Table of Contents		SECTION 2 Recommendations	53
		New Recommendations for Q2, 2015	53
		New Recommendation from Section 3, Energy Market	53
Preface	i	New Recommendation from Section 6, Demand Response	54
		New Recommendation from Section 10, Ancillary Services	54
SECTION 1 Introduction	1	New Recommendation from Section 12, Planning	54
2015 Q2 in Review	1	Complete List of MMU Recommendations	54
PJM Market Summary Statistics	3	Section 3, Energy Market	54
PJM Market Background	3	Section 4, Energy Uplift	55
Conclusions	5 5	Section 5, Capacity	57
Role of MMU	8	Section 6, Demand Response	59
		Section 7, Net Revenue	60
Reporting	8	Section 8, Environmental	60
Monitoring	9	Section 9, Interchange Transactions	60
Market Design	10	Section 10, Ancillary Services	61
Recommendations	10	Section 11, Congestion and Marginal Losses	62
New Recommendation from Section 3, Energy Market	10	Section 12, Planning	62
New Recommendation from Section 6, Demand Response	10	Section 13, FTRs and ARRs	63
New Recommendation from Section 10, Ancillary Services	10		
New Recommendation from Section 12, Planning	11		
Total Price of Wholesale Power	11	SECTION 3 Energy Market	65
Components of Total Price	11	Overview	66
Section Overviews	12	Market Structure	66
Overview: Section 3, "Energy Market"	12	Market Behavior	67
Overview: Section 4, "Energy Uplift"	18	Market Performance	68
Overview: Section 5, "Capacity Market"	22	Scarcity	69
Overview: Section 6, "Demand Response"	26	Recommendations	69
Overview: Section 7, "Net Revenue"	30	Conclusion	70
Overview: Section 8, "Environmental and Renewables"	30	Market Structure	71
Overview: Section 9, "Interchange Transactions"	33	Market Concentration	71
Overview: Section 10, "Ancillary Services"	36	Ownership of Marginal Resources	73
Overview: Section 11, "Congestion and Marginal Losses"	41	Type of Marginal Resources	73 7 4
Overview: Section 12, "Planning"	43	Supply	74 75
Overview: Section 13, "FTR and ARRs"	46	Demand	84
		Demand	04

Supply and Demand: Load and Spot Market	92	Balancing Operating Reserve Determinants	154
Market Behavior	94	Energy Uplift Credits	156
Offer Capping for Local Market Power	94	Characteristics of Credits	156
Offer Capping for Local Market Power	95	Types of Units	156
Markup	97	Concentration of Energy Uplift Credits	157
Frequently Mitigated Units and Associated Units	98	Economic and Noneconomic Generation	159
Virtual Offers and Bids	101	Geography of Charges and Credits	161
Generator Offers	111	Energy Uplift Issues	163
Market Performance	112	Lost Opportunity Cost Credits	163
Markup	112	Black Start Service Units	166
Prices	120	Reactive / Voltage Support Units	166
Scarcity	135	Confidentiality of Energy Uplift Information	168
Emergency procedures	135	Energy Uplift Recommendations	168
Scarcity and Scarcity Pricing	139	Credits Recommendations	168
PJM Cold Weather Operations 2015 Natural gas supply		Allocation Recommendations	171
and prices	139	Quantifiable Recommendations Impact	176
Parameter Limited Schedules	140	April through June Energy Uplift Charges Analysis	177
SECTION 4 Energy Uplift (Operating Reserves)	141	SECTION 5 Capacity Market	181
SECTION 4 Energy Uplift (Operating Reserves) Overview	141	SECTION 5 Capacity Market Overview	181
		Overview	
Overview	141		181
Overview Energy Uplift Results Characteristics of Credits	141 141	Overview RPM Capacity Market	181 181
Overview Energy Uplift Results	141 141 141	Overview RPM Capacity Market Generator Performance	181 181 183
Overview Energy Uplift Results Characteristics of Credits Geography of Charges and Credits	141 141 141 142	Overview RPM Capacity Market Generator Performance Recommendations	181 181 183 183
Overview Energy Uplift Results Characteristics of Credits Geography of Charges and Credits Energy Uplift Issues	141 141 141 142 142	Overview RPM Capacity Market Generator Performance Recommendations Conclusion Installed Capacity	181 181 183 183 185
Overview Energy Uplift Results Characteristics of Credits Geography of Charges and Credits Energy Uplift Issues Energy Uplift Recommendations	141 141 141 142 142 142	Overview RPM Capacity Market Generator Performance Recommendations Conclusion	181 183 183 185 187
Overview Energy Uplift Results Characteristics of Credits Geography of Charges and Credits Energy Uplift Issues Energy Uplift Recommendations Recommendations	141 141 141 142 142 142 142	Overview RPM Capacity Market Generator Performance Recommendations Conclusion Installed Capacity RPM Capacity Market	181 183 183 185 187 188
Overview Energy Uplift Results Characteristics of Credits Geography of Charges and Credits Energy Uplift Issues Energy Uplift Recommendations Recommendations Conclusion	141 141 141 142 142 142 142 144	Overview RPM Capacity Market Generator Performance Recommendations Conclusion Installed Capacity RPM Capacity Market Market Structure	181 183 183 185 187 188
Overview Energy Uplift Results Characteristics of Credits Geography of Charges and Credits Energy Uplift Issues Energy Uplift Recommendations Recommendations Conclusion Energy Uplift	141 141 141 142 142 142 142 144 145	Overview RPM Capacity Market Generator Performance Recommendations Conclusion Installed Capacity RPM Capacity Market Market Structure Generator Performance	181 183 183 185 187 188 188
Overview Energy Uplift Results Characteristics of Credits Geography of Charges and Credits Energy Uplift Issues Energy Uplift Recommendations Recommendations Conclusion Energy Uplift Credits and Charges Categories	141 141 141 142 142 142 142 144 145	Overview RPM Capacity Market Generator Performance Recommendations Conclusion Installed Capacity RPM Capacity Market Market Structure Generator Performance Capacity Factor	181 183 183 185 187 188 188 192
Overview Energy Uplift Results Characteristics of Credits Geography of Charges and Credits Energy Uplift Issues Energy Uplift Recommendations Recommendations Conclusion Energy Uplift Credits and Charges Categories Energy Uplift Results	141 141 141 142 142 142 144 145 145 147	Overview RPM Capacity Market Generator Performance Recommendations Conclusion Installed Capacity RPM Capacity Market Market Structure Generator Performance Capacity Factor Generator Performance Factors	181 183 183 185 187 188 188 192 192
Overview Energy Uplift Results Characteristics of Credits Geography of Charges and Credits Energy Uplift Issues Energy Uplift Recommendations Recommendations Conclusion Energy Uplift Credits and Charges Categories Energy Uplift Results Energy Uplift Charges	141 141 142 142 142 142 144 145 145 147	Overview RPM Capacity Market Generator Performance Recommendations Conclusion Installed Capacity RPM Capacity Market Market Structure Generator Performance Capacity Factor Generator Performance Factors	181 183 183 185 187 188 188 192 192

iv Table of Contents © 2015 Monitoring Analytics, LLC

SECTION 6 Demand Response	205	Federal Environmental Regulation	240
Overview	205	Control of Mercury and Other Hazardous Air Pollutants	240
Recommendations	206	Air Quality Standards: Control of NO _x , SO ₂ and O ₃ Emissions	
Conclusion	207	Allowances	240
PJM Demand Response Programs	209	Emission Standards for Reciprocating Internal Combustion	
Participation in Demand Response Programs	210	Engines	242
Economic Program	211	Regulation of Greenhouse Gas Emissions	243
Emergency Program	218	State Environmental Regulation	245
		New Jersey High Electric Demand Day (HEDD) Rules	245
		Illinois Air Quality Standards (NO _x , SO ₂ and Hg)	245
SECTION 7 Net Revenue	229	State Regulation of Greenhouse Gas Emissions	245
Overview	229	Renewable Portfolio Standards	247
Net Revenue	229	Emissions Controlled Capacity and Renewables in PJM Markets	253
Conclusion	229	Emission Controlled Capacity in the PJM Region	253
Net Revenue	229	Wind Units	255
Theoretical Energy Market Net Revenue	230	Solar Units	258
New Entrant Combustion Turbine	232		
New Entrant Combined Cycle	233	SECTION 9 Interchange Transactions	259
New Entrant Coal Plant	233	3	
New Entrant Diesel	234	Overview	259
New Entrant Nuclear Plant	234	Interchange Transaction Activity	259
New Entrant Wind Installation	234	Interactions with Bordering Areas	259
New Entrant Solar Installation	235	Recommendations	260
Spark Spreads	235	Conclusion	261
		Interchange Transaction Activity	262
		Aggregate Imports and Exports Real-Time Interface Imports and Exports	262 263
SECTION 8 Environmental and Renewable Energy		Real-Time Interface Pricing Point Imports and Exports	265
Regulations	237	Day-Ahead Interface Imports and Exports	268
Overview	237	Day-Ahead Interface Pricing Point Imports and Exports	270
Federal Environmental Regulation	237	Loop Flows	275
State Environmental Regulation	238	PJM and MISO Interface Prices	280
Emissions Controls in PJM Markets	239	PJM and NYISO Interface Prices	283
State Renewable Portfolio Standards	239	Summary of Interface Prices between PJM and Organized Markets	
Conclusion	239	Sammary of interface trices between rom and organized Markets	. 203

Neptune Underwater Transmission Line to Long Island, New York	285	Primary Reserve	314
Linden Variable Frequency Transformer (VFT) facility	287	Tier 1 Synchronized Reserve	314
Hudson Direct Current (DC) Merchant Transmission Line	288	Tier 2 Synchronized Reserve Market	315
Operating Agreements with Bordering Areas	290	Non-Synchronized Reserve Market	316
PJM and MISO Joint Operating Agreement	291	Regulation Market	317
PJM and New York Independent System Operator Joint		Black Start Service	318
Operating Agreement (JOA)	292	Reactive	318
PJM and TVA Joint Reliability Coordination Agreement (JRCA)	294	Ancillary Services Costs per MWh of Load: 2004 through 2015	318
PJM and Duke Energy Progress, Inc. Joint Operating Agreement	294	Recommendations	319
PJM and VACAR South Reliability Coordination Agreement	296	Conclusion	319
Balancing Authority Operations Coordination Agreement between		Primary Reserve	320
Wisconsin Electric Power Company (WEC) and PJM		Market Structure	320
Interconnection, LLC	296	Price and Cost	323
Interface Pricing Agreements with Individual Balancing		Tier 1 Synchronized Reserve	325
Authorities	296	Market Structure	325
Other Agreements with Bordering Areas	297	Tier 1 Synchronized Reserve Event Response	327
Interchange Transaction Issues	297	Tier 2 Synchronized Reserve Market	330
PJM Transmission Loading Relief Procedures (TLRs)	297	Market Structure	330
Up-To Congestion	299	Market Behavior	334
Sham Scheduling	301	Market Performance	335
Elimination of Ontario Interface Pricing Point	302	Non-Synchronized Reserve Market	340
PJM and NYISO Coordinated Interchange Transactions	303	Market Structure	340
Reserving Ramp on the PJM/NYISO Interface	305	Secondary Reserve (DASR)	343
PJM and MISO Coordinated Interchange Transaction Proposal	305	Market Structure	343
Willing to Pay Congestion and Not Willing to Pay Congestion	307	Market Conduct	344
Spot Imports	307	Market Performance	344
Interchange Optimization	308	Regulation Market	347
45 Minute Schedule Duration Rule	309	Market Design	347
Interchange Transaction Credit Screening Process	310	Market Structure	354
Marginal Loss Surplus Allocation	310	Market Conduct	358
		Market Performance	361
CTOTION 12 A III C 1 A III		Black Start Service	362
SECTION 10 Ancillary Service Markets	313	Reactive Service	365
Overview	314		

vi Table of Contents © 2015 Monitoring Analytics, LLC

SECTION 11 Congestion and Marginal Losses	367	Generation and Transmission Interconnection Planning Process	397
Overview	367	Regional Transmission Expansion Plan (RTEP)	397
Congestion Cost	367	Backbone Facilities	398
Marginal Loss Cost	368	Transmission Facility Outages	398
Energy Cost	369	Recommendations	398
Conclusion	369	Conclusion	399
Locational Marginal Price (LMP)	369	Planned Generation and Retirements	400
Components	369	Planned Generation Additions	400
Hub Components	372	Planned Retirements	402
Component Costs	373	Generation Mix	406
Congestion	374	Generation and Transmission Interconnection Planning Process	408
Congestion Accounting	374	Interconnection Study Phase	408
Total Congestion	374	Regional Transmission Expansion Plan (RTEP)	411
Congested Facilities	378	Artificial Island Update	412
Congestion by Facility Type and Voltage	378	Cost Estimates and Allocations	412
Constraint Duration	382	Backbone Facilities	414
Constraint Costs	384	Transmission Facility Outages	415
Congestion-Event Summary for MISO Flowgates	386	Scheduling Transmission Facility Outage Requests	415
Congestion-Event Summary for NYISO Flowgates	388	Rescheduling Transmission Facility Outage Requests	417
Congestion-Event Summary for the 500 kV System	389	Transmission Facility Outage Analysis for the FTR Market	418
Congestion Costs by Physical and Financial Participants	390	Transmission Facility Outage Analysis in the	421
Congestion-Event Summary before and after September 8, 2014	391	Day-Ahead Market	421
Marginal Losses	391		
Marginal Loss Accounting	391	SECTION 13 Financial Transmission and Auction	
Marginal Loss Accounting	392	Revenue Rights	423
Total Marginal Loss Costs	392	•	
Energy Costs	394	Overview	424
Energy Accounting	394	Financial Transmission Rights	424
Total Energy Costs	395	Auction Revenue Rights	425
		Recommendations	426
SECTION 12 Congration and Transmission Diaming	207	Conclusion Einamaial Transmission Bights	426
SECTION 12 Generation and Transmission Planning	397	Financial Transmission Rights Market Structure	429
Overview	397	Market Structure Market Behavior	430 433
Planned Generation and Retirements	397	MININCE DELIGNIOL	433

2015 Quarterly State of the Market Report for PJM: January through June

Market Performance	437
Revenue Adequacy Issues and Solutions	455
Auction Revenue Rights	460
Market Structure	461
Market Performance	466

viii Table of Contents © 2015 Monitoring Analytics, LLC

Figures		Figure 3-13 PJM peak-load comparison: Friday, February 20, 2015, and Tuesday, June 17, 2014	86
		Figure 3-14 Distribution of PJM real-time accounting load plus	00
		exports: January through June 2014 and 2015	86
SECTION 1 Introduction	1	Figure 3-15 PJM real-time monthly average hourly load: January	
Figure 1-1 PJM's footprint and its 20 control zones	4	2014 through June 2015	87
Figure 1-2 PJM reported monthly billings (\$ Billions): 2008 through		Figure 3-16 PJM heating and cooling degree days: January 2014	
June, 2015	4	through June 2015	88
		Figure 3-17 Distribution of PJM day-ahead demand plus exports:	
	6.5	January through June of 2014 and 2015	89
SECTION 3 Energy Market	65	Figure 3-18 PJM day-ahead monthly average hourly demand:	
Figure 3-1 Fuel source distribution in unit segments: January		January 2014 through June 2015	90
through June 2015	73	Figure 3-19 Day-ahead and real-time demand (Average hourly	
Figure 3-2 PJM hourly Energy Market HHI: January through		volumes): January through June 2015	92
June 2015	73	Figure 3-20 Difference between day-ahead and real-time demand	
Figure 3-3 Day-ahead marginal up-to congestion transaction and		(Average daily volumes): January 2014 through June 2015	92
generation units: 2014 through June of 2015	75	Figure 3-21 Frequently mitigated units and associated units total	
Figure 3-4 Average PJM aggregate real-time generation supply		months eligible: February, 2006 through June, 2015	100
curves by offer price: January through June of 2014 and 2015	76	Figure 3-22 Frequently mitigated units and associated units (By	
Figure 3-5 Distribution of PJM real-time generation plus imports:		month): February 2006 through June 2015	101
January through June of 2014 and 2015	78	Figure 3-23 PJM day-ahead aggregate supply curves: 2015	
Figure 3-6 PJM real-time average monthly hourly generation:	70	example day	102
January 2014 through June 2015	79	Figure 3-24 Monthly bid and cleared INCs, DECs, and UTCs (MW):	104
Figure 3-7 Distribution of PJM day-ahead supply plus imports:	0.0	January 2005 through June 2015	104
January through June of 2014 and 2015	80	Figure 3-25 Daily bid and cleared INCs, DECs, and UTCs (MW):	104
Figure 3-8 PJM day-ahead monthly average hourly supply: January 2014 through June 2015	81	January 2014 through June 2015 Figure 3-26 PJM monthly cleared up-to congestion transactions by	104
Figure 3-9 Day-ahead and real-time supply (Average hourly	01	type (MW): January 2005 through June 2015	110
volumes): January through June 2015	83	Figure 3-27 PJM daily cleared up-to congestion transaction by type	110
Figure 3-10 Difference between day-ahead and real-time supply	03	(MW): January 2014 through June 2015	111
(Average daily volumes): January 2014 through June 2015	83	Figure 3-28 Markup Contribution to real-time hourly load-weighted	• • • •
Figure 3-11 Map of PJM real-time generation less real-time load by	03	LMP (Unadjusted): January through June 2014 and 2015	115
zone: January through June 2015	84	Figure 3-29 Markup Contribution to real-time hourly load-weighted	
Figure 3-12 PJM footprint calendar year peak loads: January through	-	LMP (Adjusted): January through June 2014 and 2015	115
lune 1999 to 2015	85		

Figure 3-30 Average LMP for the PJM Real-Time Energy Market:		Figure 4-6 Cumulative share of energy uplift credits in the first six	
January through June 2014 and 2015	121	months of 2014 and 2015 by unit	158
Figure 3-31 PJM real-time, load-weighted, average LMP: January		Figure 4-7 PJM Closed Loop Interfaces Map	167
through June 2015	123	Figure 4-8 Energy uplift charges change from April through June of	
Figure 3-32 PJM real-time, monthly and annual, load-weighted,		2014 to April through June of 2015 by category	178
average LMP: January 1999 through June 2015	123	Figure 4-9 Balancing operating reserve charges change from April	
Figure 3-33 Spot average fuel price comparison with fuel delivery		through June 2014 to April through June 2015	178
charges: 2012 through June, 2015 (\$/MMBtu)	124	Figure 4-10 Reactive services charges change from April through	
Figure 3-34 Average LMP for the PJM Day-Ahead Energy Market:		June 2014 to April through June 2015	179
January through June 2014 and 2015	127	·	
Figure 3-35 Day-ahead, monthly and annual, load-weighted, average	<u>:</u>		
LMP: June 2000 through June 2015	128	SECTION 5 Capacity Market	181
Figure 3-36 Real-time hourly LMP minus day-ahead hourly LMP:		Figure 5-1 Percentage of PJM installed capacity (By fuel source):	
January through June 2015	134	June 1, 2007 through June 1, 2017	188
Figure 3-37 Monthly average of real-time minus day-ahead LMP:		Figure 5-2 PJM outages (MW): 2012 through June 2015	193
January through June 2015	134	Figure 5-3 PJM equivalent outage and availability factors: 2007 to	
Figure 3-38 PJM system hourly average LMP: January through		2015	194
June 2015	135	Figure 5-4 Trends in the PJM equivalent demand forced outage	
Figure 3-39 Average daily delivered price for natural gas: January		rate (EFORd): 2007 through 2015	196
through June, 2014 and 2015 (\$/MMBtu)	140	Figure 5-5 PJM distribution of EFORd data by unit type	197
SECTION 4 Energy Uplift (Operating Reserves)	141	SECTION 6 Demand Response	205
		·	203
Figure 4-1 Daily day-ahead operating reserve rate (\$/MWh): 2014	151	Figure 6-1 Demand response revenue by market: January through	
and 2015	151	June 2008 through 2015	211
Figure 4-2 Daily balancing operating reserve reliability rates	151	Figure 6-2 Economic program credits and MWh by month: January	
(\$/MWh): 2014 and 2015	151	2010 through June 2015	213
Figure 4-3 Daily balancing operating reserve deviation rates	150		
(\$/MWh): 2014 and 2015	152	SECTION 7 Net Revenue	229
Figure 4-4 Daily lost opportunity cost and canceled resources rates	152		229
(\$/MWh): 2014 and 2015	152	Figure 7-1 Energy Market net revenue factor trends: 2009	
Figure 4-5 Daily reactive transfer interface support rates (\$/MWh):	154	through 2015	230
2014 and 2015	154	Figure 7-2 Average operating costs: 2009 through 2015	232
		Figure 7-3 Spark spread for selected zones: 2013 through 2015	235

x Table of Contents © 2015 Monitoring Analytics, LLC

SECTION 8 Environmental and Renewable		Figure 9-6 PJM, NYISO and MISO real-time and day-ahead border	
Energy Regulations	237	price averages: January through June 2015	285
Figure 8-1 Spot monthly average emission price comparison: January 2014 through June 2015	247	Figure 9-7 Neptune hourly average flow: January through June 2015	287
Figure 8-2 Average solar REC price by jurisdiction: 2009 through 2015	250	Figure 9-8 Linden hourly average flow: January through June 2015 Figure 9-9 Hudson hourly average flow: January through June 2015 Figure 9-10 Credits for coordinated congestion management:	288 290
Figure 8-3 Average Tier I REC price by jurisdiction: 2009 through 2015	250	January 2013 through June 2015 Figure 9-11 Credits for coordinated congestion management	292
Figure 8-4 Average Tier II REC price by jurisdiction: 2009 through 2015	251	(flowgates): January 2013 through June 2015 Figure 9-12 Credits for coordinated congestion management	293
Figure 8-5 Average hourly real-time generation of wind units in PJM: January through June 2015	256	(Ramapo PARs): January 2013 through June 2015 Figure 9-13 Monthly up-to congestion cleared bids in MWh:	294
Figure 8-6 Average hourly day-ahead generation of wind units in PJM: January through June 2015 Figure 8-7 Marginal fuel at time of wind generation in PJM:	257	January 2005 through June 2015 Figure 9-14 Spot import service utilization: January 2013	299
January through June 2015	257	through June, 2015	308
Figure 8-8 Average hourly real-time generation of solar units in PJM: January through June 2015	258	SECTION 10 Ancillary Service Markets	313
		Figure 10-1 PJM RTO geography and primary reserve requirement:	
SECTION 9 Interchange Transactions	259	2015	321
Figure 9-1 PJM real-time and day-ahead scheduled imports and exports: January through June 2015	263	Figure 10-2 Mid-Atlantic Dominion subzone primary reserve MW by source (Daily Averages): January through June 2015 Figure 10-3 RTO subzone primary reserve MW by source (Daily	323
Figure 9-2 PJM real-time and day-ahead scheduled import and export transaction volume history: January 1999 through	262	Averages): January through June 2015 Figure 10-4 Daily average market clearing prices (\$/MW) for	323
June 2015 Figure 9-3 PJM's footprint and its external interfaces	263 274	synchronized reserve and non-synchronized reserve: January through June 2015	324
Figure 9-4 Real-time and day-ahead daily hourly average price difference (MISO/PJM Interface minus PJM/MISO Interface): January through June 2015	282	Figure 10-5 Daily average tier 1 synchronized reserve supply (MW) in the MAD subzone: January through June 2015	326
Figure 9-5 Real-time and day-ahead daily hourly average price difference (NY/PJM proxy - PJM/NYIS Interface): January	202	Figure 10-6 Cleared Tier 2 Synchronized Reserve Average Hourly MW per Hour by unit type, full RTO Zone: January through June 2015	331
through June 2015	284		

Figure 10-7 Monthly average actual vs default synchronized reserve		Figure 10-21 Example marginal benefit line in percent RegD and	
requirements, RTO and MAD: January 2014 through June 2015	332	RegD MW terms	351
Figure 10-8 Mid-Atlantic Dominion Reserve subzone monthly average	2	Figure 10-22 Illustration of correct method for calculating effective	
synchronized reserve required vs. tier 2 synchronized reserve		MW	351
scheduled MW: January 2014 through June 2015	332	Figure 10-23 Daily average percent of RegD effective MW by peak:	
Figure 10-9 RTO Reserve zone monthly average synchronized		January through June 2015	352
reserve required vs. tier 2 synchronized reserve scheduled MW:		Figure 10-24 Average cleared RegD MW and average cleared RegD	
January 2014 through June 2015	333	with an effective price of \$0.00 by month: January 2014	
Figure 10-10 Tier 2 synchronized reserve daily average offer and		through June 2015	353
eligible volume (MW): January through June 2015	334	Figure 10-25 Average monthly peak effective MW: PJM market	
Figure 10-11 Mid-Atlantic Dominion subzone average daily tier 2		calculated versus benefit factor based	353
synchronized reserve offer by unit type (MW): January through		Figure 10-26 Cost of excess effective MW cleared by month, peak	
June, 2012 through 2015	335	and off peak: January 1, 2014 through June 30, 2015	354
Figure 10-12 RTO Zone average daily tier 2 synchronized reserve		Figure 10-27 PJM monthly CPS1 and BAAL performance: January	
offer by unit type (MW): January through June 2012		2011 through June 2015	357
through 2015	335	Figure 10-28 PJM Regulation Market HHI distribution: 2014 and	
Figure 10-13 Synchronized reserve events duration distribution		2015	357
curve: 2011 through 2015	338	Figure 10-29 Off peak and on peak regulation levels: 2015	359
Figure 10-14 Daily average MAD subzone Non-synchronized		Figure 10-30 PJM regulation market daily weighted average	
Reserve Market clearing price and MW purchased: January		market-clearing price, marginal unit opportunity cost and offer	
through June 2015	342	price (Dollars per MW): 2015	361
Figure 10-15 Daily average RTO Zone Non-synchronized Reserve			
Market clearing price and MW purchased: January through		CEOTION 44 O	
June 2015	342	SECTION 11 Congestion and Marginal Losses	367
Figure 10-16 Daily average components of DASR clearing price		Figure 11-1 PJM monthly total congestion cost (Dollars (Millions)):	
(\$/MW), marginal unit offer and LOC: January through		2009 through June of 2015	377
June 2015	346	Figure 11-2 Location of the top 10 constraints by PJM total	
Figure 10-17 Daily average DASR prices and MW by classification:		congestion costs: January through June of 2015	386
January through June 2015	346	Figure 11-3 Location of the top 10 constraints by PJM day-ahead	
Figure 10-18 Hourly average performance score by unit type and		congestion costs: January through June of 2015	386
regulation signal type: January through June 2015	348	Figure 11-4 Location of the top 10 constraints by PJM balancing	
Figure 10-19 Daily average marginal benefit factor and mileage		congestion costs: January through June of 2015	386
ratio: 2015	349	Figure 11-5 Daily congestion event hours: 2014 through June of	
Figure 10-20 Maximum, minimum, and average PJM calculated		2015	391
marginal benefit factor by month: January through June of 2015	350		

xii Table of Contents © 2015 Monitoring Analytics, LLC

Figure 11-6 PJM monthly marginal loss costs (Dollars (Millions)): 2009 through June of 2015	394
Figure 11-7 PJM monthly energy costs (Dollars (Millions)): January 2009 through June 2015	396
SECTION 12 Generation and Transmission Planning	397
Figure 12-1 Map of PJM unit retirements: 2011 through 2019	403
Figure 12-2 PJM capacity (MW) by age (years): At June 30, 2015	407
Figure 12-3 PJM Backbone Projects	414
SECTION 13 Financial Transmission and Auction	
Revenue Rights	423
Figure 13-1 Illustration of INC/DEC FTR forfeiture rule	434
Figure 13-2 Monthly FTR forfeitures for physical and financial	
participants: June 2010 through May 2015	434
Figure 13-3 FTR forfeitures for INCs/DECs and INCs/DECs/UTCs for	
both the PJM and MMU methods: January 2013 through June	
2015	435
Figure 13-4 Illustration of UTC FTR forfeiture rule	436
Figure 13-5 Illustration of UTC FTR Forfeiture rule with one point	
far from constraint	436
Figure 13-6 Annual Bid FTR Auction volume: Planning period	
2009 to 2010 through 2015 to 2016	439
Figure 13-7 Annual Cleared FTR Auction volume: Planning period	
2009 to 2010 through 2015 to 2016	439
Figure 13-8 Cleared auction volume (MW) as a percent of total FTR	
cleared volume by calendar month: June 2004 through June 2015	442
Figure 13-9 Long Term, Annual and Monthly FTR Auction bid and	
cleared volume: June 2003 through June 2015	443
Figure 13-10 Annual FTR Auction volume-weighted average buy bid	
price: Planning period 2009 to 2010 through 2015 to 2016	444

Figure 13-11 Ten largest positive and negative FTR target	
allocations summed by sink: 2014 to 2015 planning period	448
Figure 13-12 Ten largest positive and negative FTR target	
allocations summed by source: 2014 to 2015 planning period	448
Figure 13-13 FTR payout ratio by month, excluding and including	
excess revenue distribution: January 2004 through June 2015	453
Figure 13-14 FTR surplus and the collected Day-Ahead, Balancing	
and Total congestion: January 2005 through June 2015	459
Figure 13-15 FTR target allocation compared to sources of positive	
and negative congestion revenue	460
Figure 13-16 Historic Stage 1B and Stage 2 ARR Allocations from	
the 2011 to 2012 through 2014 to 2015 planning periods	463
Figure 13-17 Stage 1A Infeasibility Funding Impact	467
Figure 13-18 Dollars per ARR MW paid to ARR holders: Planning	
periods 2010 to 2011 through 2014 to 2015	468
Figure 13-19 Excess ARR revenue: Planning periods 2011 to 2012	
through 2014 to 2015	469

xiv Table of Contents © 2015 Monitoring Analytics, LLC

Tables Table 3-8 PJM generation (By fuel source (GWh)): January through June of 2014 and 2015 76 Table 3-9 Monthly PJM generation (By fuel source (GWh)): January through June 2015 77 **SECTION 1 Introduction** Table 3-10 PJM real-time average hourly generation and real-time Table 1-1 PJM Market Summary Statistics, January through June, 2014 average hourly generation plus average hourly imports: January and 2015 3 through June of 2000 through 2015 78 Table 1-2 The Energy Market results were competitive 5 Table 3-11 PJM day-ahead average hourly supply and day-ahead Table 1-3 The Capacity Market results were competitive 6 average hourly supply plus average hourly imports: January Table 1-4 The Regulation Market results were competitive 7 through June 2000 through 2015 80 Table 1-5 The Tier 2 Synchronized Reserve Markets results were Table 3-12 Day-ahead and real-time supply (MWh): January through competitive 7 June 2014 and 2015 82 Table 1-6 The Day-Ahead Scheduling Reserve Market results were Table 3-13 PJM real-time generation less real-time load by zone competitive 8 (GWh): January through June 2014 and 2015 84 Table 1-7 The FTR Auction Markets results were competitive 8 Table 3-14 Actual PJM footprint peak loads: January through June Table 1-8 Total price per MWh by category: January through June, 1999 to 2015 85 2014 and 2015 12 Table 3-15 PJM real-time average hourly load and real-time average hourly load plus average hourly exports: January through June of 1998 through 2015 87 **SECTION 3 Energy Market** 65 Table 3-16 PJM heating and cooling degree days: January 2014 Table 3-1 The Energy Market results were competitive 65 through June 2015 88 Table 3-2 PJM hourly Energy Market HHI: January through June 2014 Table 3-17 PJM day-ahead average demand and day-ahead average and 2015 72 hourly demand plus average hourly exports: January through Table 3-3 PJM hourly Energy Market HHI (By supply segment): June 2000 through 2015 90 January through June 2014 and 2015 72 Table 3-18 Cleared day-ahead and real-time demand (MWh): January Table 3-4 Marginal unit contribution to PJM real-time, load-weighted through June 2014 and 2015 91 LMP (By parent company): January through June 2014 and 2015 74 Table 3-19 Monthly average percentage of real-time self-supply load, Table 3-5 Marginal resource contribution to PJM day-ahead, bilateral-supply load and spot-supply load based on parent load-weighted LMP (By parent company): January through companies: January 2014 through June 2015 93 June of 2014 and 2015 Table 3-20 Monthly average percentage of day-ahead self-supply 74 Table 3-6 Type of fuel used (By real-time marginal units): January demand, bilateral supply demand, and spot-supply demand through June 2014 and 2015 75 based on parent companies: January 2014 through June 2015 94 Table 3-7 Day-ahead marginal resources by type/fuel: January Table 3-21 Offer-capping statistics – energy only: January through through June of 2014 and 2015 75 June, 2011 to 2015 94

Table 3-22 Offer-capping statistics for energy and reliability: January		Table 3-38 PJM import and export transactions by type of parent	
through June, 2011 to 2015	95	organization (MW): January through June 2014 and 2015	105
Table 3-23 Offer-capping statistics for reliability: January through		Table 3-39 PJM virtual offers and bids by top ten locations (MW):	
June, 2011 to 2015	95	January through June 2014 and 2015	106
Table 3-24 Real-time offer-capped unit statistics: January through		Table 3-40 PJM cleared up-to congestion import bids by top ten	
June, 2014 and 2015	95	source and sink pairs (MW): January through June 2014 and 2015	107
Table 3-25 Numbers of hours when control zones experienced		Table 3-41 PJM cleared up-to congestion export bids by top ten	
congestion resulting from one or more constraints binding for		source and sink pairs (MW): January through June 2014 and 2015	107
50 or more hours or from an interface constraint: January		Table 3-42 PJM cleared up-to congestion wheel bids by top ten	
through June, 2009 through 2015	96	source and sink pairs (MW): January through June 2014	
Table 3-26 Three pivotal supplier test details for interface constraints:		and 2015	108
January through June, 2015	96	Table 3-43 PJM cleared up-to congestion internal bids by top ten	
Table 3-27 Summary of three pivotal supplier tests applied for		source and sink pairs (MW): January through June 2014 and 2015	108
interface constraints: January through June, 2015	97	Table 3-44 Number of PJM offered and cleared source and sink pairs:	
Table 3-28 Average, real-time marginal unit markup index (By offer		January 2013 through June 2015	109
price category): January through June 2014 and 2015	98	Table 3-45 PJM cleared up-to congestion transactions by type (MW):	
Table 3-29 Average day-ahead marginal unit markup index (By offer		January through June 2014 and 2015	110
price category): January through June of 2014 and 2015	98	Table 3-46 Distribution of MW for dispatchable unit offer prices:	
Table 3-30 Frequently mitigated units and associated units by total		January through June 2015	111
months eligible: 2014 and January through June, 2015	99	Table 3-47 Distribution of MW for self scheduled offer prices:	
Table 3-31 Number of frequently mitigated units and associated		January through June 2015	112
units (By month): January 2014 through June 2015	100	Table 3-48 Markup component of the overall PJM real-time, load-	
Table 3-32 Hourly average number of cleared and submitted INCs,		weighted, average LMP by primary fuel type and unit type:	
DECs by month: January 2014 through June 2015	102	January through June 2014 and 2015	114
Table 3-33 Hourly average of cleared and submitted up-to congestion		Table 3-49 Monthly markup components of real-time load-weighted	
bids by month: January 2014 through June 2015	103	LMP (Unadjusted): January through June 2014 and 2015	114
Table 3-34 Hourly average number of cleared and submitted import		Table 3-50 Monthly markup components of real-time load-weighted	
and export transactions by month: January 2014 through June		LMP (Adjusted): January through June 2014 and 2015	114
2015	103	Table 3-51 Average real-time zonal markup component (Unadjusted):	
Table 3-35 Type of day-ahead marginal units: January through		January through June 2014 and 2015	116
June of 2015	103	Table 3-52 Average real-time zonal markup component (Adjusted):	
Table 3-36 PJM INC and DEC bids by type of parent organization		January through June 2014 and 2015	116
(MW): January through June 2014 and 2015	105	Table 3-53 Average real-time markup component (By price category,	
Table 3-37 PJM up-to congestion transactions by type of parent		unadjusted): January through June 2014 and 2015	117
organization (MW): January through June 2014 and 2015	105		

xvi Table of Contents © 2015 Monitoring Analytics, LLC

Table 3-54 Average real-time markup component (By price category,		Table 3-69 PJM day-ahead, average LMP (Dollars per MWh): January	
adjusted): January through June 2014 and 2015	117	through June of 2001 through 2015	127
Table 3-55 Markup component of the annual PJM day-ahead, load-		Table 3-70 PJM day-ahead, load-weighted, average LMP (Dollars per	
weighted, average LMP by primary fuel type and unit type:		MWh): January through June 2001 through 2015	128
January through June of 2014 and 2015	117	Table 3-71 Components of PJM day-ahead, (unadjusted) six month,	
Table 3-56 Monthly markup components of day-ahead (Unadjusted),		load-weighted, average LMP (Dollars per MWh): January through	
load-weighted LMP: January through June of 2014 and 2015	118	June of 2014 and 2015	129
Table 3-57 Monthly markup components of day-ahead (Adjusted),		Table 3-72 Components of PJM day-ahead, (adjusted) six month,	
load-weighted LMP: January through June of 2014 and 2015	118	load-weighted, average LMP (Dollars per MWh): January	
Table 3-58 Day-ahead, average, zonal markup component		through June of 2014 and 2015	130
(Unadjusted): January through June of 2014 and 2015	119	Table 3-73 Cleared UTC profitability by source and sink point:	
Table 3-59 Day-ahead, average, zonal markup component (Adjusted):		January through June 2014 and 2015	131
January through June of 2014 and 2015	119	Table 3-74 Day-ahead and real-time average LMP (Dollars per MWh):	
Table 3-60 Average, day-ahead markup (By LMP category,		January through June, 2014 and 2015	132
unadjusted): January through June of 2014 and 2015	120	Table 3-75 Day-ahead and real-time average LMP (Dollars per MWh):	:
Table 3-61 Average, day-ahead markup (By LMP category, adjusted):		January through June 2001 through 2015	132
January through June 2014 and 2015	120	Table 3-76 Frequency distribution by hours of PJM real-time LMP	
Table 3-62 PJM real-time, average LMP (Dollars per MWh): January		minus day-ahead LMP (Dollars per MWh): January through	
through June of 1998 through 2015	121	June of 2007 through 2015	133
Table 3-63 PJM real-time, load-weighted, average LMP (Dollars per		Table 3-77 Summary of emergency events declared: January through	
MWh): January through June of 1998 through 2015	122	June, 2014 and 2015	135
Table 3-64 Zone real-time and real-time, load-weighted, average LMP		Table 3-78 Description of Emergency Procedures	137
(Dollars per MWh): January through June of 2014 and 2015	122	Table 3-79 PJM declared emergency alerts, warnings and actions:	
Table 3-65 PJM real-time annual, fuel-cost adjusted, load-weighted		January through June, 2015	138
average LMP (Dollars per MWh): six months over six months	124		
Table 3-66 Change in PJM real-time annual, fuel-cost adjusted,			
load-weighted average LMP (Dollars per MWh) by Fuel-type:		SECTION 4 Energy Uplift (Operating Reserves)	141
six months over six months	125	Table 4-1 Day-ahead and balancing operating reserve credits and	
Table 3-67 Components of PJM real-time (Unadjusted), six month,		charges	146
load-weighted, average LMP: January through June 2014 and		Table 4-2 Reactive services, synchronous condensing and black start	
2015	126	services credits and charges	146
Table 3-68 Components of PJM real-time (Adjusted), six month,		Table 4-3 Total energy uplift charges: January through June 2014	
load-weighted, average LMP: January through June 2014 and		and 2015	147
2015	126		

Table 4-4 Energy uplift charges by category: January through June		Table 4-21 Identification of balancing operating reserve credits	
2014 and 2015	147	received by the top 10 units by category and region: January	
Table 4-5 Monthly energy uplift charges: 2014 and January through		through June 2015	158
June 2015	148	Table 4-22 Daily energy uplift credits HHI: January through	
Table 4-6 Day-ahead operating reserve charges: January through Jun	e	June 2015	158
2014 and 2015	148	Table 4-23 Day-ahead and real-time generation (GWh): January	
Table 4-7 Balancing operating reserve charges: January through		through June 2015	159
June 2014 and 2015	149	Table 4-24 Day-ahead and real-time economic and noneconomic	
Table 4-8 Balancing operating reserve deviation charges: January		generation from units eligible for operating reserve credits	
through June 2014 and 2015	149	(GWh): January through June 2015	159
Table 4-9 Additional energy uplift charges: January through June		Table 4-25 Day-ahead and real-time generation receiving operating	
2014 and 2015	149	reserve credits (GWh): January through June 2015	160
Table 4-10 Regional balancing charges allocation (Millions): January		Table 4-26 Day-ahead generation scheduled as must run by PJM	
through June 2014	150	(GWh): 2014 and January through June 2015	160
Table 4-11 Regional balancing charges allocation (Millions): January		Table 4-27 Day-ahead generation scheduled as must run by PJM by	
through June 2015	150	category (GWh): January through June 2015	161
Table 4-12 Operating reserve rates (\$/MWh): January through June		Table 4-28 Geography of regional charges and credits: January	
2014 and 2015	152	through June 2015	162
Table 4-13 Operating reserve rates statistics (\$/MWh): January		Table 4-29 Geography of reactive services charges: January through	
through June 2015	153	June 2015	162
Table 4-14 Local voltage support rates: January through June 2014		Table 4-30 Monthly lost opportunity cost credits (Millions): 2014	
and 2015	153	and January through June 2015	163
Table 4-15 Balancing operating reserve determinants (MWh):		Table 4-31 Day-ahead generation from combustion turbines and	
January through June 2014 and 2015	155	diesels (GWh): 2014 and January through June 2015	164
Table 4-16 Deviations by transaction type: January through		Table 4-32 Lost opportunity cost credits paid to combustion	
June 2015	155	turbines and diesels by scenario (Millions): 2014 and January	
Table 4-17 Energy uplift credits by category: January through		through June 2015	165
June 2014 and 2015	156	Table 4-33 Day-ahead generation (GWh) from combustion turbines	
Table 4-18 Energy uplift credits by unit type: January through		and diesels receiving lost opportunity cost credits by value:	
June 2014 and 2015	157	2014 and January through June 2015	165
Table 4-19 Energy uplift credits by unit type: January through		Table 4-34 PJM Closed Loop Interfaces	167
June 2015	157	Table 4-35 Impact on energy market lost opportunity cost credits	
Table 4-20 Top 10 units and organizations energy uplift credits:		of rule changes (Millions): January through June 2015	171
January through June 2015	158	Table 4-36 Current energy uplift allocation	175
		Table 4-37 MMU energy uplift allocation proposal	175

xviii Table of Contents © 2015 Monitoring Analytics, LLC

Table 4-38 Current and proposed energy uplift charges by allocation		SECTION 6 Demand Response	205
(Millions): 2014 and January through June 2015	176	Table 6-1 Overview of demand response programs	209
Table 4-39 Current and proposed average energy uplift rate by transaction: 2014 and January through June 2015	177	Table 6-2 Economic program registrations on the last day of the month: January 2010 through June 2015	212
		Table 6-3 Sum of peak MW reductions for all registrations per	
SECTION 5 Capacity Market	181	month: January through June, 2010 through 2015	212
Table 5-1 The Capacity Market results were competitive	181	Table 6-4 Credits paid to the PJM economic program participants:	212
Table 5-2 RPM related MMU reports, 2014 through 2015	186	January through June 2010 through 2015	213
Table 5-3 PJM installed capacity (By fuel source): January 1,		Table 6-5 PJM economic program participation by zone: January through June of 2014 and 2015	214
May 31, June 1, and June 30, 2015	187	Table 6-6 Settlements submitted by year in the economic program:	214
Table 5-4 Generation capacity changes: 2007/2008 through		January through June of 2009 through 2015	214
2015/2016	189	Table 6-7 Participants and CSPs submitting settlements in the	217
Table 5-5 Capacity Market load obligations served: June 1, 2015	189	economic program by year: January through June of 2009	
Table 5-6 RPM load management statistics by LDA: June 1, 2014 to		through 2015	214
June 1, 2017	191	Table 6-8 HHI and market concentration in the economic program:	
Table 5-7 RPM load management cleared capacity and ILR:		January through June of 2014 and 2015	214
2007/2008 through 2017/2018	192	Table 6-9 Hourly frequency distribution of economic program MWh	
Table 5-8 RPM load management statistics: June 1, 2007 to		reductions and credits: January through June 2014 and 2015	215
June 1, 2017	192	Table 6-10 Frequency distribution of economic program zonal,	
Table 5-9 PJM capacity factor (By unit type (GWh)): January		load-weighted, average LMP (By hours): January through	
through June of 2014 and 2015	193	June 2014 and 2015	215
Table 5-10 EAF by unit type: 2007 through 2015	195	Table 6-11 Result from net benefits tests: April 2012 through	
Table 5-11 EMOF by unit type: 2007 through 2015	195	June 2015	216
Table 5-12 EPOF by unit type: 2007 through 2015	195	Table 6-12 Hours with price higher than NBT and DR occurrences	
Table 5-13 EFOF by unit type: 2007 through 2015	195	in those hours: January through June 2014 and 2015	216
Table 5-14 PJM EFORd data for different unit types: 2007 through 2015	196	Table 6-13 Zonal DR charge: January through June 2015	217
Table 5-15 OMC Outages	199	Table 6-14 Zonal DR charge per MWh of Load and Exports: January	
Table 5-16 Contribution to EFOF by unit type by cause: 2015	202	through June 2015	217
Table 5-17 Contributions to Economic Outages: 2015	203	Table 6-15 Monthly day-ahead and real-time DR charge: January	
Table 5-18 PJM EFORd, XEFORd and EFORp data by unit type	203	through June 2014 and 2015	218
Table 5-10 13W EFORG, AEFORG and EFORP data by unit type	203	Table 6-16 Zonal monthly capacity revenue: January through	245
		June 2015	218

Table 6-17 Energy efficiency resources by MW: 2012/2013 through		SECTION 7 Net Revenue	229
2015/2016 Delivery Year	219	Table 7-1 Average operating costs: January through June, 2015	231
Table 6-18 Lead time by product type: 2014/2015 Delivery Year Table 6-19 Lead time by product type: 2015/2016 Delivery Year Table 6-20 Reduction MW by each demand response method: 2014/2015 Delivery Year	219219220	Table 7-2 Energy net revenue for a new entrant gas-fired CT under economic dispatch (Dollars per installed MW-year) Table 7-3 Energy net revenue for a new entrant CC under economic	232
Table 6-21 Reduction MW by each demand response method: 2015/2016 Delivery Year Table 6-22 On-site generation fuel type by MW: 2014/2015 Delivery Year	220	dispatch (Dollars per installed MW-year) Table 7-4 Energy net revenue for a new entrant CP (Dollars per installed MW-year) Table 7-5 PJM energy market net revenue for a new entrant DS	233 233
Table 6-23 On-site generation fuel type by MW: 2015/2016 Delivery Year Table 6-24 Demand response cleared MW UCAP for PJM: 2011/2012	221	(Dollars per installed MW-year) Table 7-6 Energy net revenue for a new entrant nuclear plant (Dollars per installed MW-year)	234 234
through 2015/2016 Delivery Year Table 6-25 PJM declared load management events: 2015 Table 6-26 Demand response event performance: April 21, 2015 and April 22, 2015	221221223	Table 7-7 Energy market net revenue for a wind installation (Dollars per installed MW-year) Table 7-8 PSEG Energy Market net revenue for a solar installation (Dollars per installed MW-year)	235 235
Table 6-27 Distribution of participant event days and nominated MW across ranges of performance levels across the events: 2015 Table 6-28 Non-reporting locations and nominated ICAP: 2015	223	SECTION 8 Environmental and Renewable Energy Regulations	237
event days Table 6-29 Distribution of registrations and associated MW in the emergency full option across ranges of minimum dispatch prices: 2014/2015 Delivery Year Table 6-30 Distribution of registrations and associated MW in the emergency full option across ranges of minimum dispatch prices: 2015/2016 Delivery Year Table 6-31 Energy reduction MWh and average real-time LMP during demand response event days: 2015 Table 6-32 Emergency Revenue by event: 2015	225	Table 8-1 Interim and final targets for CO ₂ emissions goals for PJM states (Short Tons of CO ₂) Table 8-2 HEDD maximum NO _x emission rates Table 8-3 RGG1 CO ₂ allowance auction prices and quantities in short tons and metric tonnes: 2009-2011, 2012-2014 and 2015-2017 Compliance Periods Table 8-4 Renewable standards of PJM jurisdictions to 2028 Table 8-5 Solar renewable standards by percent of electric load for PJM jurisdictions: 2015 to 2028 Table 8-6 Additional renewable standards of PJM jurisdictions 2015 to 2028 Table 8-7 Renewable alternative compliance payments in PJM jurisdictions: As of June 30, 2015	

xx Table of Contents © 2015 Monitoring Analytics, LLC

Table 8-8 Renewable resource generation by jurisdiction and		Table 9-7 Day-Ahead scheduled net interchange volume by interface	
renewable resource type (GWh): January through June 2015	252	(GWh): January through June 2015	269
Table 8-9 PJM renewable capacity by jurisdiction (MW) on		Table 9-8 Day-Ahead scheduled gross import volume by interface	
June 30, 2015	252	(GWh): January through June 2015	269
Table 8-10 Renewable capacity by jurisdiction, non-PJM units		Table 9-9 Day-Ahead scheduled gross export volume by interface	
registered in GATS (MW) on June 30, 2015	253	(GWh): January through June 2015	270
Table 8-11 SO ₂ emission controls (FGD) by fuel type (MW), as of		Table 9-10 Day-ahead scheduled net interchange volume by interface	<u>,</u>
June 30, 2015	253	pricing point (GWh): January through June 2015	271
Table 8-12 NO, emission controls by fuel type (MW), as of		Table 9-11 Up-to congestion scheduled net interchange volume by	
June 30, 2015	254	interface pricing point (GWh): January through June 2015	272
Table 8-13 Particulate emission controls by fuel type (MW) as of		Table 9-12 Day-ahead scheduled gross import volume by interface	
June 30, 2015	254	pricing point (GWh): January through June 2015	272
Table 8-14 CO ₂ , SO ₂ and NO ₃ emissions by month (short tons), by		Table 9-13 Up-to congestion scheduled gross import volume by	
PJM units: January 2012 through June 2015	255	interface pricing point (GWh): January through June 2015	273
Table 8-15 Capacity factor of wind units in PJM: January through		Table 9-14 Day-ahead scheduled gross export volume by interface	
June 2015	255	pricing point (GWh): January through June 2015	273
Table 8-16 Capacity factor of wind units in PJM by month:		Table 9-15 Up-to congestion scheduled gross export volume by	
January 2014 through June 2015	256	interface pricing point (GWh): January through June 2015	274
		Table 9-16 Active interfaces: January through June 2015	274
		Table 9-17 Active pricing points: January through June 2015	275
SECTION 9 Interchange Transactions	259	Table 9-18 Net scheduled and actual PJM flows by interface (GWh):	
Table 9-1 Real-time scheduled net interchange volume by interface		January through June 2015	276
(GWh): January through June 2015	264	Table 9-19 Net scheduled and actual PJM flows by interface pricing	
Table 9-2 Real-time scheduled gross import volume by interface		point (GWh): January through June 2015	277
(GWh): January through June 2015	265	Table 9-20 Net scheduled and actual PJM flows by interface pricing	
Table 9-3 Real-time scheduled gross export volume by interface		point (GWh) (Adjusted for IMO Scheduled Interfaces): January	
(GWh): January through June 2015	265	through June 2015	278
Table 9-4 Real-time scheduled net interchange volume by interface		Table 9-21 Net scheduled and actual PJM flows by interface and	
pricing point (GWh): January through June 2015	267	interface pricing point (GWh): January through June 2015	279
Table 9-5 Real-time scheduled gross import volume by interface		Table 9-22 Net scheduled and actual PJM flows by interface pricing	
pricing point (GWh): January through June, 2015	267	point and interface (GWh): January through June 2015	280
Table 9-6 Real-time scheduled gross export volume by interface		Table 9-23 PJM and MISO flow based hours and average hourly price	
pricing point (GWh): January through June 2015	268	differences: January through June 2015	282

Table 9-24 Distribution of hourly flows that are consistent and		Table 9-40 ITSCED real-time LMP - PJM/NYIS interface price	
inconsistent with price differences between PJM and MISO:		comparison (by interval): January through June 2015	304
January through June 2015	283	Table 9-41 ITSCED real-time LMP - PJM/MISO interface price	
Table 9-25 PJM and NYISO flow based hours and average hourly		comparison (all intervals): January through June 2015	306
price differences: January through June 2015	284	Table 9-42 ITSCED real-time LMP - PJM/MISO interface price	
Table 9-26 Distribution of hourly flows that are consistent and		comparison (by interval): January through June 2015	306
inconsistent with price differences between PJM and NYISO:		Table 9-43 Monthly uncollected congestion charges: January	
January through June 2015	285	2010 through June 2015	307
Table 9-27 PJM and NYISO flow based hours and average hourly			
price differences (Neptune): January through June 2015	286		
Table 9-28 Percentage of Neptune transmission usage by primary		SECTION 10 Ancillary Service Markets	313
rights holder: July 2007 through June 2015	286	Table 10-1 The Regulation Market results were competitive	313
Table 9-29 PJM and NYISO flow based hours and average hourly		Table 10-2 The Tier 2 Synchronized Reserve Market results were	
price differences (Linden): January through June 2015	287	competitive	313
Table 9-30 Percentage of Linden transmission usage by primary		Table 10-3 The Day-Ahead Scheduling Reserve Market results were	
rights holder: November 2009 through June 2015	288	competitive	313
Table 9-31 PJM and NYISO flow based hours and average hourly		Table 10-4 History of ancillary services costs per MWh of Load:	
price differences (Hudson): January through June 2015	289	January through June, 2004 through 2015	319
Table 9-32 Percentage of Hudson transmission usage by primary		Table 10-5 Average monthly tier 1 and tier 2 synchronized reserve,	
rights holder: May 2013 through June 2015	289	plus non-synchronized reserve used to satisfy the primary	
Table 9-33 Summary of elements included in operating agreements		reserve requirement, MAD Subzone: January through June 2015	322
with bordering areas	291	Table 10-6 Average monthly tier 1 and tier 2 synchronized reserve,	-
Table 9-34 Real-time average hourly LMP comparison for Duke,		and non-synchronized reserve used to satisfy the primary reserv	e.
PEC and NCMPA: January through June 2015	296	requirement, RTO Zone: January through June 2015	322
Table 9-35 Day-ahead average hourly LMP comparison for Duke,		Table 10-7 MW credited, price, cost, and all-in price for primary	-
PEC and NCMPA: January through June 2015	297	reserve and its component products, full RTO Reserve Zone,	
Table 9-36 PJM MISO, and NYISO TLR procedures: January, 2012		January through June 2015	325
through June 2015	298	Table 10-8 Monthly average market solution Tier 1 Synchronized	
Table 9-37 Number of TLRs by TLR level by reliability coordinator:		Reserve (MW) identified hourly, January through June 2015	325
January through June, 2015	299	Table 10-9 Tier 1 synchronized reserve event response costs:	
Table 9-38 Monthly volume of cleared and submitted up-to		January 2014 through June 2015	327
congestion bids: January 2010 through June 2015	300	Table 10-10 Weighted price of tier 1 synchronized reserve	
Table 9-39 ITSCED real-time LMP - PJM/NYIS interface price		attributable to a non-synchronized reserve price above zero:	
comparison (all intervals): January through June 2015	304	January 2014 to June 2015	328
			3_0

xxii Table of Contents © 2015 Monitoring Analytics, LLC

Table 10-11 Dollar impact of paying Tier 1 Synchronized Reserve		Table 10-26 PJM regulation capability, daily offer and hourly	
the SRMCP when the NSRMCP goes above \$0: January 2014		eligible: January through June 2015	354
through June 2015	328	Table 10-27 PJM regulation provided by coal units	355
Table 10-12 Tier 1 compensation as currently implemented by PJM	329	Table 10-28 Impact on PJM Regulation Market of currently	
Table 10-13 Tier 1 compensation as recommended by MMU	329	regulating units scheduled to retire through 2015	355
Table 10-14 MAD subzone ASO tier 1 estimate biasing, January 2014		Table 10-29 PJM Regulation Market required MW and ratio of	
through June, 2015	329	eligible supply to requirement: January through June 2014	
Table 10-15 Default Tier 2 Synchronized Reserve Markets required		and 2015	356
MW, RTO Zone and Mid-Atlantic Dominion Subzone	331	Table 10-30 PJM cleared regulation HHI: 2014 and 2015	357
Table 10-16 Three Pivotal Supplier Test Results for the RTO Zone		Table 10-31 Regulation market monthly three pivotal supplier	
and MAD Subzone: January 2014 through June 2015	333	results: 2013 through 2015	358
Table 10-17 Mid-Atlantic Dominion Subzone, weighted SRMCP and		Table 10-32 RegD self scheduled regulation by month, October 2012	
cleared MW (excludes self-scheduled): January through		through March 2015	359
June 2015	336	Table 10-33 Regulation sources: spot market, self-scheduled, bilateral	
Table 10-18 RTO zone weighted SRMCP and cleared MW (excludes		purchases: 2014 and 2015	360
self-scheduled): January through June 2015	336	Table 10-34 Regulation sources by year: 2011 through 2015	360
Table 10-19 Full RTO, RTO, Mid-Atlantic Subzone Tier 2		Table 10-35 PJM regulation market monthly weighted average	
synchronized reserve MW, credits, price, and cost: January		market-clearing price, marginal unit opportunity cost and	
through June 2015	337	offer price (Dollars per MW): 2015	361
Table 10-20 Synchronized reserve events greater than 10 minutes,		Table 10-36 Total regulation charges: January 2014 through	
Tier 2 Response Compliance, RTO Reserve Zone: January		June 2015	362
through June 2015	337	Table 10-37 Components of regulation cost: 2015	362
Table 10-21 Synchronized reserve events, January 2010 through		Table 10-38 Comparison of average price and cost for PJM	
June 2015	339	Regulation, January through June, 2009 through 2015	362
Table 10-21 Synchronized reserve events, January 2010 through		Table 10-39 Black start revenue requirement charges: January	
June 2015 (continued)	340	through June, 2010 through 2015	363
Table 10-22 Non-synchronized reserve market HHls: January		Table 10-40 Black start zonal charges for network transmission use:	
through June 2015	341	January through June, 2014 and 2015	364
Table 10-23 Non-synchronized reserve market pivotal supply test:		Table 10-41 Black start zonal revenue requirement estimate:	
January through June 2015	341	2015/2016 through 2017/2018 delivery years	365
Table 10-24 Full RTO, RTO, Mid-Atlantic Subzone non-synchronized		Table 10-42 NERC CIP Costs: 2015	365
reserve MW, credits, price, and cost: January through June 2015	343	Table 10-43 Reactive zonal charges for network transmission use:	
Table 10-25 PJM Day-Ahead Scheduling Reserve Market MW and		January through Jun, 2014 and 2015	366
clearing prices: 2012 through June 2015	345		

SECTION 11 Congestion and Marginal Losses	367	Table 11-15 Congestion summary (By facility type): January	
Table 11-1 PJM real-time, load-weighted average LMP components (Dollars per MWh): January through June of 2009 through 2015	370	through June of 2015 Table 11-16 Congestion summary (By facility type): January	379
Table 11-2 PJM day-ahead, load-weighted average LMP components		through June of 2014 Table 11-17 Congestion event hours (Day-Ahead against Real-Time):	379
(Dollars per MWh): January through June of 2009 through 2015	371	January through June of 2014 and 2015	380
Table 11-3 Zonal and PJM real-time, load-weighted average LMP components (Dollars per MWh): January through June of 2014		Table 11-18 Congestion event hours (Real-Time against Day-Ahead):	
and 2015	371	January through June of 2014 and 2015	380
Table 11-4 Zonal and PJM day-ahead, load-weighted average LMP		Table 11-19 Congestion summary (By facility voltage): January	201
components (Dollars per MWh): January through June of 2014		through June of 2015 Table 11-20 Congestion summary (By facility voltage): January	381
and 2015	372	through June of 2014	381
Table 11-5 Hub real-time, load-weighted average LMP components	272	Table 11-21 Top 25 constraints with frequent occurrence: January	
(Dollars per MWh): January through June of 2014 and 2015 Table 11-6 Hub day-ahead, load-weighted average LMP components	372	through June of 2014 and 2015	382
(Dollars per MWh): January through June of 2014 and 2015	373	Table 11-22 Top 25 constraints with largest year-to-year change in	
Table 11-7 Total PJM costs by component (Dollars (Millions)):		occurrence: January through June of 2014 and 2015	383
January through June of 2009 through 2015	373	Table 11–23 Top 25 constraints affecting PJM congestion costs (By facility): January through June of 2015	384
Table 11-8 Total PJM congestion (Dollars (Millions)): January	274	Table 11-24 Top 25 constraints affecting PJM congestion costs (By	30.
through June of 2008 through 2015 Table 11-9 Total PJM congestion costs by accounting category by	374	facility): January through June of 2014	385
market (Dollars (Millions)): January through June of 2008		Table 11–25 Top 20 congestion cost impacts from MISO flowgates	
through 2015	375	affecting PJM dispatch (By facility): January through June of 2015	387
Table 11-10 Total PJM congestion costs by transaction type by		Table 11–26 Top 20 congestion cost impacts from MISO flowgates	307
market (Dollars (Millions)): January through June of 2015	375	affecting PJM dispatch (By facility): January through	
Table 11-11 Total PJM congestion costs by transaction type by market (Dollars (Millions)): January through June of 2014	376	June of 2014	388
Table 11-12 Monthly PJM congestion costs by market (Dollars	370	Table 11-27 Top two congestion cost impacts from NYISO flowgates	
(Millions)): January through June of 2014 and 2015	376	affecting PJM dispatch (By facility): January through June of 2015	389
Table 11-13 Monthly PJM congestion costs by virtual transaction		Table 11–28 Top two congestion cost impacts from NYISO flowgates	305
type and by market (Dollars (Millions)): January through June	277	affecting PJM dispatch (By facility): January through	
of 2015 Table 11-14 Monthly PJM congestion costs by virtual transaction	377	June of 2014	389
type and by market (Dollars (Millions)): January through June		Table 11-29 Regional constraints summary (By facility): January	
of 2014	378	through June of 2015	389

xxiv Table of Contents © 2015 Monitoring Analytics, LLC

Table 11-30 Regional constraints summary (By facility): January		Table 12-4 Capacity in PJM queues (MW): At June 30, 2015	401
through June of 2014	390	Table 12-5 Queue capacity by control zone and fuel (MW) at	
Table 11-31 Congestion cost by type of participant: January		June 30, 2015	402
through June of 2015	390	Table 12-6 Summary of PJM unit retirements by fuel (MW):	
Table 11-32 Congestion cost by type of participant: January through		2011 through 2019	403
June of 2014	391	Table 12-7 Planned deactivations of PJM units, as of June 30, 2015	404
Table 11-33 Total marginal loss component costs (Dollars (Millions)):		Table 12-8 Retirements by fuel type, 2011 through 2019	404
January through June of 2009 through 2015	392	Table 12-9 Retirements (MW) by fuel type and state, 2011	
Table 11-34 Total PJM marginal loss costs by accounting category		through 2019	404
(Dollars (Millions)): January through June of 2009 through 2015	393	Table 12-10 Unit deactivations in 2015	405
Table 11-35 Total PJM marginal loss costs by accounting category by		Table 12-11 Existing PJM capacity: At June 30, 2015 (By zone and	
market (Dollars (Millions)): January through June of 2009		unit type (MW))	406
through 2015	393	Table 12-12 PJM capacity (MW) by age (years): At June 30, 2015	406
Table 11-36 Monthly marginal loss costs by market (Dollars		Table 12-13 Expected capacity (MW) in five years, as of	
(Millions)): January through June of 2014 and 2015	393	June 30, 2015	407
Table 11-37 Marginal loss credits (Dollars (Millions)): January		Table 12-14 PJM generation planning process	408
through June of 2009 through 2015	394	Table 12-15 Completed (withdrawn or in service) queue MW	
Table 11-38 Total PJM costs by energy component (Dollars		(January 1, 1997 through June 30, 2015)	408
(Millions)): January through June of 2009 through 2015	395	Table 12-16 Last milestone completed at time of withdrawal	
Table 11-39 Total PJM energy costs by accounting category (Dollars		(January 1, 1997 through June 30, 2015)	409
(Millions)): January through June of 2009 through 2015	395	Table 12-17 Average project queue times (days): At June 30, 2015	409
Table 11-40 Total PJM energy costs by market category (Dollars		Table 12-18 PJM generation planning summary: At June 30, 2015	409
(Millions)): January through June of 2009 through 2015	396	Table 12-19 Queue details by fuel group: At June 30, 2015	409
Table 11-41 Monthly energy costs by market type (Dollars (Millions)):		Table 12-20 Summary of project developer relationship to	
January through June of 2014 and 2015	396	transmission owner	410
		Table 12-21 Developer-transmission owner relationship by fuel type	411
		Table 12-22 2015 Board approved new baseline upgrades by	
SECTION 12 Generation and Transmission Planning	397	transmission owner	412
Table 12-1 Year-to-year capacity additions from PJM generation		Table 12-23 Artificial Island recommended work and cost allocation	412
queue: Calendar years 2000 through June 30, 2015	400	Table 12-24 Transmission facility outage request summary by	
Table 12-2 Queue comparison by expected completion year (MW):		planned duration: January through June of 2014 and 2015	415
March 31, 2015 vs. June 30, 2015	401	Table 12-25 PJM transmission facility outage request received status	
Table 12-3 Change in project status (MW): March 31, 2015 vs.		definition	415
June 30, 2015	401	Table 12-26 Transmission facility outage request summary by	
		received status: January through June of 2014 and 2015	415

Table 12-27 Transmission facility outage request summary by		SECTION 13 Financial Transmission and Auction	
emergency: January through June of 2014 and 2015	416	Revenue Rights	423
Table 12-28 Transmission facility outage request summary by		Table 13-1 The FTR Auction Markets results were competitive	423
congestion: June of 2014 and 2015	416	Table 13-2 Annual FTR product dates	430
Table 12-29 Transmission facility outage requests that by received		Table 13–3 Top 10 principal binding transmission constraints	130
status, congestion and emergency: January through June of		limiting the Annual FTR Auction: Planning period 2015 to 2016	432
2014 and 2015	416	Table 13-4 Annual FTR Auction patterns of ownership by FTR	.52
Table 12-30 Transmission facility outage requests that might cause		direction: Planning period 2015 to 2016	433
congestion status summary: January through June of 2014	417	Table 13-5 Monthly Balance of Planning Period FTR Auction	
and 2015	417	patterns of ownership by FTR direction: 2015	433
Table 12-31 Rescheduled transmission outage request summary:	417	Table 13-6 Daily FTR net position ownership by FTR direction: 2015	433
January through June of 2014 and 2015 Table 12–32 Transmission facility outage requests by received status:	417	Table 13-7 Annual FTR Auction market volume: Planning period	
Planning period 2014 to 2015	418	2015 to 2016	438
Tallining period 2014 to 2015 Table 12–33 Transmission facility outage requests by received	410	Table 13-8 Comparison of self-scheduled FTRs: Planning periods	
status and emergency: Planning period 2014 to 2015	418	2009 to 2010 through 2015 to 2016	440
Table 12–34 Transmission facility outage requests by received	410	Table 13-9 Monthly Balance of Planning Period FTR Auction market	
status and congestion: Planning period 2014 to 2015	419	volume: 2015	441
Table 12-35 Transmission facility outage requests by received		Table 13-10 Monthly Balance of Planning Period FTR Auction	
status and processed status: Planning period 2014 to 2015	419	buy-bid, bid and cleared volume (MW per period): 2015	442
Table 12-36 Transmission facility outage requests by received status,		Table 13-11 Secondary bilateral FTR market volume: Planning	
processed status, emergency and congestion: Planning period		periods 2013 to 2014 and 2014 to 2015	443
2014 to 2015	420	Table 13-12 Annual FTR Auction weighted-average cleared prices	
Table 12-37 Transmission facility outage requests by submission		(Dollars per MW): Planning period 2015 to 2016	444
status and bidding opening date: Planning period 2014 to 2015	420	Table 13-13 Monthly Balance of Planning Period FTR Auction	
Table 12-38 Late transmission facility outage requests that are		cleared, weighted-average, buy-bid price per period (Dollars	
submitted after annual bidding opening date: Planning		per MW): January through June 2015	445
period 2014 to 2015	420	Table 13-14 FTR profits by organization type and FTR direction:	445
Table 12-39 Transmission facility outage request instance		2015 Table 13–15 Monthly FTR profits by organization type: 2015	445 445
summary by congestion and emergency: Planning period		Table 13–15 Monthly FTR profits by organization type: 2015 Table 13–16 Annual FTR Auction revenue: Planning period	445
2014 to 2015	421	2015 to 2016	446
Table 12-40 Transmission facility outage request instance status		Table 13-17 Monthly Balance of Planning Period FTR Auction	770
summary by congestion and emergency: Planning period		revenue: 2015	447
2014 to 2015	421		

xxvi Table of Contents © 2015 Monitoring Analytics, LLC

Table 13-18 Total annual PJM FTR revenue detail (Dollars (Millions)):		Table 13-34 Annual ARR Allocation volume: planning periods
Planning periods 2013 to 2014 and 2014 to 2015	450	2014 to 2015 and 2015 to 2016
Table 13-19 Unallocated congestion charges: Planning period		Table 13-35 Projected ARR revenue adequacy (Dollars (Millions)):
2012 to 2013 through 2014 to 2015	451	Planning periods 2013 to 2014 and 2014 to 2015
Table 13-20 Monthly FTR accounting summary (Dollars (Millions)):		Table 13-36 ARR and self-scheduled FTR congestion offset (in
Planning period 2013 to 2014 and 2014 to 2015	452	millions): Planning periods 2013 to 2014 and 2014 to 2015
Table 13-21 PJM reported FTR payout ratio by planning period	453	Table 13-37 ARR and FTR congestion offset (in millions): Planning
Table 13-22 End of planning period FTR uplift charge example	454	periods 2013 to 2014 and 2014 to 2015
Table 13-23 PJM Reported and Actual Monthly Payout Ratios:		
Planning period 2014 to 2015	455	
Table 13-24 Example of FTR payouts from portfolio netting and		
without portfolio netting	456	
Table 13-25 Monthly positive and negative target allocations and		
payout ratios with and without hourly netting: Planning		
period 2013 to 2014		
and 2014 to 2015	457	
Table 13-26 Example implementation of counter flow adjustment		
method	458	
Table 13-27 Counter flow FTR payout ratio adjustment impacts:		
Planning period 2013 to 2014 and 2014 to 2015	459	
Table 13-28 Historic Stage 1B and Stage 2 ARR Allocations from		
the 2011 to 2012 through 2015 to 2016 planning periods	464	
Table 13-29 Top 10 principal binding transmission constraints		
limiting the Annual ARR Allocation: Planning period		
2015 to 2016	464	
Table 13-30 ARRs and ARR revenue automatically reassigned for		
network load changes by control zone: June 1, 2013, through		
May 31, 2015	465	
Table 13-31 Incremental ARR allocation volume: Planning periods		
2008 to 2009 through 2015 to 2016	465	
Table 13-32 IARRs allocated for the 2015 to 2016 Annual ARR		
Allocation for RTEP upgrades	465	
Table 13-33 Residual ARR allocation volume and target allocation:		
2015	466	