

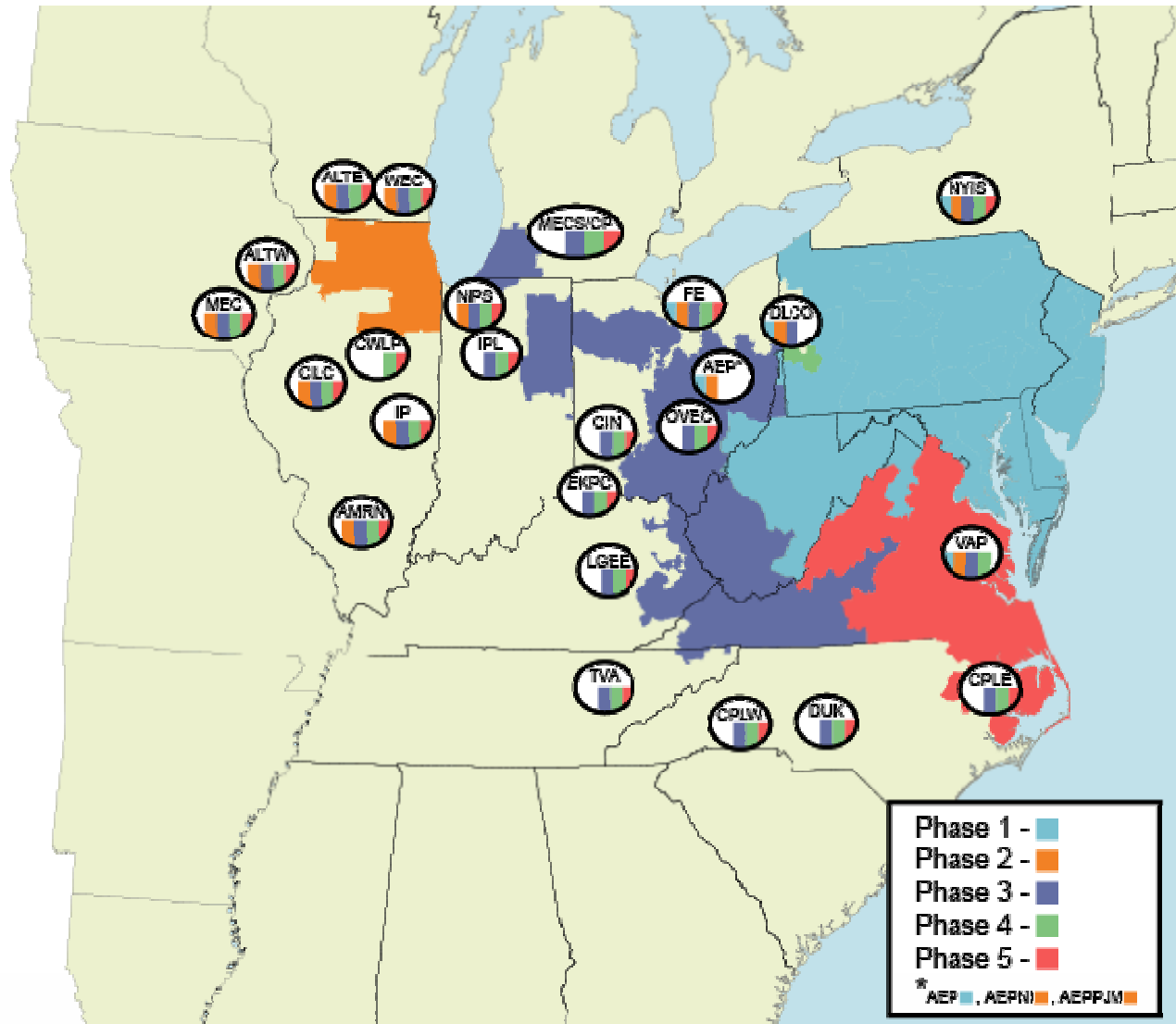


# STATE OF THE MARKET REPORT 2005

MRC  
Baltimore, MD  
March 15, 2006

Joseph E. Bowring  
Market Monitor

Figure 4-4 - PJM's evolving footprint and its interfaces



- **Energy Market** results were competitive
- **PJM Capacity Market** results were competitive
- **ComEd Capacity Market** results were reasonably competitive
- **Regulation market** results were competitive
- **Spinning market** results were competitive
- **FTR market** results were competitive



Figure 3-4 - PJM capacity (By fuel source): At December 31, 2005

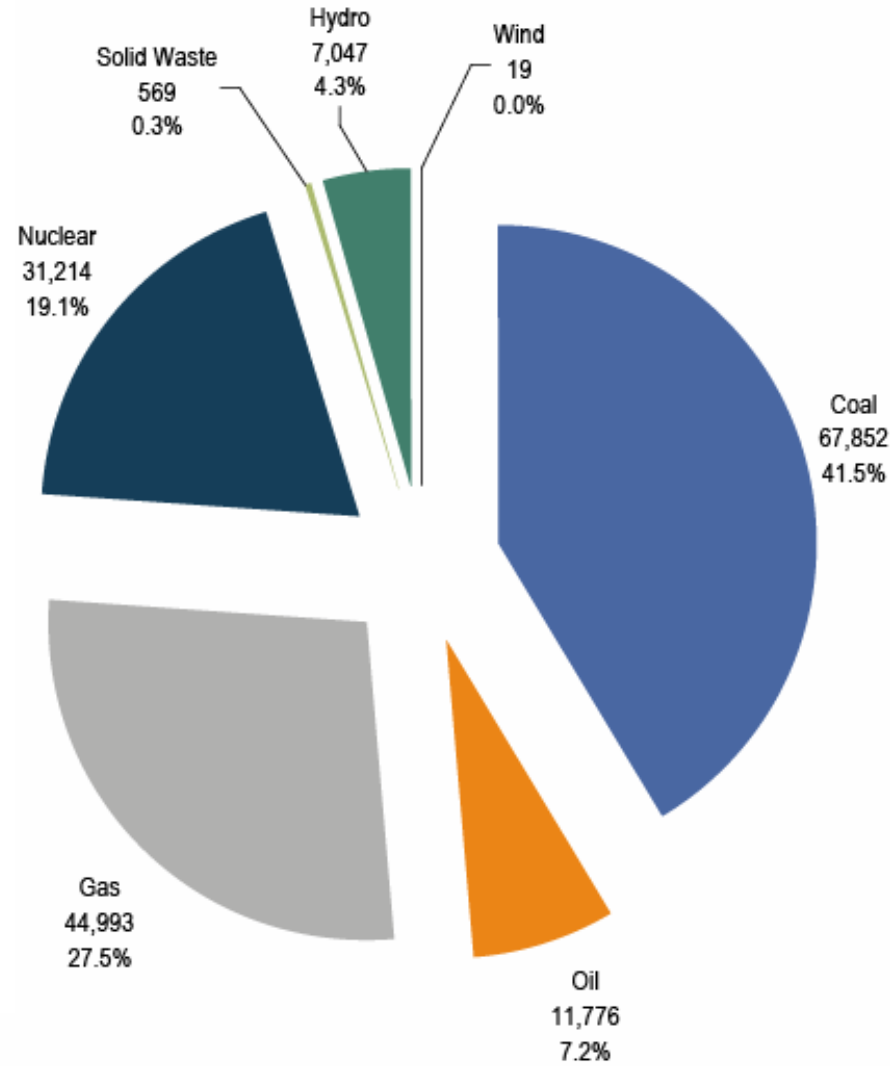


Figure 3-5 - PJM generation [By fuel source (In GWh)]: 2005

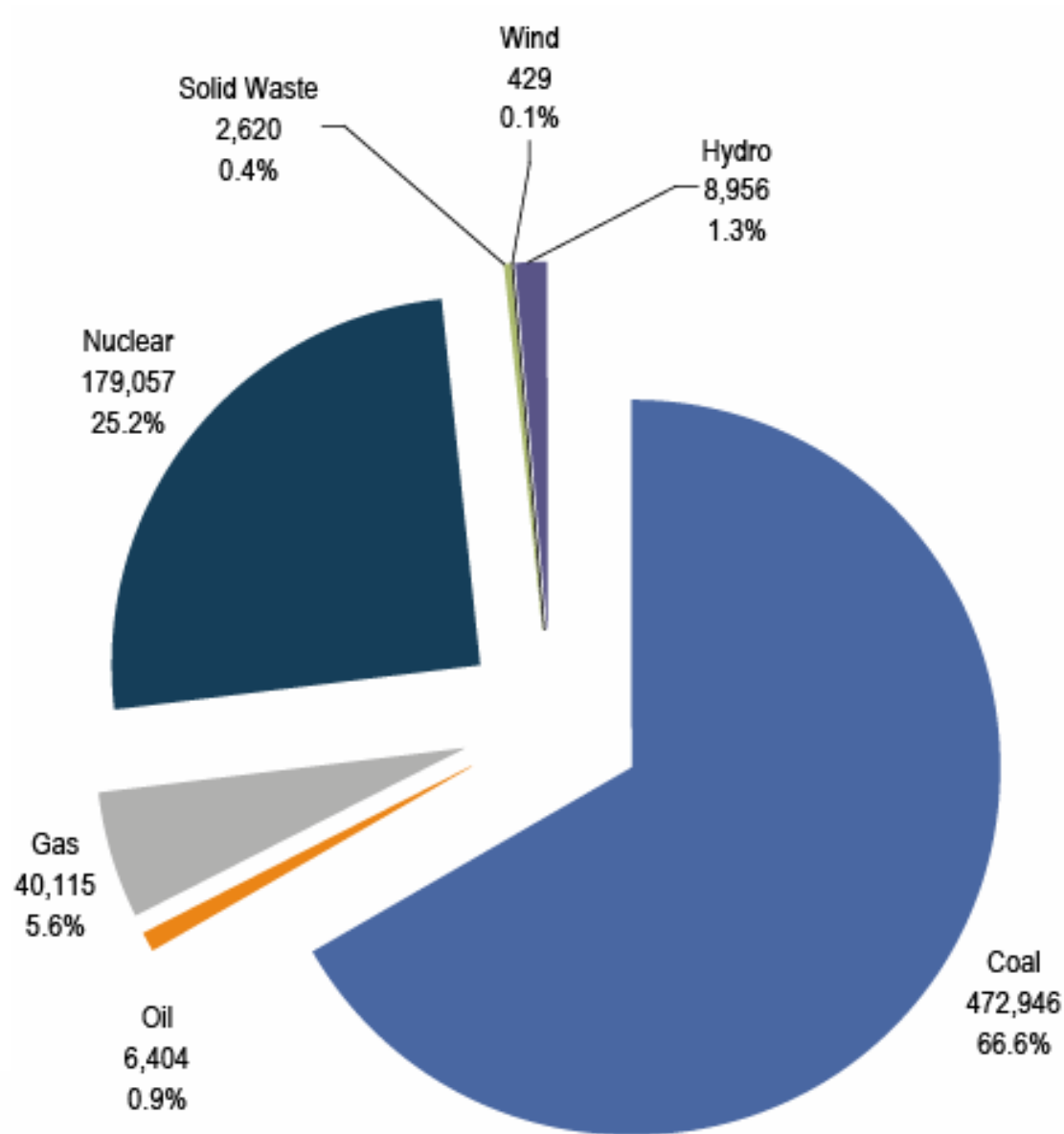


Figure 2-1 - Average PJM aggregate supply curves:  
Summers 2004 and 2005

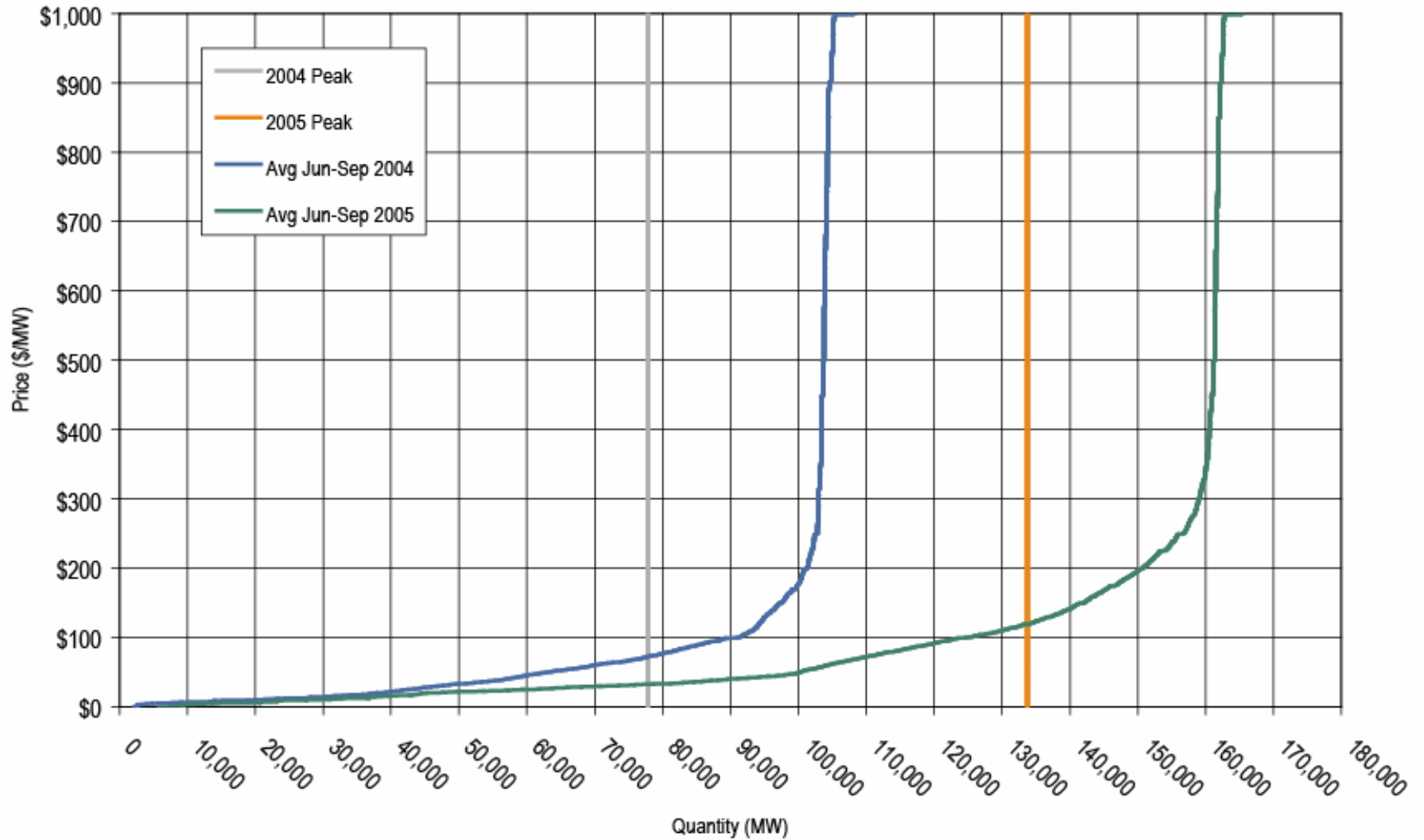




Figure 2-2 - PJM summer peak-load comparison: Tuesday, July 26, 2005, and Tuesday, August 3, 2004

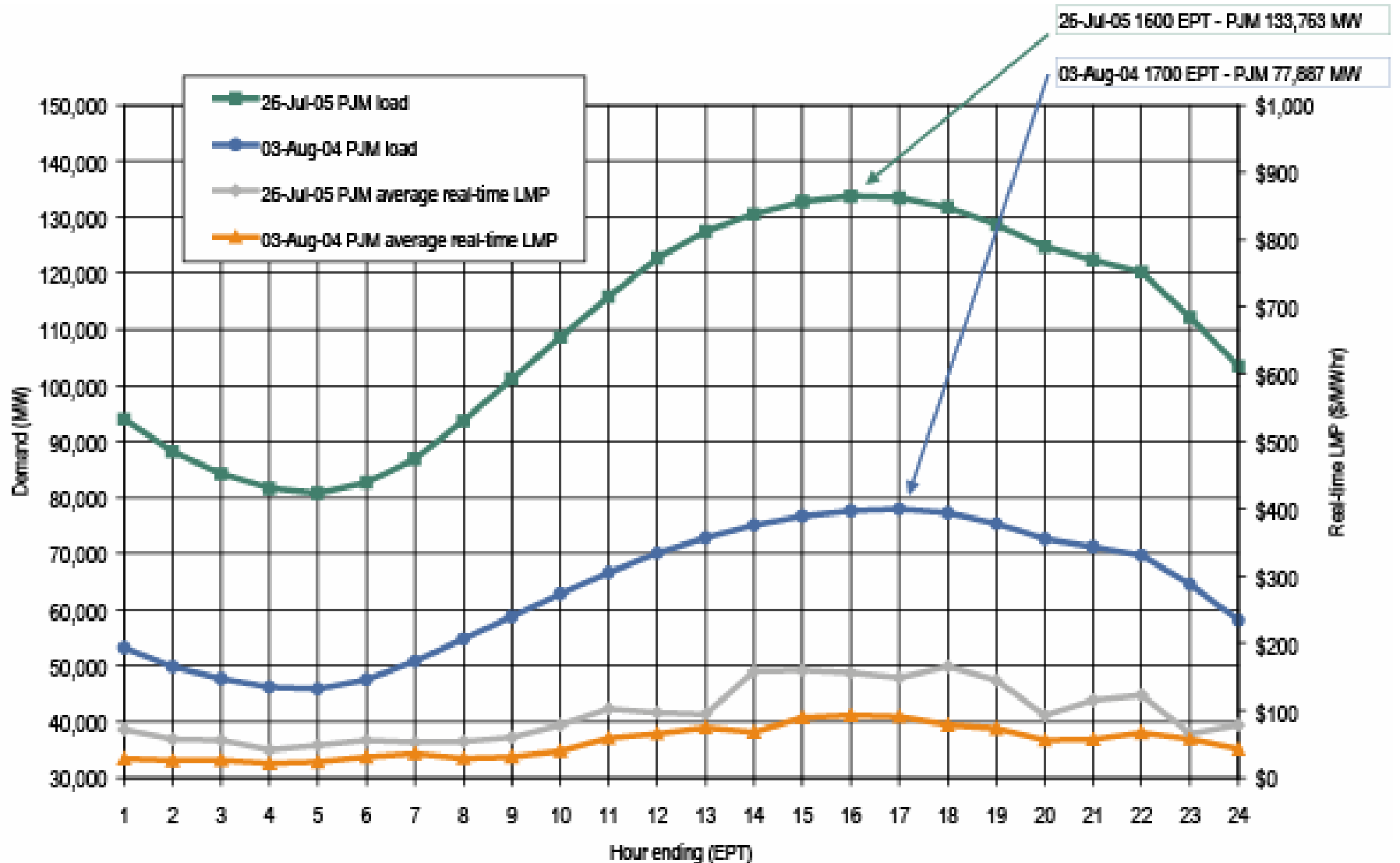




Table 2-32 - PJM average hourly LMP (Dollars per MWh):  
Calendar years 1998 through 2005

	Locational Marginal Prices (LMPs)			Year-to-Year Changes		
	Average	Median	Standard Deviation	Average	Median	Standard Deviation
1998	\$21.72	\$16.60	\$31.45	NA	NA	NA
1999	\$28.32	\$17.88	\$72.42	30.4%	7.7%	130.3%
2000	\$28.14	\$19.11	\$25.69	(0.6%)	6.9%	(64.5%)
2001	\$32.38	\$22.98	\$45.03	15.1%	20.3%	75.3%
2002	\$28.30	\$21.08	\$22.40	(12.6%)	(8.3%)	(50.3%)
2003	\$38.27	\$30.79	\$24.71	35.2%	46.1%	10.3%
2004	\$42.40	\$38.30	\$21.12	10.8%	24.4%	(14.5%)
2005	\$58.08	\$47.18	\$35.91	37.0%	23.2%	70.0%





Table 2-34 - PJM load-weighted, average LMP (Dollars per MWh): Calendar years 1998 through 2005

	Load-Weighted, Average LMP			Year-to-Year Changes		
	Average	Median	Standard Deviation	Average	Median	Standard Deviation
1998	\$24.16	\$17.60	\$39.29	NA	NA	NA
1999	\$34.07	\$19.02	\$91.49	41.0%	8.1%	132.9%
2000	\$30.72	\$20.51	\$28.38	(9.8%)	7.8%	(69.0%)
2001	\$36.65	\$25.08	\$57.26	19.3%	22.3%	101.8%
2002	\$31.58	\$23.40	\$26.73	(13.8%)	(6.7%)	(53.3%)
2003	\$41.23	\$34.95	\$25.40	30.6%	49.4%	(5.0%)
2004	\$44.34	\$40.16	\$21.25	7.5%	14.9%	(16.3%)
2005	\$63.46	\$52.93	\$38.10	43.1%	31.8%	79.3%



Table 2-35 - PJM fuel-cost-adjusted, load-weighted LMP  
(Dollars per MWh): Year-over-year method

	2004	2005	Change
Average	\$44.34	\$45.02	1.5%
Median	\$40.16	\$38.75	(3.5%)
Standard Deviation	\$21.25	\$25.68	20.8%

Figure 2-16 - PJM average load: Calendar years 2004 through 2005

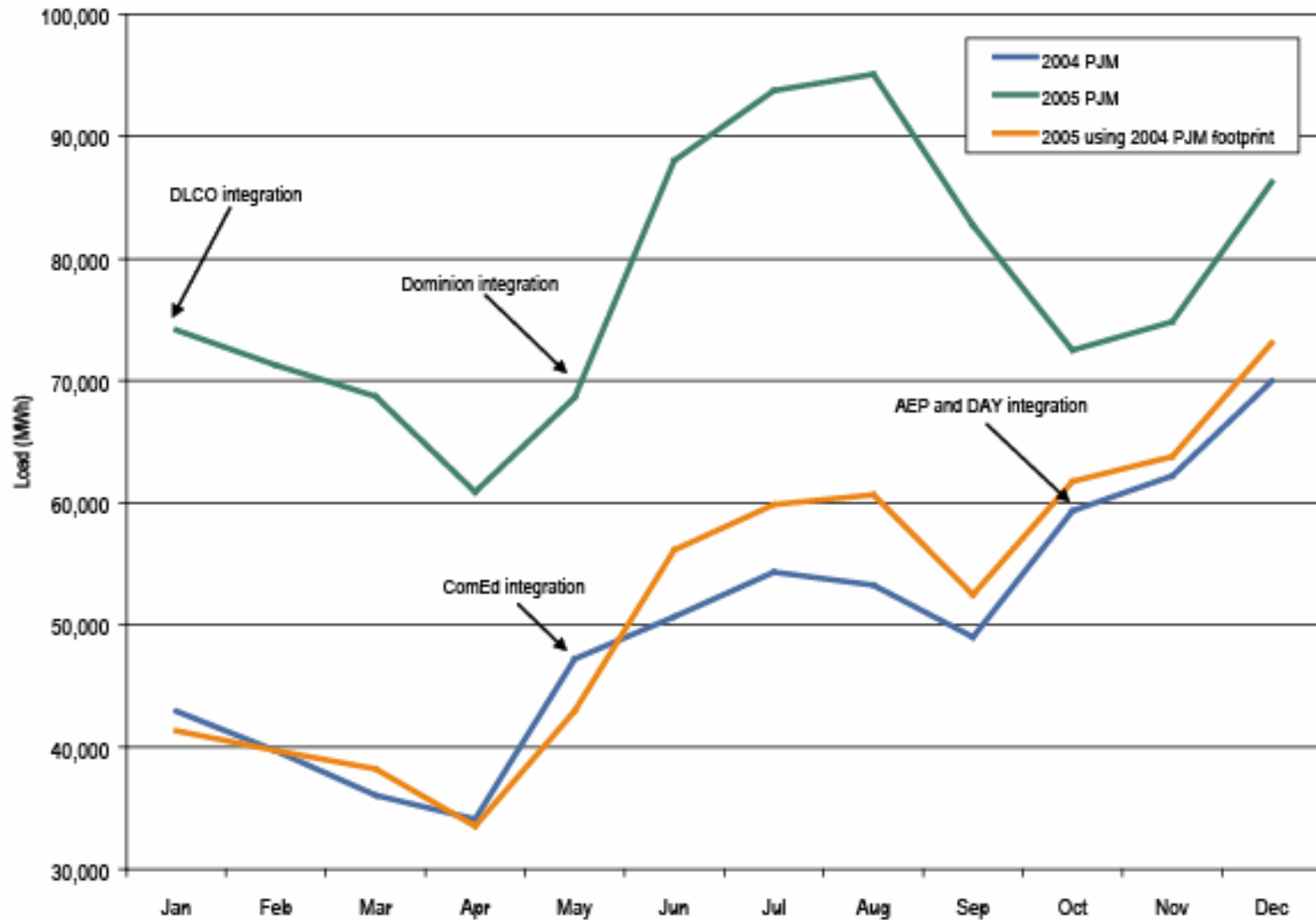
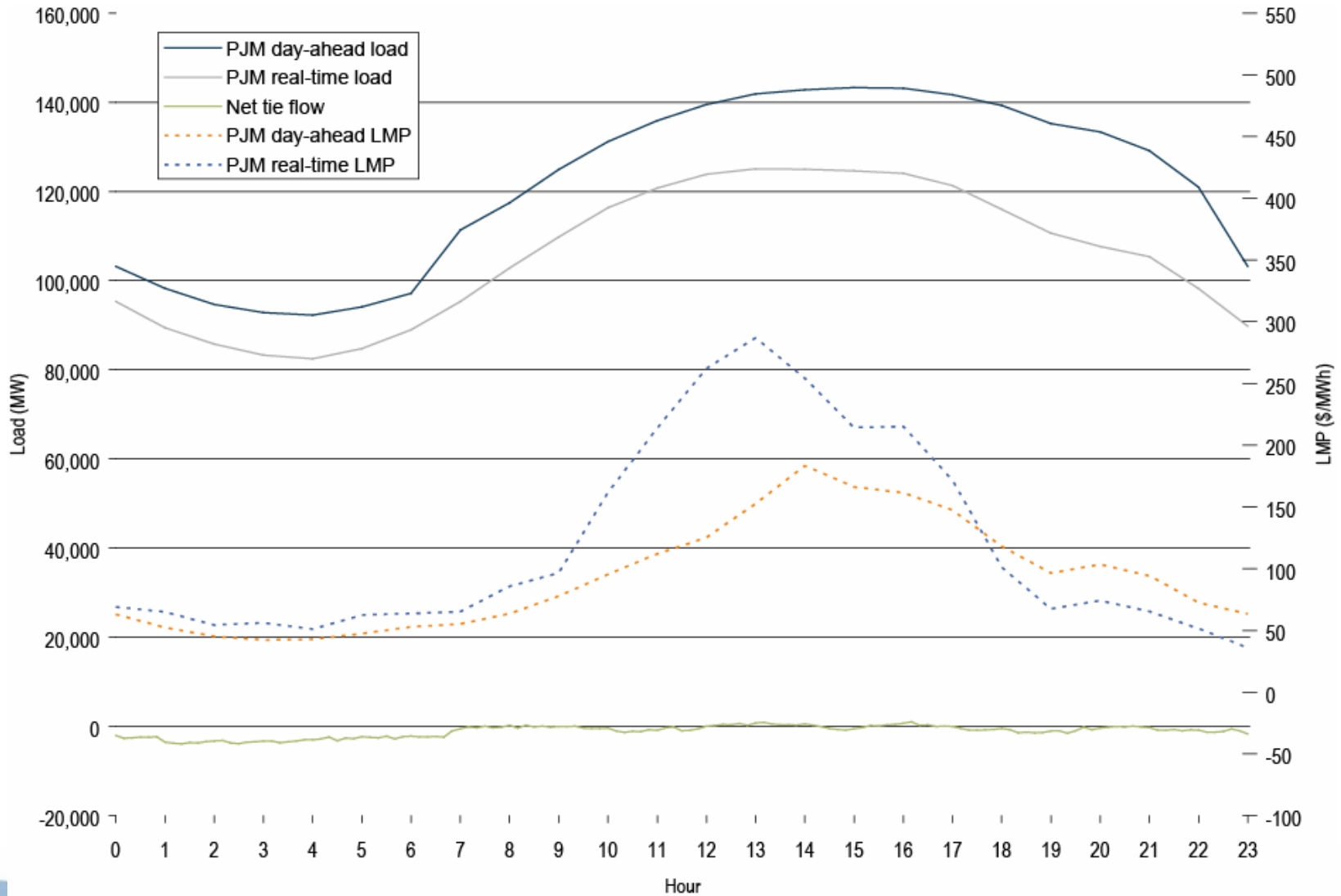


Figure 3-10 - PJM load and LMP: For July 27, 2005



- Enhancement of Capacity Market design
- Modification of operating reserves rules
- Improvement in cost-benefit analysis for transmission investments
- Improvement in loop flow analysis
- Enhancement of market data posting
- Modification of unit outage rules