

PJM Power Providers

IPPNY Meeting

THE P³
GROUP

Sept. 10, 2013

About P3

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P3 is a non-profit organization that supports the development of properly designed and well functioning markets in the PJM region. PJM is a regional transmission organization that manages the supply and movement of power in 13 states and the District of Columbia. Combined, P3 members own over 87,000 megawatts of generation assets and over 51,000 miles of transmission lines in the PJM region, serve nearly 12.2 million customers and employ over 55,000 people in the 14-state PJM region.

We are all in this together

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Cool under
cabin pressure.

PREPARATION

Pass It On.

VALUES.COM THE FOUNDATION
FOR A BETTER LIFE

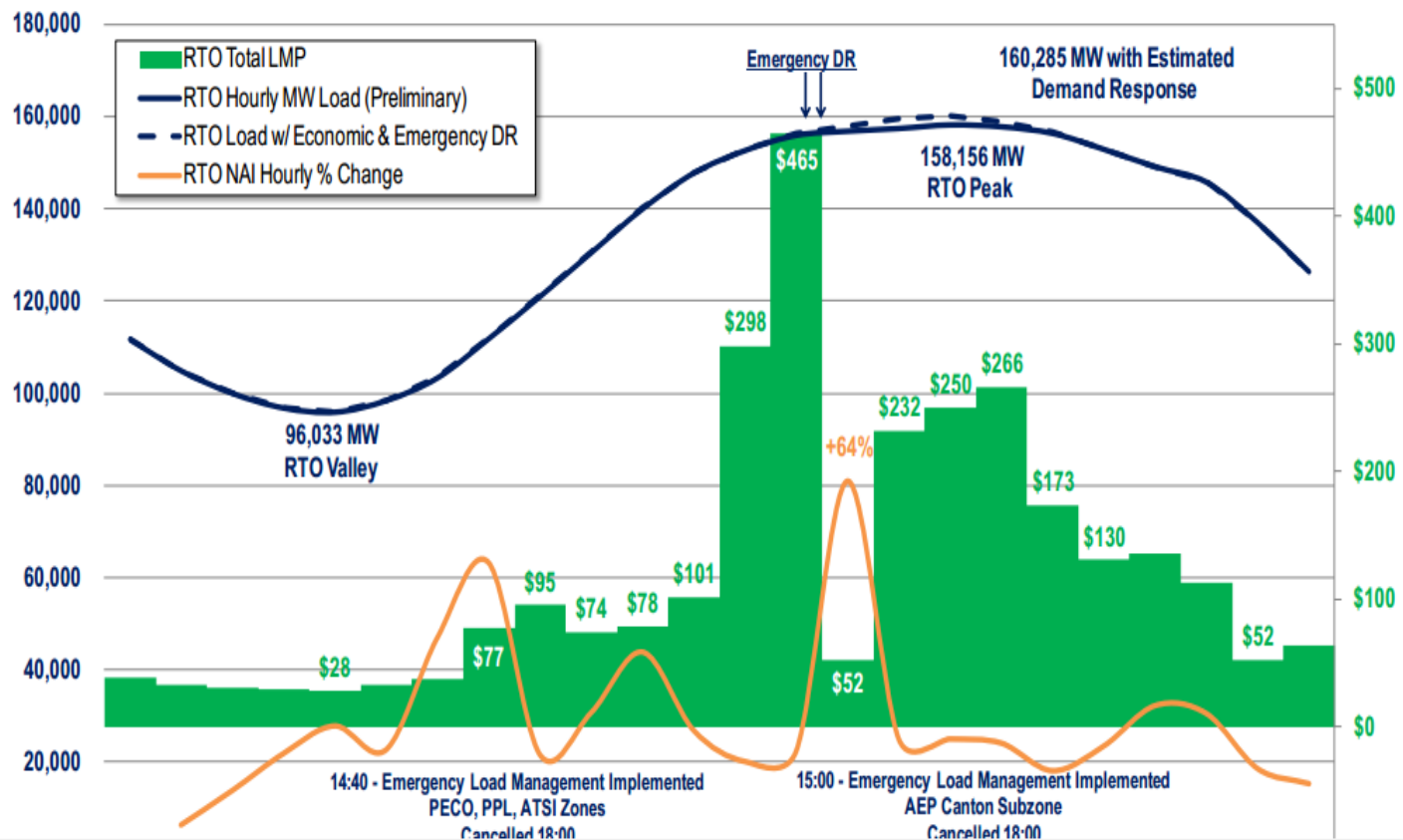
July 18, 2013

Webpage Screenshot

Webpage Screenshot



RTO Load, LMP and Interchange on July 18th



May 24, 2013

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“The 2016/2017 Base Residual Auction results reflect a significant increase in the quantity of imports offered. The 7,493.7 MW (UCAP) of imports offered into the 2016/2017 BRA represents an increase of 3,558.4 MW (90.4%) over the imports that offered into the 2015/2016 BRA.”

- *PJM, 2016-17 RPM BRA Results. May 24, 2013.*

“Overall, we would expect this trend to continue to increase in subsequent auctions, becoming perhaps the most worrying headwind for RPM capacity price recovery; particularly in the context of FERC 1000’s inter-regional transmission planning requirement and pending efforts between MISO-PJM to develop consistent methodologies for determining capacity exports (‘Capacity Portability’ discussions before FERC).”

-*UBS Investment Research, “US IPP Power Shock,” June 4, 2013*

Common Challenges, Common Regulator

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- RTO's have the same fundamental missions.
- Differing approaches to Market Structure are getting FERC's attention.
- Capacity Markets
 - September 25 FERC Technical Conference on Capacity Markets (noting staff whitepaper).
- Demand Response
 - Demand Response compensation is one of the few areas in the last 10 years where FERC made a "universal rule."
 - Enforcement uptick will have consequences.

What Lies Ahead in PJM?

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Redefining of Demand Response

Incremental Auction Reform

MOPR Reform

Import Examination

Retirement issues

Keeping a close eye on MISO, NY and New England.