010 (See 2009 SOM, Figure 2-18) 36

Figure 2-21 PJM day-ahead aggregate supply curves: 2010 example day (See 2009 SOM, Figure 2-19) 46

Figure 2-22 Real-time load-weighted hourly LMP minus day-ahead load-weighted hourly LMP: January through June 2010 (See 2009 SOM, Figure 2-20) 47

Figure 2-23 Monthly simple average of real-time minus day-ahead LMP: January through June 2010 (See 2009 SOM, Figure 2-21) 48

Figure 2-24 PJM system simple hourly average LMP: January through June 2010 (See 2009 SOM, Figure 2-22). 48

Figure 2-25 Economic Program payments: Calendar years 2007 through 2009 and January through June 2010 (See 2009 SOM, Figure 2-24) 54

SECTION 3 - ENERGY MARKET, PART 2 61

Figure 3-1 New entrant CT real-time 2009 and 2010 net revenue for January through June and 20-year levelized fixed cost as of 2009 (Dollars per installed MW-year) (See 2009 SOM, Figure 3-3) 72

Figure 3-2 New entrant CC real-time 2009 and 2010 net revenue for January through June and 20-year levelized fixed cost as of 2009 (Dollars per installed MW-year) (See 2009 SOM, Figure 3-5) 73

Figure 3-3 New entrant CP real-time 2009 and 2010 net revenue for January through June and 20-year levelized fixed cost as of 2009 (Dollars per installed MW-year) (See 2009 SOM, Figure 3-7) 74

Figure 3-4 Average hourly real-time generation of wind units in PJM, January through June 2010 (See 2009 SOM, Figure 3-11) 81

Figure 3-5 Average hourly day-ahead generation of wind units in PJM, January through June 2010 (See 2009 SOM, Figure 3-12) 82

Figure 3-6 Marginal fuel at time of wind generation in PJM, January through June 2010 (See 2009 SOM, Figure 3-13). 82

Figure 3-7 Daily RTO reliability and deviation rates (\$/MWh): January through June 2010 (See 2009 SOM, Figure 3-14). 86

Figure 3-8 Daily regional reliability and deviation rates (\$/MWh): January through June 2010 (See 2009 SOM, Figure 3-15) 86

Figure 3-9 Operating reserve credits: January through June 2010 (See 2009 SOM, Figure 3-16) 87

Figure 3-10 Regional reliability and deviation balancing operating reserve credits: December 2008 through June 2010 (New Figure). 99

SECTION 4 – INTERCHANGE TRANSACTIONS 101

Figure 4-1 PJM real-time scheduled imports and exports: January through June 2010 (See 2009 SOM, Figure 4-1). 108

Figure 4-2 PJM day-ahead scheduled imports and exports: January through June 2010 (See 2009 SOM, Figure 4-2). 108

Figure 4-3 PJM scheduled import and export transaction volume history: 1999 through June 2010 (See 2009 SOM, Figure 4-3) 108

Figure 4-4 PJM's footprint and its external interfaces (See 2009 SOM, Figure 4-4). 112

Figure 4-5 Real-time daily hourly average price difference (Midwest ISO Interface minus PJM/MISO): January through June 2010 (See 2009 SOM, Figure 4-5). 113

Figure 4-6 Real-time monthly hourly average Midwest ISO PJM interface price and the PJM/MISO price: April 2005 through June 2010 (See 2009 SOM, Figure 4-6). 113

Figure 4-7 Day-ahead daily hourly average price difference (Midwest ISO interface minus PJM/MISO): January through June 2010 (See 2009 SOM, Figure 4-7). 114

Figure 4-8 Day-ahead monthly hourly average Midwest ISO PJM interface price and the PJM/MISO price: April 2005 through June 2010 (See 2009 SOM, Table 4-8). 114

Figure 4-9 Real-time daily hourly average price difference (NY proxy - PJM/NYIS): January through June 2010 (See 2009 SOM, Figure 4-9). 115

Figure 4-10 Real-time monthly hourly average NYISO/PJM proxy bus price and the PJM/NYIS price: January 2002 through June 2010 (See 2009 SOM, Figure 4-10). 115

Figure 4-11 Day-ahead daily hourly average price difference (NY proxy - PJM/NYIS): January through June 2010 (See 2009 SOM, Table 4-11) 116

Figure 4-12 Day-ahead monthly hourly average NYISO/PJM proxy bus price and the PJM/NYIS price: January 2002 through June 2010 (See 2009 SOM, Figure 4-12). 116

Figure 4-13 PJM, NYISO and Midwest ISO real-time border price averages: January through June 2010 (See 2009 SOM, Figure 4-13) 116

Figure 4-14 PJM, NYISO and Midwest ISO day-ahead border price averages: January through June 2010 (See 2009 SOM, Figure 4-14) 117

Figure 4-15 Credits for coordinated congestion management: January through June 2010 (See 2009 SOM, Figure 4-15). 117

Figure 4-16 Neptune hourly average flow: January through June 2010 (See 2009 SOM, Figure 4-16) 118

Figure 4-17 Linden hourly average flow: January through June 2010 (See 2009 SOM, Figure 4-17). 118

Figure 4-18 Southwest actual and scheduled flows: January 2006 through June 2010 (See 2009 SOM, Figure 4-18). 119

Figure 4-19 Southeast actual and scheduled flows: January 2006 through June 2010 (See 2009 SOM, Figure 4-19). 120

Figure 4-20 PJM and Midwest ISO TLR procedures: Calendar year 2009 and January through June 2010 (See 2009 SOM, Figure 4-20) 120

Figure 4-21 Number of different PJM flowgates that experienced TLRs: Calendar year 2009 and January through June 2010 (See 2009 SOM, Figure 4-21). 120

Figure 4-22 Number of PJM TLRs and curtailed volume: January through June 2010 (See 2009, Figure 4-22) 120

Figure 4-23 Monthly up-to congestion bids in MWh: January 2006 through June 2010 (See 2009 SOM, Figure 4-23). 121

Figure 4-24 Total settlements showing positive, negative and net gains for up-to congestion bids with a matching Real-Time Market transaction: January through June 2010 (See 2009 SOM, Figure 4-24) 121

Figure 4-25 Total settlements showing positive, negative and net gains for up-to congestion bids without a matching Real-Time Market transaction: January through June 2010 (See 2009 SOM, Figure 4-25) 122

Figure 4-26 Real-time interchange volume vs. average hourly LMP available for Duke and PEC imports: January through June 2010 (See 2009 SOM, Figure 4-26). 123

Figure 4-27 Real-time interchange volume vs. average hourly LMP available for Duke and PEC exports: January through June 2010 (See 2009 SOM, Figure 4-27) 123

Figure 4-28 Day-ahead interchange volume vs. average hourly LMP available for Duke and PEC imports: January through June 2010 (See 2009 SOM, Figure 4-28). 123

Figure 4-29 Day-ahead interchange volume vs. average hourly LMP available for Duke and PEC exports: January through June 2010 (See 2009 SOM, Figure 4-29). 124

Figure 4-30 Spot import service utilization: January 2009 through June 2010 (See 2009 SOM, Figure 4-30) 124

Figure 4-31 Monthly uncollected congestion charges: January through June 2010 (See 2009 SOM, Figure 4-31). 125

Figure 4-32 Distribution of expired ramp reservations in the hour prior to flow (Old rules (Theoretical) and new rules (Actual)) October 2006 through June 2010 (See 2009 SOM, Figure 4-32). 125

SECTION 5 – CAPACITY MARKET 127

Figure 5-1 History of capacity prices: Calendar year 1999 through 2013 (See 2009 SOM, Figure 5-1). 141

Figure 5-2 RTO market supply/demand curves: 2010/2011 RPM Base Residual Auction (See Analysis of the 2010/2011 RPM Auction Revised). 143

Figure 5-3 PJM equivalent outage and availability factors: 2007 to 2010 (January through June) (See 2009 SOM, Figure 5-7). 144

Figure 5-4 Trends in the PJM equivalent demand forced outage rate (EFORd): 2007 to 2010 (January through June) (See 2009 SOM, Figure 5-8). 145

Figure 5-5 PJM 2010 (January through June) Distribution of EFORd data by unit type (See 2009 SOM, Figure 5-9). 145

Figure 5-6 Contribution to EFORd by duty cycle: 2007 to 2010 (January through June) (See 2009 SOM, Figure 5-10). 146

Figure 5-7 PJM 2010 (January through June) distribution of EFORd data by unit type (See 2009 SOM, Figure 5-11). 149

Figure 5-8 PJM peak month data: 2010 (See 2009 SOM, Figure 5-12). 150

Figure 5-9 PJM peak month generator performance factors: 2010 (See 2009 SOM, Figure 5-13) 150

SECTION 6 - ANCILLARY SERVICE MARKETS 151

Figure 6-1 Off peak and on peak regulation levels: January through June 2010 (See 2009 SOM, Figure 6-2) 156

Figure 6-2 PJM Regulation Market HHI distribution: January through June 2010 (See 2009 SOM, Figure 6-1) 157

Figure 6-3 PJM Regulation Market daily average market-clearing price, opportunity cost and offer price (Dollars per MWh): January through June 2010 (See 2009 SOM, Figure 6-3). 158

Figure 6-4 Monthly average regulation demand (required) vs. price: January through June 2010 (See 2009 SOM, Figure 6-4). 158

Figure 6-5 Monthly load weighted, average regulation cost and price: January through June 2010 (See 2009 SOM, Figure 6-5). 158

Figure 6-6 RFC Synchronized Reserve Zone monthly average synchronized reserve required vs. Tier 2 scheduled MW: January through June 2010 (See 2009 SOM, Figure 6-6) 160

Figure 6-7 RFC Synchronized Reserve Zone, Mid-Atlantic Subzone average hourly synchronized reserve required vs. Tier 2 scheduled: January through June 2010 (See 2009 SOM, Figure 6-7). 161

Figure 6-8 Purchased Mid-Atlantic Subzone RFC Tier 2 Synchronized Reserve Market seasonal HHI: January through June 2010 (See 2009 SOM, Figure 6-8). 161

Figure 6-9 Tier 2 synchronized reserve average hourly offer volume (MW): January through June 2010 (See 2009 SOM, Figure 6-9) 162

Figure 6-10 Average daily Tier 2 synchronized reserve offer by unit type (MW): January through June 2010 (See 2009 SOM, Figure 6-10) 162

Figure 6-11 PJM RFC Zone Tier 2 synchronized reserve scheduled MW: January through June 2010 (See 2009 SOM, Figure 6-11) 163

Figure 6-12 Required Tier 2 synchronized reserve, Synchronized Reserve Market clearing price, and DSR percent of Tier 2: January through June 2010 (See 2009 SOM, Figure 6-12) 163

Figure 6-13 RFC Synchronized Reserve Zone, Mid-Atlantic Subzone daily average hourly synchronized reserve required, Tier 2 MW scheduled, and Tier 1 MW estimated: January through June 2010 (See 2009 SOM, Figure 6-13). 164

Figure 6-14 Tier 2 synchronized reserve purchases by month for the Mid-Atlantic Subzone: January through June 2010 (See 2009 SOM, Figure 6-14). 164

Figure 6-15 Impact of Tier 2 synchronized reserve added MW to the RFC Synchronized Reserve Zone, Mid-Atlantic Subzone: January through June 2010 (See 2009 SOM, Figure 6-15). 164

Figure 6-16 Comparison of RFC Mid-Atlantic Subzone Tier 2 synchronized reserve price and cost (Dollars per MW): January through June 2010 (See 2009 SOM, Figure 6-16) 165

SECTION 8 – FINANCIAL TRANSMISSION AND AUCTION REVENUE RIGHTS 217

Figure 8-1 Annual FTR auction clearing price duration curves: Planning period 2010 to 2011 (See 2009 SOM Figure 8-2). 226

Figure 8-2 Ten largest positive and negative revenue producing FTR sinks purchased in the Annual FTR Auction: Planning period 2010 to 2011 (See 2009 SOM Figure 8-5). 228

Figure 8-3 Ten largest positive and negative revenue producing FTR sources purchased in the Annual FTR Auction: Planning period 2010 to 2011 (See 2009 SOM Figure 8-6) 228

Figure 8-4 Ten largest positive and negative revenue producing FTR sinks purchased in the Monthly Balance of Planning Period FTR Auctions: Planning period 2009 to 2010 (See 2009 SOM Figure 8-7). 230

Figure 8-5 Ten largest positive and negative revenue producing FTR sources purchased in the Monthly Balance of Planning Period FTR Auctions: Planning period 2009 to 2010 (See 2009 SOM Figure 8-8). 230

Figure 8-6 Ten largest positive and negative FTR target allocations summed by sink: Planning period 2009 to 2010 (See 2009 SOM Figure 8-9) 232

Figure 8-7 Ten largest positive and negative FTR target allocations summed by source: Planning period 2009 to 2010 (See 2009 SOM Figure 8-10) 232

Figure 8-8 Annual FTR Auction prices vs. average day-ahead and real-time congestion for all control zones relative to the Western Hub: Planning period 2009 to 2010 (See 2009 SOM Figure 8-11) 235

