

# Fuel Cost Policy Periodic Review

CDS

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# Fuel Cost Policy Periodic Review

- On July 28, 2020, FERC approved tariff revisions that modified the fuel cost policy process (172 FERC ¶ 61,094).
- The tariff revisions replaced the annual review process with a periodic review set by PJM.
- Fuel cost policies reviewed in 2020 were approved by PJM with an expiration date of November 1, 2023.
  - The FCP had to be approved with an earlier date if a relevant contract expired earlier.

# 2023 FCP Periodic Review

- **Prior to expiration, Market Participants are required to either:**
  - **Confirm that their expiring Fuel Cost Policy remains compliant.**
  - **Submit an updated Fuel Cost Policy.**
- **Both options will result in new expiration date on 11/01/2026, unless a relevant contract expires between 2023 and 2026.**
- **Only Market Participants with Fuel Cost Policies that expire on 11/01/2023 are required to choose one of the options.**



# 2023 FCP Periodic Review

- **From February 1 through May 1, 2023, Market Participants will be able to confirm in MIRA if their existing Fuel Cost Policy remains compliant.**
- **Users have to check the “Request Extension” checkbox in the Fuel Policy Editing module.**



# Example

	Fuel Policy Name	Policy ID	IMM Status	PJM Status	Approved Effective Date	Expiration Date	Request Extension
▶	[Redacted]	[Redacted]	<All>	<All>		11/01/2023	<input type="checkbox"/>
▶	[Redacted]	[Redacted]	<All>	<All>		11/01/2023	<input checked="" type="checkbox"/>

# 2023 FCP Periodic Review

- **PJM and the MMU will send routine reminders to Market Participants prior to the end of the window to extend currently approved FCPs.**
- **Market Participants that do not extend their FCPs will have to submit a new FCP.**
- **Market Participants that do not extend their FCPs and do not submit new FCPs before expiration will have to either:**
  - **Submit cost based offers at zero.**
  - **Use PJM's temporary cost offer method.**

## 2023 FCP Periodic Review

- **Market Participants that do not wish to make any changes to their FCPs should request an extension as soon as possible.**
- **All extensions will be reviewed by PJM and the MMU.**
- **PJM and/or the MMU may require changes to existing FCPs.**
- **In such case, Market Participants will be required to submit a new FCP.**
- **New FCPs are reviewed following the current deadlines (30 business days between PJM and the MMU).**

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