Market Monitor Report

MC Webinar

July 20, 2020

IMM

Monitoring Analytics

ICAP Must Offer Requirement

- **At the June 2019 MC Webinar, the Market Monitor presented issues regarding the ICAP Must Offer requirement.**

  - **http://www.monitoringanalytics.com/reports/Presentations/2019/IMM_MC_Webinar_Market_Monitor_Report_20190624.pdf**

ICAP Must Offer Requirement

- **OA Section 1.10.1A (d) states that resources must offer in DA/RT Markets the ICAP equivalent of their committed UCAP, accounting for outages.**

- **Rule:**

- **Emergency Max + Outage Reduction ≥ Committed ICAP**

- **Failure to meet the ICAP must offer requirement constitutes a tariff violation.**

Monitoring Analytics

ICAP Must Offer Requirement

- **The Market Monitor monitors the ICAP must offer requirement using eDART outages as close to real time as possible.**

  - **The Market Monitor communicates inconsistencies to market sellers as close to real time as possible.**

- **The Market Monitor calculates the final ICAP must offer requirement using eGADS.**

  - **The Market Monitor will initiate a process to communicate inconsistencies to market sellers.**

   Monitoring Analytics

ICAP Must Offer Requirement Review

- **The Market Monitor will provide market sellers, using the Secure Communications module of MIRA, all the instances (by hour) in which resources did not meet their ICAP must offer requirement.**

- **The data will include by hour:**
  - **RPM ICAP Commitment**
  - **RT Emergency Max**
  - **RT Generation**
  - **eDART/eGADS Outage Reduction**

Monitoring Analytics

ICAP Must Offer Requirement Review

- **Goals:**
  - **Identify and fix outage reporting issues. For example, outages reported in eDART and not eGADS or not reported at all.**
  - **Identify cases in which resources were derated in Markets Gateway without being on outage. For example, mistakenly submit the resource as unavailable.**
  - **Identify cases in which resources were derated in Markets Gateway due to ambient conditions.**

ICAP Must Offer Requirement Review

- **PJM tools should facilitate the submittal of outages that allow market sellers to meet their ICAP must offer requirement. This includes:**
  - **Submit outages when resources are not offered in the Energy Market and resources was not under forced/maintenance/planned outage.**
  - **Submit outages when ambient conditions require resources to be derated.**
- **Market sellers should always submit the actual capability of their resources to the extent possible.**
- **Deficits should always be reported as outages.**

Monitoring Analytics

Cost Offer Technical Guide

- **The IMM has posted a technical reference to address offers for thermal units.**

- **Clarifies existing language in Manual 15.**

- **Presents clear equations.**

- **Includes detailed, easy to follow examples.**

- **Goal is to help prevent mistakes in submitting offers for thermal units.**

http://www.monitoringanalytics.com/reports/Technical_References/references.shtml

Monitoring Analytics

NCMPAIMP/EXP Interface Pricing Points

- **On June 1, 2020, PJM retired the DUKIMP, DUKEXP, CPLEIMP and CPLEEXP interface pricing points. The stated reason was that the South Interfaces are sufficient based on small price differences.***

- **NCMPAIMP and NCMPAEXP are similar interface pricing points and should be retired immediately.**
  - **There are no FTR/ARR positions at the NCMPAIMP or NCMPAEXP interfaces.**
  - **There is no point to point transmission service at these interfaces.**

* https://go.pjm.com/e/678183/ace-pricing-points-update-ashx/3mr49/120424772?h=K_2hRAQFkc0x1QVHaZyryla87AKIK6FRID28eb7m9T4

Monitoring Analytics

NCMPAIMP/EXP Interface Pricing Points

- **Very small price difference between NCMPAIMP and SouthIMP pricing points.***
  - **Real time avg price difference compared to SouthIMP:**
    - NCMPAIMP vs. SouthIMP: $0.15
    - CPLEIMP vs. SouthIMP: $0.19
    - DUKIMP vs. SouthIMP: $0.20
  - **Day ahead avg price difference compared to SouthIMP:**
    - NCMPAIMP vs. SouthIMP: $0.15
    - CPLEIMP vs. SouthIMP: $0.24
    - NCMPAIMP vs. SouthIMP: $0.22

* Data is January 1, 2020, through May 31, 2020, for CPLE and DUKE and January 1, 2020, through June 31, 2020, for NCMPA.

Monitoring Analytics

NCMPAIMP/EXP Interface Pricing Points

- **Very small price difference between NCMPAEXP and SouthEXP pricing points.***
  - **Real time avg price difference compared to SouthEXP:**
    - NCMPAEXP vs. SouthEXP: $0.13
    - CPLEEXP vs. SouthEXP: $0.01
    - DUKEXP vs. SouthEXP: $0.04
  - **Day ahead avg price difference compared to SouthEXP:**
    - NCMPAIMP vs. SouthEXP: $0.16
    - CPLEIMP vs. SouthEXP: $0.06
    - NCMPAIMP vs. SouthEXP: $0.07

* Data is January 1, 2020, through May 31, 2020, for CPLE and DUKE and January 1, 2020, through June 31, 2020, for NCMPA.

Monitoring Analytics

NCMPAIMP/EXP Interface Pricing Points

- **The SouthIMP and SouthEXP pricing points are sufficient for pricing transactions from the South.**

- **The NCMPAIMP and NCMPAEXP interface pricing points are not needed and should be removed.**

- **External entities wishing to receive the benefits of the PJM LMP market should join PJM.**

Monitoring Analytics

Northwest Interface Pricing Point

- **The Northwest interface pricing was initially used to price transactions between PJM and some of its neighboring balancing authorities to the West.**

- **After MISO formed, these balancing authorities became a part of MISO, and transactions are now priced at the MISO interface pricing point.**

- **The only remaining external entities in the Eastern Interconnection that are mapped to the Northwest pricing point are Saskatchewan and Manitoba Hydro.**
  - **Little to no activity between PJM and these balancing authorities in the past several years.**

Monitoring Analytics

Northwest Interface Pricing Point

- **The entire Western Interconnection is mapped to the Northwest interface pricing point.**
  - **Transactions from the Western Interconnection to PJM flow across DC tie lines.**
  - **These DC ties connect at various points, and do not have the same physical impact on flows with PJM.**
  - **Transactions will either flow to PJM through MISO or a neighbor to the South, and should receive an appropriate pricing point based on physical flows.**
  - **Little to no activity between PJM and the Western Interconnection in the past several years.**

Monitoring Analytics

Northwest Interface Pricing Point

- **The Northwest interface is non contiguous to PJM.**

- **Saskatchewan and Manitoba Hydro balancing authorities mapping should be changed to MISO.**

- **Western Interconnection should be mapped to MISO or SOUTHIMP/EXP based on DC Tie location.**

- **Up-to congestion transactions at the Northwest interface pricing point have resulted in 50.2 percent of all UTC profits in the first six months of 2020.**

Monitoring Analytics

Northwest Interface Pricing Point

- **The Northwest interface pricing point should be eliminated immediately.**

- **The Northwest Interface pricing point should be removed immediately as an eligible bus for UTC transactions.**

Monitoring Analytics

Northwest Interface Pricing Point

Legend
- Ontario IESO
- Northwest
- NYIS
- MISO
- SouthImp/Exp

Monitoring Analytics

Monitoring Analytics, LLC

2621 Van Buren Avenue

Suite 160

Eagleville, PA

19403

(610) 271-8050

MA@monitoringanalytics.com

www.MonitoringAnalytics.com

Monitoring Analytics