

PJM Market Update

MIC

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Monitoring Analytics

Day-ahead operating reserve charges

- **PJM modified treatment of certain units taken for reliability reasons in the real time market.**
- **Included out of merit units in the day-ahead market for comparability to real-time market**
- **Results:**
 - **Higher day-ahead operating reserve charge rates**
 - **Lower real-time operating reserve charge rates**
 - **Changes in allocation of operating reserve charges**

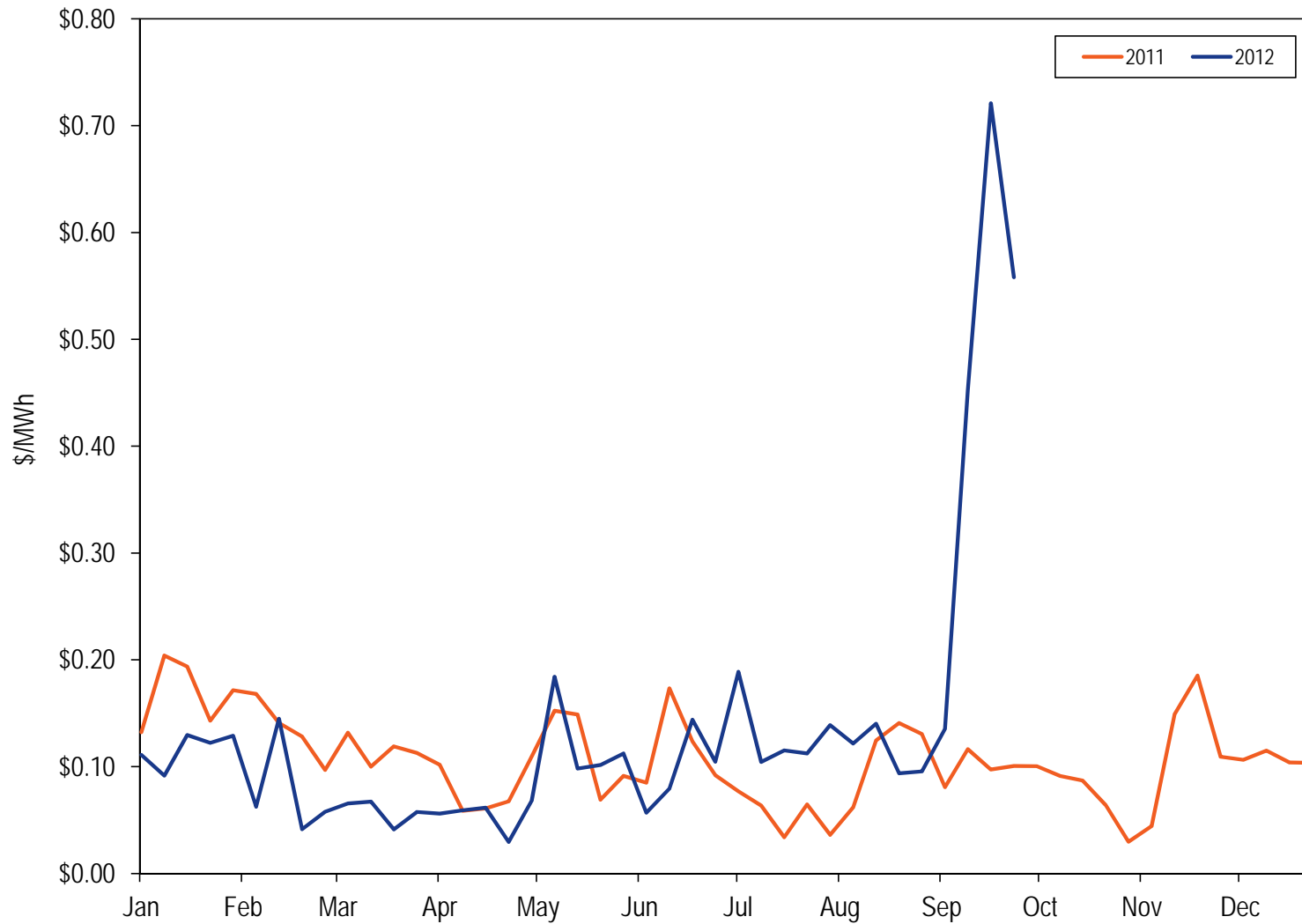


Day-ahead operating reserve charges

- **Allocation of day-ahead operating reserve charges, including reactive service credits**
 - Load including decs
 - Exports
- **Allocation of real-time operating reserve charges**
 - **Reliability**
 - Regional: load, exports
 - **Deviations**
 - Regional: deviations from day ahead
 - **Reactive service credits**
 - Zonal real-time load



Day-ahead operating reserve rate (\$/MWh)

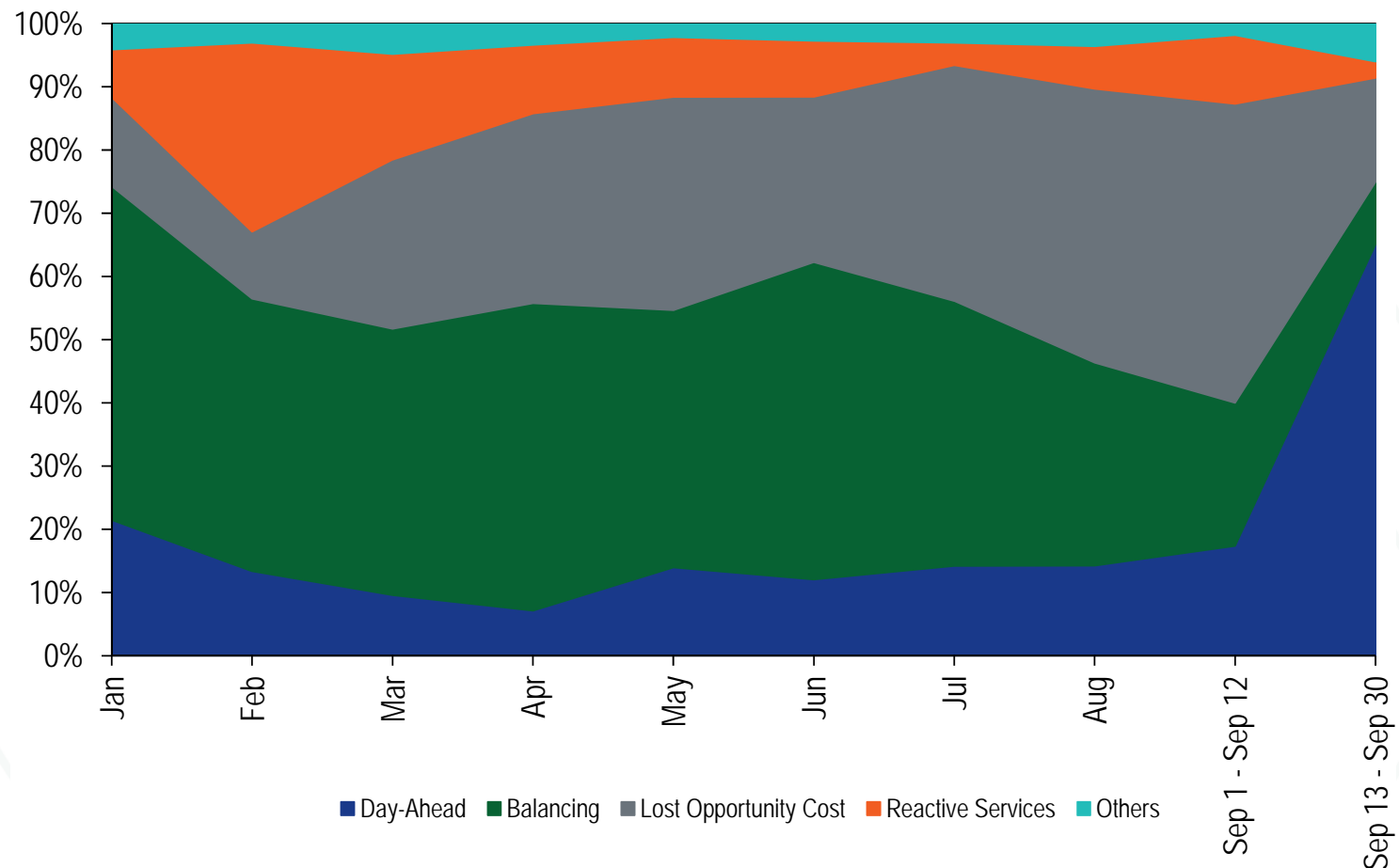


Average operating reserve rates January 1 – September 12 and September 13 – September 30, 2012

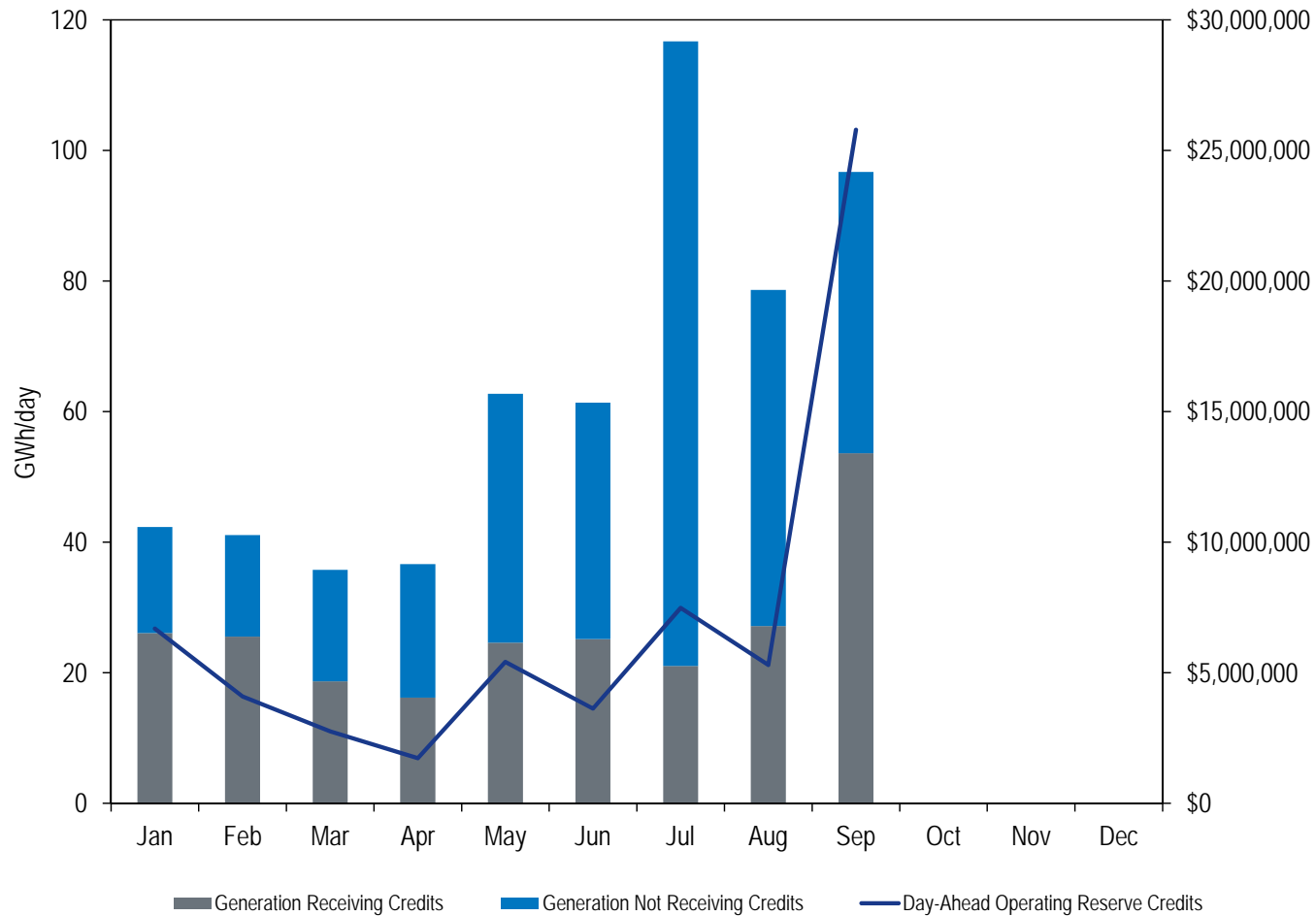
	Rate before September 13 (\$/MWh)	Rate after September 13 (\$/MWh)	Difference (\$/MWh)	Percentage Difference
Day-Ahead	0.1043	0.6275	0.5231	501.4%
RTO Reliability	0.0237	0.0115	(0.0121)	(51.2%)
East Reliability	0.0294	0.0000	(0.0294)	(100.0%)
West Reliability	0.1596	0.0035	(0.1560)	(97.8%)
RTO Deviations	0.9638	0.5164	(0.4474)	(46.4%)
East Deviations	0.2554	0.0000	(0.2554)	(100.0%)
West Deviations	0.1367	0.0000	(0.1367)	(100.0%)
Lost Opportunity Cost	1.3482	0.9918	(0.3564)	(26.4%)
Canceled Resources	0.0318	0.0003	(0.0315)	(99.2%)



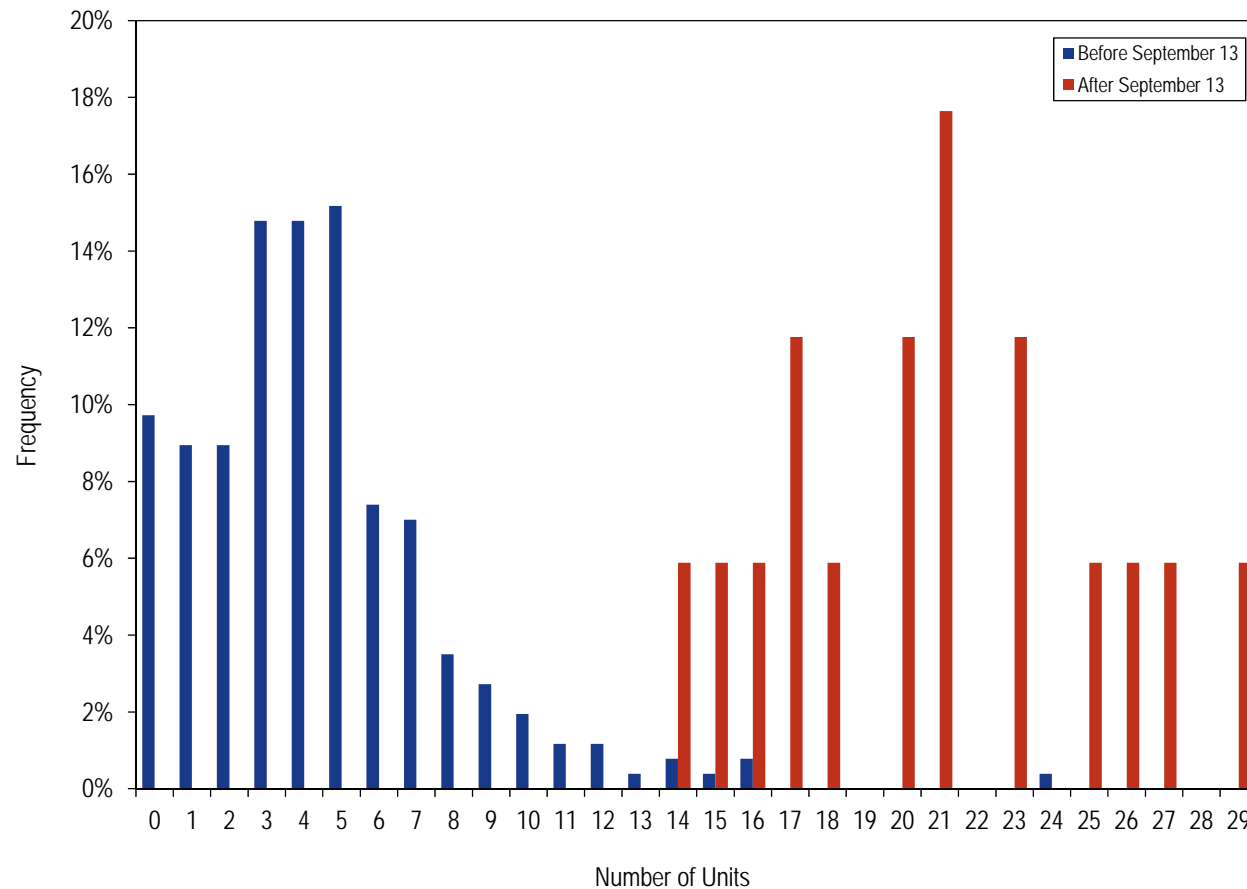
Operating reserve charges share by category: January through September 2012



Daily average day-ahead generation from units scheduled as must run by PJM



Units scheduled as must run by PJM receiving day-ahead operating reserve credits



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