Monitoring Analytics, LLC
2621 Van Buren Avenue, Suite 160
Valley Forge Corporate Center
Eagleville, PA 19403
Phone: 610-271-8050
Fax: 610-271-8057

DATE: **June 29, 2022**
TO: **PJM Market Participants**
FROM: **PJM Market Monitoring Unit (MMU)**
SUBJECT: **PA RGGI Integration Impact on Cost-Based Offers**

Pennsylvania joins the Regional Greenhouse Gas Initiative (RGGI), effective July 1, 2022. That date remains the relevant date despite the fact that Pennsylvania's CO_2 Budget Trading Program, the basis for Pennsylvania's membership in RGGI, has been challenged in state court.

Generators in Pennsylvania may include RGGI costs in their cost-based offers for Friday, July 1, 2022, and thereafter only if their CO_2 emissions are subject to the purchase of allowances and their approved fuel cost policies document the inclusion of such costs.

If Pennsylvania's participation in RGGI is prevented by court action on Thursday, after the offer deadline on Thursday for Friday, that action will not affect submitted offers but will only affect offers on Friday for Saturday. Or, if there is such court action Friday afternoon, generators should not include RGGI costs in offers on Saturday for Sunday.

Generators in Pennsylvania with approved fuel cost policies that do not document the inclusion of RGGI costs are not allowed to include RGGI costs in their cost-based offers. In order to include RGGI costs in cost-based offers, the approved fuel cost policies must include the source of the emissions data (e.g. CEMS), the source of the allowance price (e.g. ICE) and the frequency with which the CO_2 emissions rate will be updated. The fuel cost policy must be submitted in MIRA, reviewed by the MMU and approved by PJM.

Please refer to the fuel cost policy templates posted by the MMU for an example of the requirement.[1]

Please contact the MMU (MMU_Energy_Offers_Review@monitoringanalytics.com) if you need more information on how to update your fuel cost policies.

[1] Fuel Cost Policy Templates: http://www.monitoringanalytics.com/tools/tools.shtml.