



DATE: December 19, 2011
TO: MIC – Start and Notification
FROM: Joseph Bowring
SUBJECT: MMU Position on Start and Notification Time

1. Units will not offer extended notification time parameters during defined peak periods, and will offer physically based start and notification time parameters. The peak periods are:
 - a. May 15 – September 15 (Summer Peak)
 - b. January-February (Winter Peak)
2. During the defined peak periods, unit offers will include start and notification times based on historic peak period offered start and notification times. Units needing exceptions to these parameters due to physical changes or limitations imposed on the unit may submit exceptions to the Market Monitor for review and approval. The review and approval process will be ex post for short term or emergency issues. Any combined start and notification period exceeding six days will result in a forced outage.
3. During off-peak periods (March 1 - May 15, September 15 through December 31), units may offer extended notification times if:
 - a. Units offer minimum physical time to return while on extended notification period.
 - b. Extended notification period may exceed six days but units must respond within six days if called by PJM.
 - c. Units offer physically based start times based on historic start times.
4. The MMU or PJM will provide a market check through a web application to indicate to unit owners when a unit cannot be considered uneconomic for the following two weeks. The check will be computed daily based on:
 - a. Electricity, fuel and emission forward curves.
 - b. Unit cost-based offer parameters.
 - c. If unit appears to be economic based on forward prices and the unit's forward-looking cost-based offer and cost-based parameters, the unit should not offer an extended notification period.
 - d. If unit appears to be uneconomic based on the unit's cost-based offer and cost-based parameters, the unit may offer an extended notification period in the two week period during the defined off-peak period.
5. PJM will indicate to any units offering extended notification times if they are needed for reliability reasons and issue alerts to indicate that units offering extended notification times need to enter a state of readiness in order to offer into the day-ahead market or run as requested by PJM dispatchers.

6. If PJM needs a unit as determined by a) the economic check, or b) reliability requirements, but unit is unavailable due to extended notification time (longer than peak-period start and notification time), unit would risk:
 - a. Forced outage for hours unit would have been economic without extended notification period, accounting for unit's offer parameters.
 - b. Forced outage if unit is called by PJM for reliability reasons on its peak period start and notification time parameter, and does not respond.
7. Market-based and cost-based offer start and notification parameters should remain the same across schedules absent fuel differences. Cost-based schedules may have the flexibility to include additional start cost for units when incurring those costs results in a faster response time.
8. These changes should be effective immediately.