



# MARKET MONITORING ISSUES

Energy Market Committee  
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# Black Start Working Group

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- Initial WG recommendation
  - Broad formula approach to components of black start costs
  - O&M; fuel carrying costs; incentive
- PJM/MMU issues raised with WG
- CDTF meeting to review proposed changes to formulae
  - Require documentation if O&M > 1% of plant O&M
  - Require documentation of components of fuel carrying costs
- General discussion of issues with Operating Committee
- WG meeting cancelled
- Data not yet provided by generation owners.
- Data required in order to calculate cost impacts of different approaches.
- Data required in order to pay for blackstart.



# MMU Data Request Update

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- MMU will request specific cost related data from generators
- Fuel type specified for each schedule (cost/price)
  - Dual fuel units
  - MUI being modified to require input of fuel type data per drop down menu
- Fuel cost data monthly
  - Electronic form
  - Like EIA 423
  - Fuel costs by unit: consumed and purchased
  - Heat rates
  - Plan is to use existing market interface, e.g. eDart or GADS
- Unit specific cost curves for post 1996 units
- Specify whether cost curves include 10% adder
  - Details of calculation



# DSM Data

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- PJM analyzing results of DSM pilot program for summer of 2001
- Data from PJM programs
- Data from other programs would be valuable
- All EDCs invited to submit aggregate data on DSM program results
- PJM will include all data in analysis



# Current MMU Issues

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- Operating constraints
  - Changes in operating constraints to increase operating reserve payments
  - Example: increase min run times for a high demand period
  - Result: increase operating reserves rather than LMP.
    - Not hedgeable
    - Not transparent
  - Significant addition to operating reserve charges
  - Proposal: limit changes in operating constraints to those required by physical constraints
- Cost capping of new units
  - Complex issue which must be addressed
  - Local market power
  - Rationale for July 1996 exception: cannot bind future generation owners
  - Incentive issue: new vs old units
  - Reasonable expectations of market power?



# Current MMU Issues

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- Cost schedules for limited fuels
  - If price schedule based on cheaper fuel, cost schedule must also reflect cheaper fuel
  - If there is limited fuel available, submit multiple cost schedules
  - If cheaper fuel is available for limited hours, unit can switch cost schedules in real time
- Operating reserves and cost-capped units: multiple starts
  - PJM does pay operating reserves for multiple starts for must-run cost-capped units when they trip and restart in real time.
- Operating reserves and cost-capped units: trip in real time
  - Rules governing the risk for units which are must-run and cost-capped in the day ahead market, trip and do not return in real time
  - Proposal: Hold unit harmless from risk only if total MWh from unit owner in real time are less than total MWh from unit owner in day ahead market