



Preliminary Market Structure Screen

As stated in section II.D.1 of Attachment M-Appendix of the PJM Open Access TransmissionTariff (OATT):

[T]he Market Monitoring Unit shall apply the Preliminary Market Structure Screen [(PMSS)] to identify the LDAs in which Capacity Market Sellers must provide the data specified in section 6.7(b) of Attachment DD for any auction conducted with respect to such Delivery Year and whether Capacity Market Sellers must provide this data for the entire PJM Region. For each LDA and for the PJM Region, the [PMSS] will be based on: (1) the Unforced Capacity available for such Delivery Year from Generation Capacity Resources located in such area; and (2) the Locational Deliverability Area Reliability Requirement and the PJM Reliability Requirement.

As stated in section II.D.2 of Attachment M-Appendix of the OATT:

An LDA, Unconstrained LDA Group,¹ or the entire PJM Region shall fail the Preliminary Market Structure Screen, and Capacity Market Sellers owning or controlling any Generation Capacity Resource located in such LDA, Unconstrained LDA Group, or region shall be required to provide the information specified in section 6.7 of Attachment DD, if any one of the following three conditions is met: (1) the market share of any Capacity Market Seller exceeds twenty percent; (2) the HHI for all such sellers is 1800 or higher; or (3) there are not more than three jointly pivotal suppliers.

Results

The Market Monitoring Unit (MMU) applied the PMSS for the 2013/2014 Delivery Year using installed capacity (ICAP) from eRPM effective as of June 1, 2013, the equivalent demand forced outage rates (EFORd) based on 12 months of outage data for the period ending September 30, 2009, and the LDA and PJM Reliability Requirements for the 2013/2014 Delivery Year. PJM's studied deliverability ICAP MW values were used for American Transmission Systems, Inc. (ATSI) resources for which capacity modifications were not

¹ PJM did not define an Unconstrained LDA Group for this Auction.

submitted in eRPM by the time of this analysis.^{2,3} As shown in the table below, all LDAs and the entire PJM Region failed the PMSS. As a result, all Capacity Market Sellers owning or controlling any Generation Capacity Resource located in the entire PJM Region shall be required to provide the information specified in section 6.7(b).

RPM Preliminary Market Structure Screen Results: 2013/2014

| RPM Markets | Highest Market Share | HHI | Pivotal Suppliers | Pass/Fail |
|-------------|----------------------|------|-------------------|-----------|
| RTO | 14.4% | 812 | 1 | Fail |
| MAAC | 18.1% | 1101 | 1 | Fail |
| EMAAC | 33.0% | 1992 | 1 | Fail |
| SWMAAC | 50.9% | 4790 | 1 | Fail |
| PSEG | 89.7% | 8069 | 1 | Fail |
| PS-NORTH | 89.5% | 8056 | 1 | Fail |
| DPL-SOUTH | 55.8% | 3887 | 1 | Fail |
| JCPL | 28.5% | 1731 | 1 | Fail |
| PEPCO | 94.5% | 8947 | 1 | Fail |

Data Requirements

As stated in section 6.7(b) of Attachment DD of the PJM OATT, “Except as provided in subsection (c) below, potential participants in any PJM Reliability Pricing Model Auction in any LDA or Unconstrained LDA Group that fails the Preliminary Market Structure Screen (or, if such region fails the screen, potential auction participants in the entire PJM Region) shall, in addition, submit the following data, together with supporting documentation for each item, to the Market Monitoring Unit no later than two months prior to the conduct of such auction.” The MMU will verify such data pursuant to Section II.G of Attachment M–Appendix.

² On August 17, 2009, FirstEnergy Service Company filed on behalf of American Transmission Systems, Inc. (ATSI) with the Federal Energy Regulatory Committee (FERC) to withdraw its transmission assets from the Midwest Independent System Operator and integrate those transmission assets into PJM as of June 1, 2011. See Docket No. ER09-1589-000.

³ See “[ATSI RTEP Baseline Report and Generation Deliverability Results](http://pjm.com/markets-and-operations/~media/planning/rtep-dev/baseline-reports/atsi-baseline-integration-rtep-report.ashx),” (January 25, 2010) (Accessed February 2, 2010) <<http://pjm.com/markets-and-operations/~media/planning/rtep-dev/baseline-reports/atsi-baseline-integration-rtep-report.ashx>> (213.95 KB).

Provisional Exceptions

No provisional exceptions are provided for the Base Residual Auction for the 2013/2014 Delivery Year. All capacity market sellers who plan to offer a non-zero price into the auction must submit avoidable cost rate (ACR) data or a calculation of opportunity cost with detailed supporting documentation to the MMU.