



Monitoring
Analytics

Activities of the Market Monitoring Unit 2012

Independent Market Monitor for PJM

October 4, 2013

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Preface

This report is posted pursuant to Section VI.C of Attachment M to the PJM Open Access Transmission Tariff (the “PJM Market Monitoring Plan” or “Plan”), which directs the Market Monitoring Unit (also known as the, “MMU,” Independent Market Monitor for PJM” or “IMM”) “to prepare a detailed public annual report about the Market Monitoring Unit’s activities, subject to protection of confidential, proprietary, and commercially sensitive information and the protection of the confidentiality of ongoing investigations and monitoring activities.”¹

Originally constituted as an independent division of PJM Interconnection, L.L.C. in 1999, the MMU was established in 2008 as a separate company, Monitoring Analytics, LLC. Monitoring Analytics continues to serve as the PJM MMU under a long term contract running through December 31, 2019.² PJM is a regional transmission organization that is responsible for ensuring the reliability of the electric power supply system in 13 states and the District of Columbia. The MMU is responsible for promoting a robust, competitive and nondiscriminatory electric power market in PJM by implementing the PJM Market Monitoring Plan.

The Commission has identified three core functions of MMUs: Monitoring, Reporting and Market Design.³ MMU activities during 2012 are listed below by core function.

The MMU posts market data, public reports, presentations and market messages on the Monitoring Analytics web page at: <http://www.monitoringanalytics.com>.

Monitoring

Market Surveillance

The MMU analyzes and monitors all the PJM markets including the Day-Ahead Energy Market, the Real-Time Energy Market, the RPM Base Residual Auctions and Incremental Auctions, the Regulation Market, the Synchronized Reserve Market, the Day-Ahead Scheduling Reserve Market and the Annual, Monthly, Long Term and Balance of Planning Period Auction Markets in Financial Transmission Rights (FTRs). The ongoing market analysis and monitoring forms the basis for all MMU activities. The MMU monitors participant development of inputs to prospective mitigation, including Avoidable Cost Rates and net revenues in RPM; unit-specific offers under the Minimum Offer Price Rule; and cost offers and parameter limited schedules in the energy markets,

¹ PJM Open Access Transmission Tariff (OATT) Attachment M § VI.C.

² See 144 FERC ¶ 61,238 (2013).

³ 125 FERC ¶ 61,071 (Order No. 719).

including eligibility for Frequently Mitigated Unit (FMU) adders. In the course of this monitoring, the MMU provides feedback to participants and engages in discussions about the appropriateness of costs and cost levels. The MMU applies the FTR forfeiture rule, a retroactive mitigation measure, the results of which are reviewed by PJM prior to billing PJM members. The MMU monitors compliance with the must offer rule in RPM. The MMU monitors compliance with the must offer rule for capacity resources in the Day-Ahead Energy Market. The MMU monitors costs included in black start service rates. The MMU reviews proposed deactivations to identify potential market power issues. The MMU prepared monthly notifications to PJM generation owners regarding the status of Frequently Mitigated Units per Schedule 1, Section 6.4.2 of the PJM Operating Agreement.

In the course of monitoring the market results, the market monitor identified an issue in PJM's application of the TPS test in the regulation market. In discussions with PJM and PJM's vendors, the MMU confirmed that the software used by PJM incorrectly defined the relevant market for regulation for purposes of the TPS test from May 7, 2012 through July 21, 2012. PJM corrected the errors.

In the course of monitoring the market results, the market monitor identified an issue in PJM's application of the TPS test in the day ahead energy market. In discussions with PJM and PJM's vendors, the MMU confirmed that the software used by PJM to apply the TPS test in the day ahead energy market was using a definition of the system topology that was inconsistent with the definition of the system topology used by PJM for the final day ahead market solution. This inconsistency resulted in PJM incorrectly defining the relevant market for constraint relief for purposes of the TPS test from April 28, 2012, through September 12, 2012. PJM corrected the errors.

Recognizing the potential for manipulation and other issues arising from participant trading in PJM markets and in non PJM markets, such as those administered by ICE, Nodal Exchange and the CME Group, the MMU has engaged in discussions regarding MMU access to trading data. These efforts have not yet been successful.

Market Participant Discussions

The PJM Market Monitoring Plan provides that, in addition to informing Commission staff, the MMU may "Engage in discussions regarding issues relating to the PJM Market Rules or FERC Market Rules in order to understand such issues and to attempt to resolve informally such issues or other issues."⁴ In fulfilling this role in 2012, the MMU monitored participant behavior and discussed relevant matters with FERC staff and with market participants. In addition, the MMU received and investigated confidential complaints. The provision of additional details on these issues is governed by confidentiality rules.

⁴ OATT Attachment M, § IV.J.1.

A confidential complaint can reveal flaws in existing rules or procedures. The MMU received confidential complaints and when appropriate publicly proposed rule modifications while maintaining market participant confidentiality.

In addition to discussing notices and/or referrals on a confidential basis regarding the activities in the markets, the MMU engaged in numerous discussions with Market Participants in 2012 about issues related to participant behavior in the PJM markets.

Communications with Regulators

The MMU provides information to regulators, subject to compliance with applicable rules protecting confidentiality. In 2012, the MMU engaged in the following activities:

- Participated in conference calls with the Office of Enforcement regarding current issues.
- Communicated with FERC on market issues and attended scheduled and ad hoc meetings at FERC.
- Provided data in response to requests from FERC's Office of Enforcement.
- Attended meetings and conference calls with state regulators, state consumer advocates, industrial customer coalitions, Midwest ISO and the Organization of PJM States, Inc. (OPSI) to answer questions and discuss a range of topics including monitoring, capacity markets and PJM market specifics.

Reporting⁵

Reports and Analyses

The 2011 *State of the Market Report for PJM*, published on March 15, 2012, the 2012 *Quarterly State of the Market Report for PJM: January through March* (May 17), the 2012 *Quarterly State of the Market Report for PJM: January through June* (August 16), and the 2012 *Quarterly State of the Market Report for PJM: January through September* (November 15), fulfilled both the tariff reporting requirements⁶ and the criteria listed in the Commission policy by providing a comprehensive analysis of the markets within PJM and an assessment of the competitiveness of each market. The reports also provided recommendations regarding retention and enhancement of market rules.

The MMU issued the following Reports in 2012:

- Preliminary Market Structure Screen Results for 2015/2016 RPM Base Residual Auction (February 7).
- Analysis of the 2014/2015 RPM Bases Residual Auction Report (April 9).

⁵ Public reports by the MMU are posted at <<http://www.monitoringanalytics.com>>.

⁶ OATT Attachment M § VII.A

- Options to Address FTR Underfunding (April 30).
- Capacity in the PJM Market (August 20).
- Analysis of Replacement Capacity for RPM Commitments: June 1, 2007 to June 1, 2012 (December 11).

The MMU issued the following Market Messages in 2012:

- RPM-ACR and RPM Must Offer Obligation FAQs (February 3).
- Press Release – 2011 State of the Market Report for PJM (March 15).
- Press Release - 2012 Quarterly State of the Market Report for PJM: January through March (May 17).
- Members Committee Letter – 2012 Quarterly State of the Market Report for PJM: January through March (May 17).
- Market Notice re: Parameter Limited Schedule Matrix (Period 2, 2012) (June 30).
- Generator Capacity Resources in PJM Region Subject to RPM Must Offer Obligation for 2013/2014, 2014/2015 and 2015/2016 Delivery Years (July 3).
- Notification of Disclosure of Confidential Information Pursuant to OATT Attachment M – Appendix I.D (July 20).
- Notification to PJM Members of Disclosure of Confidential Information Pursuant to OATT Attachment M – Appendix I.D (July 26).
- Press Release – 2012 Quarterly State of the Market Report for PJM: January through June Released (August 16).
- Members Committee Letter – 2012 Quarterly State of the Market Report for PJM: January through June (August 16).
- RPM Must Offer Obligations (August 29).
- Generation Capacity Resources in PJM Region Subject to RPM Must Offer Obligation for 2013/2014, 2014/2015 and 2015/2016 Delivery Years (October 16).
- Press Release – 2012 Quarterly State of the Market Report for PJM: January through September Released (November 15).
- Members Committee Letter – 2012 Quarterly State of the Market Report for PJM: January through September (November 15).
- Generator Capacity Resources in PJM Region Subject to RPM Must Offer Obligation for 2013/2014, 2014/2015 and 2015/2016 Delivery Years (November 29).

Industry Briefings

As part of its reporting role, the MMU provided briefings and presentations to industry groups and the Federal Energy Regulatory Commission (FERC). The MMU shared the results of its analyses, experience and knowledge regarding competitive markets, market monitoring and market power mitigation.

During 2012, the MMU:

- Participated in FERC Office of Enforcement meetings for market monitors;

- Participated in meetings with FERC staff, the Organization of PJM States, Inc. (OPSI) and state commission staffs.
- Speaker, “Electric Utility Regulation: Environmental Benefits, Costs, and the Public Interest,” Washington & Lee Symposium 2012, Reclaiming Environmental Federalism (February 17).
- Briefed FERC staff on the 2011 State of the Market Report for PJM (March 15).
- Provided a State of the Market Report briefing to the press (March 15).
- Speaker, “Electricity Merger Policy,” Antitrust Institute 12th Energy Roundtable, Arlington, Virginia (April 24).
- Speaker, “Up To Congestion Bids: A Discussion of Spread Offers in the PJM Energy Markets,” CRRRI Conference (May 17).
- Speaker, “Stresses in the Capacity Markets – Are We Headed for Another California Power Crisis?” Platts 7th Annual Northeast Power Markets Conference, New York, New York (April 30).
- Speaker, “2011 – Year in Review,” PJM Annual Meeting of Members, Cleveland, Ohio, (May 16).
- Speaker, “New Generation in the Mid-Atlantic Region–State Initiatives & Other Approaches to Financing,” Saul Ewing’s 6th Annual Energy and Public Utility Symposium, Philadelphia (May 23).
- Speaker, “How EPA power plant rules will impact ISO/RTO markets,” Restructuring Today, Webinar (May 23).
- Speaker, “Manipulation of Electricity Markets: What is the State of Economics?” Harvard Electric Policy Group, Boston, Massachusetts (May30–June 1).
- Speaker, “Market Mitigation, Capacity Markets and Market Design: Are They Working As Intended?” Energy Bar Association, Philadelphia, Pennsylvania (June 6–7).
- Speaker, “Potential Changes in Grid Operation Resulting from New USEPA Regulations,” MADRI Working Group, Washington, D.C. (June 8).
- Speaker, “Where do we go with the Reliability Pricing Model,” OPSI Annual Meeting, Chicago, IL (October 2).
- Speaker, “State of the PJM Market,” OPSI Advisory Committee Meeting, Chicago, IL (October 2).
- Speaker, “PJM Market Update,” Platts the 5th Annual Nodal Trader, New York, New York (October 26).
- Speaker, “Debating the Minimum Offer Price Rule,” Restructuring Today, Webinar (December 6).

Market Design

Attachment M, Section IV.D provides “if the Market Monitoring Unit detects a design flaw or other problem with the PJM Markets, the Market Monitoring Unit may initiate and propose, through the appropriate stakeholder processes, changes to the design of such market. In support of this function, the Market Monitoring Unit may engage in discussions with stakeholders, State Commissions, PJM Management, or the PJM Board;

participate in PJM stakeholder meetings or working groups regarding market design matters; publish proposals, reports or studies on such market design issues; and make filings with the Commission on market design issues.”⁷

In Order No. 719 and its order on compliance for PJM, the Commission has emphasized this MMU core function.⁸

The market monitor worked extensively with PJM staff in 2012 to improve the design of the Regulation Market consistent with requirements specified in FERC Order 755. This effort resulted in a number of significant changes in the Regulation Market design. While the revised market design continues to include the incorrect definition of opportunity cost, overall the changes, as proposed by PJM to FERC and supported by the market monitor, represented significant improvements. On October 1, 2012, PJM implemented Performance Based Regulation, to comply with FERC Order No. 755. The market monitor provided supportive filings. On November 16, 2012, FERC modified the PJM market design that was introduced on October 1, 2012. Due to these modifications by FERC, the present market design, as jointly proposed by PJM and the market monitor, has not been fully implemented. Important parts of the design involving the consistent implementation of the marginal benefit factor in optimization, pricing and

⁷ OATT Attachment M § IV.D.

⁸ See Order No. 719 at P 357 (“[W]e do expect the MMU to advise the Commission, the RTO or ISO, and other interested entities of its views regarding any needed rule and tariff changes. Likewise, in the event an RTO or ISO files for a proposed tariff change with which the MMU disagrees, we expect the RTO or ISO to inform the Commission of that disagreement, although not necessarily to include a written proposal with its filing.”), codified at 18 C.F.R. § 35.28 (g)(3)(ii)(A) (“The Market Monitoring Unit must perform the following core functions: (A) Evaluate existing and proposed market rules, tariff provisions and market design elements and recommend proposed rule and tariff changes to the Commission-Approved independent system operator or regional transmission organizations, to the Commission’s Office of Energy Market Regulation staff and to other interested entities such as state commissions and market participants”). In its order of December 18, 2009, on PJM’s filing in compliance with Order No. 719, the Commission required additional changes to ensure that the PJM Market Monitoring Plan fully conforms to Order No. 719’s requirements concerning the role of MMUs in market design. 125 FERC ¶61,250 at P 113 (2009) (“PJM’s OATT fails to specify the MMU’s responsibility for evaluating existing and proposed market rules, tariff provisions and market design elements, and for recommending proposed rule and tariff changes to PJM, the Commission’s Office of Energy Market Regulation and to other interested entities (i.e., state commissions and market participants). Attachment M, section IV.C, in this regard, provides only that, if the MMU “detects a design flaw or other problem with the PJM Markets,” it may initiate and propose changes to such market design. This language, however, is limited to “design” issues relating to existing provisions and thus does not address the full scope of the core MMU function addressed by the Commission in Order No. 719.”).

settlement remain to be decided by FERC. In the absence of a consistent implementation of the marginal benefit factor in optimization, pricing and settlement, the current market design is flawed. Both PJM and the market monitor have filed with FERC to have the outstanding market design issues resolved.

FERC Proceedings

In 2012, the MMU addressed market design issues on the following topics in proceedings at the FERC:

- 2.5 Percent Holdback Rule. Motion for Leave to Answer and Answer of the Independent Market Monitor for PJM, Docket No. ER12-513 (January 6). Motion for Leave to Answer and Answer of the Independent Market Monitor for PJM, Docket No. ER12-513 (January 27). Comment of the Independent Market Monitor for PJM, Docket No. ER12-513 (December 11).
- MOPR Compliance. Comments of the Independent Market Monitor for PJM, Docket No. ER11-2875-003 (January 9). Motion for Clarification of the Independent Market Monitor for PJM, Docket No. ER11-2875-000, -001, -002, and EL11-20-000, -001 (February 17).
- NYISO New Interface Pricing Software. Protest of the Independent Market Monitor for PJM, Docket No. ER08-1281-005, -006, -007, -010 (January 12). Answer and Motion for Leave to Answer of the Independent Market Monitor for PJM, Docket No. ER08-1281-005, -006, -007 and -010 (February 16).
- FirstEnergy Complaint FTRs. Comments of the Independent Market Monitor for PJM, Docket No. EL12-19 (January 13). Answer and Motion for Leave to Answer of the Independent Market Monitor for PJM, Docket No. EL12-19 (February 2).
- EnerNOC Double Counting. Answer and Motion for Leave to Answer of the Independent Market Monitor for PJM, Docket No. ER11-3322-001 (January 27).
- PJM Queue Reforms. Comments of the Independent Market Monitor for PJM, Docket No. ER12-1177 (March 21).
- Order No. 755 (Regulation Market Design) Compliance Filing. Protest of the Independent Market Monitor for PJM, Docket No. ER12-1204 (March 26). Answer and Motion for Leave to Answer of the Independent Market Monitor for PJM (April 25). Comments of the Independent Market Monitor for PJM, Docket No. ER12-2391-000 and Docket No. ER12-1204-001 (not consolidated), (August 17). Comments of the Independent Market Monitor for PJM, Docket ER12-2391-001 (October 9). Answer and Motion for Leave to Answer of the Independent Market Monitor for PJM, Docket ER12-1204-001,-002 and ER12-2391-000 (October 22).
- FirstEnergy Complaints re ARR Prorates. Comments of the Independent Market Monitor for PJM, Docket No. EL12-19 (April 16).
- Viridity Complaint re Single CSP. Comments of the Independent Market Monitor for PJM, Docket No. EL12-54 (April 18).
- IMM Complaint v. Unnamed Participant. Complaint and Request for Fast Track Treatment and Shortened Comment Period of the Independent Market Monitor for

PJM, Docket No. EL12-63 (May 2). Notice of Withdrawal of the Independent Market Monitor for PJM (May 17).

- DC Energy RFR. Answer and Motion for Leave to Answer of the Independent Market Monitor for PJM, Docket No. EL12-8 (May 7).
- Primary Power Complaint. Comments of the Independent Market Monitor for PJM, Docket No. EL12-69 (June 21).
- GenOn RMRs. Protest of the Independent Market Monitor for PJM, Docket No. ER12-1901 (June 21) .Answer of the Independent Market Monitor for PJM (July 20). Convened with other parties at the FERC for settlement discussions, September 6, and November 15.
- NAESB Standards re DSR. Comments of the Independent Market Monitor for PJM, Docket No. RM05-5-020 (July 30).
- Capacity Portability. Comments of the Independent Market Monitor for PJM, Docket No. AD12-16 (August 27).
- Regulation Market TPS Test. Comments of the Independent Market Monitor for PJM, Docket Nos. ER12-2391 and ER12-1204 (October 9) IMM Answer and Motion for Leave to Answer, Docket No. ER12-2391-001 (October 19).
- Dominion Complaint. Comments of the Independent Market Monitor for PJM, Docket No. EL13-12 (November 5).
- Transmission Planning and Cost Allocations. Comments of the Independent Market Monitor for PJM, Docket No. ER13-198 (December 10).
- MOPR Revisions. Comments of the Independent Market Monitor for PJM, Docket No. ER12-535. (December 28).

State Proceedings

In 2012, the MMU addressed the following market topics in proceedings at state public utility commissions or in response to requests from state public utility commissions:

- Report to the North Carolina Utilities Commission: Congestion in the Dominion Service Territory in North Carolina: May 1, 2010, through April 30, 2012 (July 15).
- Exelon Constellation Merger, Maryland PSC Case No. 9271.
 - Submitted testimony before the Maryland Public Service Commission (May 4).
 - Submitted testimony before the Maryland Public Service Commission (January 25).
- Capacity Procurement RFP, Maryland PSC Case No. 9214.
 - Submitted testimony before the Maryland Public Service Commission (January 31).
- Letter to Chairman Nazarian of the Maryland Public Service Commission re Minimum Offer Price Revisions (MOPR) (October 16).

EPA Proceedings

- Comments of the Independent Market Monitor for PJM re EPA (Environmental Protection Agency) Proposed Settlement Agreement among EPA, EnerNOC, Inc.,

EnergyConnect, Inc., CPower, Inc., and Innoventive Power, LLC. Docket No. EPA-HQ-OGC-2011-1030 (February 16).

- RICE NESHAP Rule, Docket No. EPA-HQ-OAR-2008-0708
 - Submitted testimony before the Environmental Protection Agency (July 10).
 - Submitted comments to the Environmental Protection Agency (August 9).

Recommendations Regarding PJM Market Rules

During 2012, the MMU presented the following information and analysis to PJM Committees.⁹

Cost Development Subcommittee (CDS)

- Problem Statement: Combined Cycle Modeling. (January 9).
- Regulation Allocation (September 10).
- Regulation Market Cost-Based Offers Problem Statement (October 15, November 7).
- Regulation Market Cost-Based Offers Problem Statement and Issue Charge (October 15, November 7).
- Participated in subcommittee discussions including development of Manual language for unit types not already defined in Manual 15, defining variable operations and maintenance costs, defining shut down costs for demand response resources, and defining appropriate cost-based offers in the performance based regulation market.

Demand Response Subcommittee (DRS)

- Participated in subcommittee discussions including Order No. 745 implementation, the demand response registration process, measurement and verification, data collection for demand response resources, and defining appropriate economic demand response.

Finance Committee (FC)

- Monitoring Analytics Audited Financial Statements for 2011 (March 14).
- Monitoring Analytics Preliminary Budget for 2013 (August 15).
- Monitoring Analytics Proposed Budget for 2013 (September 12).

Financial Transmission Rights Task Force (FTRTF)

- Participated in task force discussions which led to four options presented to stakeholders designed to decrease underfunding due to FTR modeling issues.

Members Committee (MC)

- State of the PJM Market: January through November, 2011(January 23).
- MMU Data/Info Request: Member Unit Ownership Information (January 26).
- MMU Issues (February 21).

⁹ OATT Attachment M § IV.D.

- 2011 State of the Market Report for PJM (March 26).
- 2011 State of the Market Report for PJM (March 29).
- 2012 Market Update: January and February (April 23).
- 2012 Market Update: January through May (June 25).
- 2012 Market Update: January through June (July 23).
- IMM Regulation Market Recommendations: Alternative Proposal (July 26).
- 2012 Market Update for PJM: January through August (September 24).
- Selected MMU Market Issues (October 22).
- 2012 Market Update for PJM: January through September (November 26).

Market Implementation Committee (MIC)

- Parameter Limited Schedules (February 15).
- PJM – MISO Real Time Interchange (April 11).
- IMM Lost Opportunity Cost Issue List (May 9).
- LOC Topics Examples (June 13).
- ALR Blackstart Problem Statement and Issue Charge (July 11, August 8).
- ALR Blackstart Problem Statement (July 11, August 8).
- Black Start Problem Statement: Make Whole Payments to Black Start Support Units (September 12).
- Energy LOC Proposal (September 21).
- Black Start Credits and Charges (September 28).
- PJM Market Update (November 7).
- Reactive Service and Operating Reserve Credits Problem Statement and Issue Charge (November 7).
- Sham Scheduling Examples (November 7).
- Participated in special session discussions defining appropriate unit notification and start-up time rules.
- Participated in special session discussions defining appropriate unit parameter limited schedule rules.
- Participated in special session discussions defining appropriate allocation of energy market make whole payments for black start units.
- Participated in special discussions defining lost opportunity cost in energy and ancillary service markets.

Markets and Reliability Committee (MRC)

- Parameter Limited Schedules (February 23).
- 2011 State of the Market Report for PJM (March 26).
- 2011 State of the Market Report for PJM (March 29).
- IMM Proposed Quality project timelines (April 26).
- Process Improvement Timeline (June 28).
- IMM Regulation Market Recommendations: Alternative Proposal (July 26).
- 2012 Quarterly State of the Market Report for PJM: January through June (August 23).
- Proposed MOPR Tariff Revisions – IMM Comments (October 18).

Operating Committee (OC)

- MMU CC Model Matrix (November 5).
- Participated in committee discussions defining appropriate ways to model combined cycle generation units in the PJM market, as well as rules limiting different modes of combined cycle operation.

Regulation Pricing Senior Task Force (RPSTF)

- Regulation Market Discussion: Basic Concepts (February 7).

Reliability Limited Generator Compensation Task Force (RLGCTF)

- Participated in task force discussions defining appropriate compensation for generators during situations when injection is limited due to stability limits.

System Restoration Strategy Task Force (SRSTF)

- Participated in task force discussions defining appropriate levels of black start generation, methods for procuring black start generation, PJM's role in system restoration, and transmission zone interaction in black start restoration plans.

Transactions Task Force (TTF)

- Participated in task force discussions charged with determining whether or not up to congestion transactions should or should not pay balancing operating reserve charges.

Other Activities

Seams Coordination

- Participated in the PJM/MISO Joint and Common Market Initiative (PJM/MISO JCM), a joint stakeholder group formed to address market issues at the PJM and MISO border.
- Participated in the Congestion Management Process Working Group (CMPWG) to discuss the status and potential modifications to the Market to Market process.
- Participated in the MISO Seams Management Working Group (SMWG), a MISO stakeholder group that discusses and proposes potential market initiatives to address seams issues between the PJM and MISO border.
- Participated in the Broader Regional Markets Initiative (BRM) which was created to address the Lake Erie Loop Flow issues.

OPSI Advisory Committee

The OPSI Advisory Committee is established pursuant to Section III.G of Attachment M of the OATT, which provides:

“There shall be an OPSI Advisory Committee comprised of five (5) representatives appointed by the Organization of PJM States, Inc. The OPSI Advisory Committee shall meet

with the Market Monitoring Unit on a regular basis and as otherwise necessary to receive and discuss information relevant to this Plan. In addition to the specific responsibilities regarding budget and termination set forth in Sections III.E and III.F, the OPSI Advisory Committee may provide advice to the Commission, Market Monitor, the PJM Board, stakeholder committees, and stakeholder working groups regarding any matter concerning the Market Monitor, Market Monitoring Unit or Market Monitoring Plan. Any formal advice shall be in writing and, subject to confidentiality provisions, shall be made publicly available.”

In 2012, the Market Monitor met with the OPSI Advisory Committee on Tuesday, October 2, 2012.

Market Monitoring Unit Advisory Committee

The Market Monitoring Unit Advisory Committee (“MMUAC”) is established pursuant to Section III.H of Attachment M of the OATT, which provides:

“There shall be an MMU Advisory Committee, chaired by the Market Monitor that is open to all stakeholders and representatives of Authorized Government Agencies. The MMU Advisory Committee shall act as a liaison between stakeholders and the MMU and shall provide advice from time to time on matters relevant to the MMU's responsibilities under this Plan. The MMU Advisory Committee shall have no authority to direct, supervise, review, or otherwise interfere with the functions of the MMU under this Plan, nor any authority to terminate or propose to terminate the Market Monitor.”

The MMUAC succeeds the PJM Market Monitoring Advisory Committee (“MMAC”). The Market Monitor convened a meeting of the MMUAC on December 10, 2012.