

Three Pivotal Supplier Test

TPSTF

Wilmington, DE

PJM MMU

January 9, 2008





- Assumes that unit was called on at 1620 in accordance with Market's hypothetical example.
- TPS calculations verified in accordance with UDS inputs
- Presumes that mitigation decision is based on TPS test immediately preceding unit's logged "called on" time in accordance with Market's example.





- All dynamic inputs to TPS calculations come from PJM's UDS system
- Market's example shows "oscillations" in the UDS generated relief required values
- An explanation has not been provided for the identified excursions in the UDS generated relief required parameter



- Market's example shows dispatch approval of two successive UDS cases - one minute apart (1618 hrs and 1619 hrs)
- The change in solution between the 1618 and 1619 cases embodied an increase in relief required for the constraint
- Owner in question passes TPS in 1618 case and fails in 1619 case



- Owner failed TPS for all 5 tests applied during the 20 minutes immediately prior to execution of passing case at 1618
- One minute later, at 1619, PJM dispatcher elects to configure system differently than in 1618 solution
- 1619 case solution results in increased relief required for the constraint and owner in question fails TPS



- Owner fails TPS test associated with 1619 system configuration and all 6 tests applied during next 1 hour and 14 minutes.
- Market's example notes that LMPs "MAY" be affected by selection of unit schedules but fails to quantify impact, if any
- CT was never marginal during it's operation thoughout the day



- Owner failed TPS 63% of the 76 tests applied to BED-BLA on July 27, 2007
- Owner failed 66% of the 38 tests applied to BED-BLA following the calling on of the CT
- Market's example focuses on only 6 of these 76 tests in drawing its conclusions.



- Markets suggests that if CT had been "brought on slightly sooner, the energy prices may have been very different"
- The only relevant tests are those that support actual decisions whether to mitigate.
- Mitigation decisions can only be made based on prevailing structure at the time a decision is made, not retroactively based on discretion.