

PJM Power Providers

THE P³
GROUP

May 8, 2018

Albany, NY

What is P3?

Non-profit 510(c)(6) founded in 2007

Mission: Promote properly-designed, well-functioning markets in the PJM region.

Membership owns over 80,000 MW's of installed generation.

P3 Members also provide demand response, own transmission and serve load.

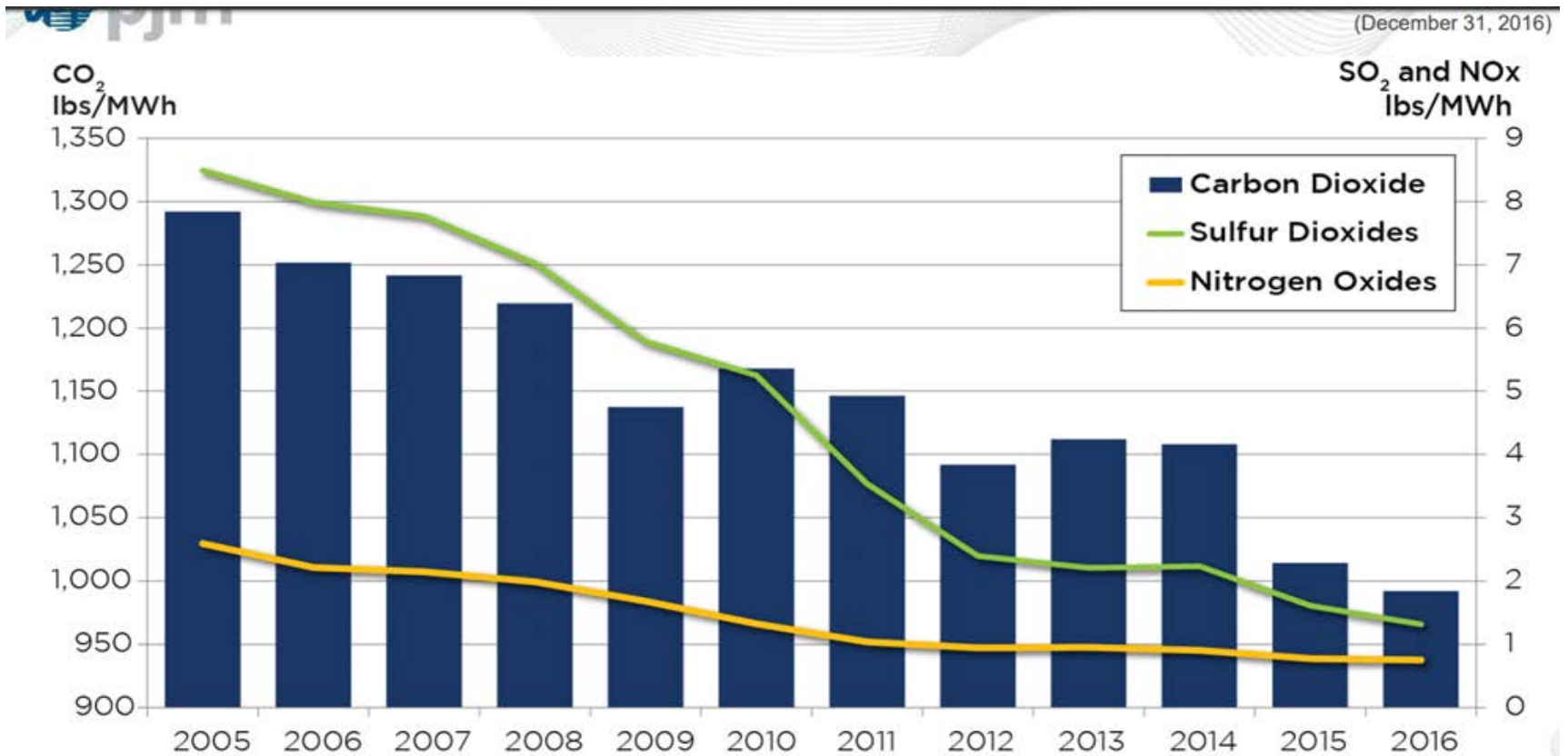
State of the Market in PJM

Price: "...prices were lower in 2016 than at any time in PJM history since the beginning of the competitive wholesale market on April 1, 1999."

Reliability: Reserve margin entering Summer of 2017 was 29%

Environment: Virtually all forms of air emissions have reduced dramatically over the last decade.

Emissions in PJM 2005-2016



The Incredible Shrinking Market in PJM

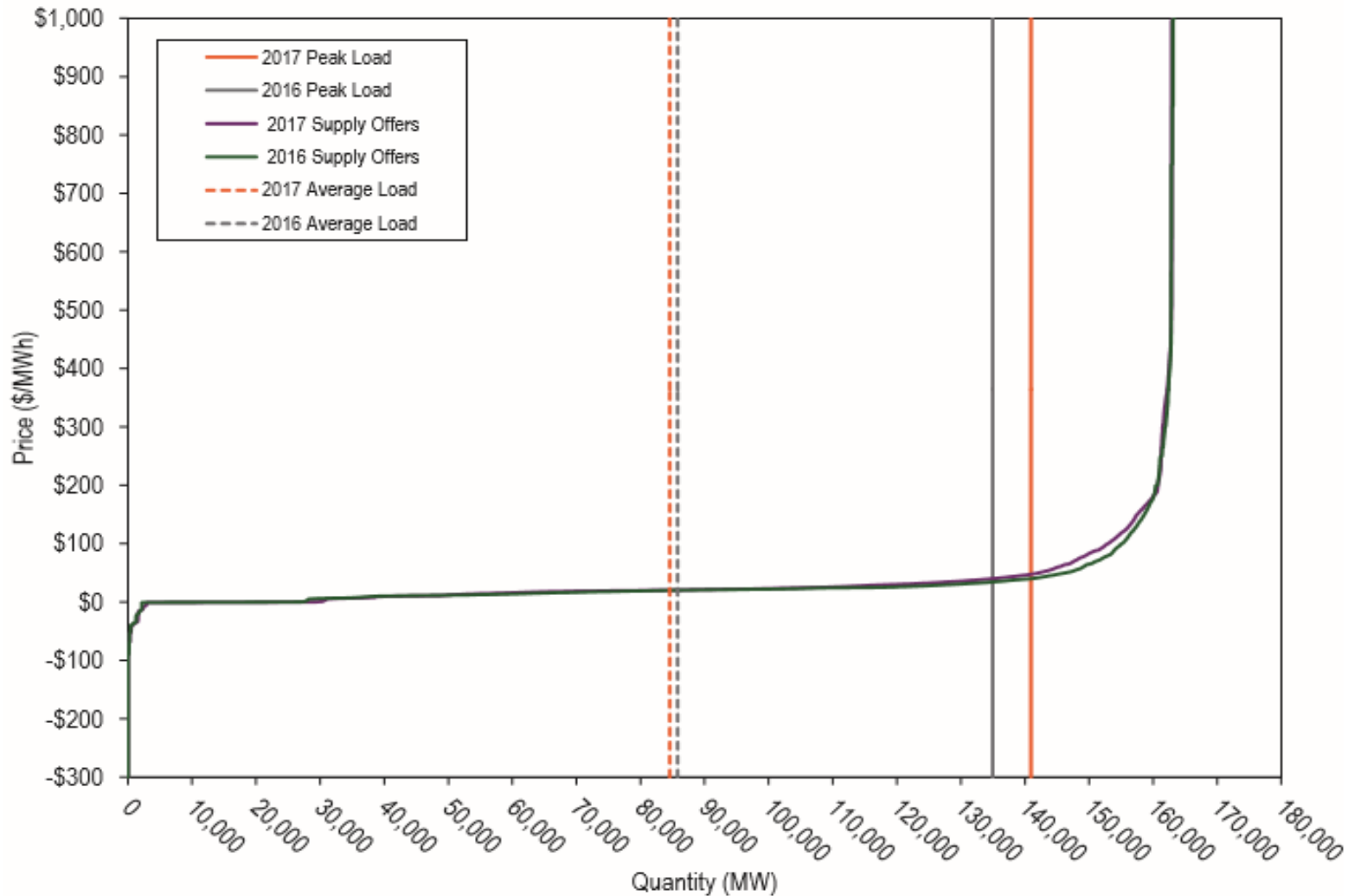
Demand in PJM has been flat or declining since 2008.

Cost of New Entry calculation could go down dramatically.

Pressure on FERC to create a seasonal capacity product.

Energy and Capacity prices continue to be low.

The Challenge of the Flat Supply Stack



And then, New Jersey

Bills on Governor's Desk

- 40% of MW's will have ZECs
- 50% will have REC's by 2030
- 3500 MW's of offshore wind by 2030
- 2000 MW of storage by 2030

What's left of the market?



So what's
it like to
be a PJM
Generator
?

