



MARKET MONITORING REPORT

EMC
June 15, 2005

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Market Monitor

- CDTF is developing proposals in the following areas. The proposals will be brought through the committee process.
 - Cost-based offers for pumped storage
 - Cost-based no load offers for market-based offers
 - Contract-based start costs
 - Major combustion turbine overhaul costs
 - Capital vs expense categories

- Expect to make FERC filing in mid July
- Modifications to Market Monitoring Plan
 - Clarification
 - Consistent with recent FERC Orders re market monitoring
 - Consistent with May 27, 2005 FERC Policy Statement on Market Monitoring Units
 - References to all market monitoring related responsibilities in OA and OATT
- Proposed approach to Corrective Actions

- Relevant documents:
 - FERC’s Order Approving Market Monitoring Plan as Modified (March 10, 1999)
 - PJM Board of Managers Review of Market Monitoring Organization (November 13, 2003)
 - FERC’s Guidance Order on Expedited Tariff Revisions for Regional Transmission Organizations and Independent System Operators (April 7, 2005)
 - FERC’s Policy Statement on Market Monitoring Units (May 27, 2005)



Approach to Corrective Actions

- PJM rules
- FERC Behavioral Rules