



MIC Special Session: Fuel Cost Policy Final Report

January 23, 2020

Issue Creation

[Problem Statement](#) and [Issue Charge](#) brought forward by Southern Maryland Electric Cooperative, Inc., Old Dominion Electric Cooperative and PPGI Fund A/B Development, LLC and approved at the September 2018 Market Implementation Committee meeting.

[MIC Charter](#)

Issue Summary

The Market Implementation Committee (MIC) initiates and develops proposals to advance and promote competitive wholesale electricity markets in the PJM region for consideration by the Markets and Reliability Committee (MRC).

Consensus-Based Issue Resolution Process

Number of Meetings and date range covering this topic: 15 meetings from 11/2/2018 through 1/10/2020 addressing Key Work Activities #1 - #3 of the Issue Charge.

[MIC Vote Results](#)

[Final Matrix](#)

1. Recommended Proposal

The Joint Stakeholder proposal has the following key components:

- a. Removal of the Fuel Cost Policy Annual Review
- b. Removal of Fuel Cost Policy Requirement for zero marginal cost offer units
- c. Removal of Market Seller Submission Deadlines
- d. Refining the PJM/IMM Review Deadlines
- e. Removal of Revocation Language
- f. Addition of expiration of approved Fuel Cost Policies due to change in circumstance
- g. Addition of Temporary Fuel Cost Policy
- h. Addition of Safe Harbor provision to cover deviation from Fuel Cost Policy due to force majeure



- i. Changes to Penalty Calculations
 - i. Addition of Market Seller Identified Error Factor to account for self-report by Market Seller
 - ii. Addition of Market Impact Factor
 - iii. Modification to MW and LMP variables of equation

2. Alternate 1 Proposal

The PJM ICC proposal is the same as the Joint Stakeholder proposal with the following change:

- a. A unit that is marginal in Day Ahead Market or Real Time Market on its cost based offer will have the Impact Factor of 1
- b. A unit committed on its price based schedule that later fails TPS test during its minimum run time or hours of its DA commitment would not have an Impact Factor of 1 unless other criteria are met.

3. Standing Committee Results

The committee endorsed the Joint Stakeholder proposal with 201(87%) in favor, 29(13%) opposed and 4 abstentions.

The committee endorsed the PJM ICC proposal with 183(81%) in favor, 42(19%) opposed and 10 abstentions.

The committee did not endorse the PJM Primary proposal with 66(29%) in favor, 163(71%) opposed and 8 abstentions.

The Joint Stakeholder proposal moves to the Market and Reliability Committee (MRC) as the primary motion with the PJM ICC proposal as the alternate motion.

Appendix I: Supplemental Documents

[MIC Committee Page](#)

[Issue Tracking](#): Fuel Cost Policy

Appendix II: PJM Participation

Facilitator – Bhavana Keshavamurthy
Secretary – Diane Antonelli
Subject Matter Expert – Glen Boyle
Subject Matter Expert – Gabrielle Genuario
Subject Matter Expert – Tom Hauske
Subject Matter Expert – Melissa Pilog
PJM Legal – Chenchao Lu



Appendix III: Stakeholder Participation

The proposals were developed and discussed at the MIC Special Sessions: Fuel Cost Policy. Sample attendance from one of the Special Sessions is below:

In-Person Meeting Attendees

<u>Attendees</u>		<u>Company</u>	<u>Sector</u>
Keshavamurthy	Bhavana (Facilitator)	PJM Interconnection, LLC	Not Applicable
Antonelli	Diane (Secretary)	PJM Interconnection, LLC	Not Applicable
Anders	Dave	PJM Interconnection, LLC	Not Applicable
Boyle	Glen	PJM Interconnection, LLC	Not Applicable
Foladare	Kenneth	Tangibl	Not Applicable
Ford	Adrien	Old Dominion Electric Cooperative	Electric Distributor
Hauske	Thomas	PJM Interconnection, LLC	Not Applicable
Hendrzak	Chantal	PJM Interconnection, LLC	Not Applicable
Kogut	George	New York Power Authority	Other Supplier
Lu	Chen	PJM Interconnection, LLC	Not Applicable
Luna	Joel	Monitoring Analytics, LLC	Not Applicable
O'Connell	Robert	PPGI Fund A/B Development, LLC	Generation Owner
O'Hara	Christopher	PJM Interconnection, LLC	Not Applicable
Scarpignato	David	Calpine Energy Services, L.P.	Generation Owner
Sweeney	Rory	GT Power Group	Not Applicable
Tyler	Catherine	Monitoring Analytics, LLC	Not Applicable

Webex Meeting Attendees

Anderson	Jared	S&P Global – Platts	Not Applicable
Benchek	Jim	American Transmission Systems, Inc.	Transmission Owner
Borgatti	Michael	Gabel and Associates	Not Applicable
Branch	John	SunCoke Energy, Inc.	Generation Owner
Clemence	Walter	NextEra Energy Marketing, LLC	Other Supplier
Cochran	Adam	Tenaska	Generation Owner
Croop	Danielle	PJM Interconnection, LLC	Not Applicable
Currier	Jeff	Dominion Virginia Power	Not Applicable
D'Alessandris	Lou	FirstEnergy Solutions Corp.	Transmission Owner
Davis	Elizabeth	PJM Interconnection, LLC	Not Applicable
Davis	James	Dominion Energy Marketing, Inc.	Generation Owner
DeLosa	Joseph	DE Public Service Commission	Not Applicable
DePillo	Ray	PSEG	Transmission Owner
DiIorio	Michelle	PSEG Energy Resources and Trade LLC	Transmission Owner
Dillon	Matthew	UGI Development Company	Generation Owner
Dugan	Chuck	East Kentucky Power Cooperative, Inc.	Transmission Owner
Ericson	Christine	Illinois Commerce Commission	Not Applicable
Feierabend	Richard	Dominion Energy Marketing, Inc.	Generation Owner
Filomena	Guy	Customized Energy Solutions, Ltd.	Not Applicable
Garnett	Bryan	Duke Energy Ohio, Inc.	Transmission Owner
Genuario	Gabrielle	PJM Interconnection, LLC	Not Applicable
Gilani	Rehan	ConEdison Energy, Inc.	Other Supplier
Greiner	Gary	PSEG Energy Resources and Trade, LLC	Other Supplier
Hastings	David	Market Interconnection Consulting Services	Not Applicable
Heisey	Bradley	Wolf Hills Energy, LLC	Generation Owner
Hohenshilt	Jennifer	Talen Energy Marketing, LLC	Generation Owner
Horning	Lynn	Customized Energy Solutions, Ltd.	Not Applicable
Horstmann	John	Dayton Power & Light Company (The)	Transmission Owner
Janicki	Diane	Boston Energy Trading & Marketing, LLC	Generation Owner
Jha	Monica	PCI	Not Applicable
Johnson	Carl	Customized Energy Solutions, Ltd.	Not Applicable
Kelly	Steve	Brookfield Energy Marketing, LP	Other Supplier
Larry	Steven	Tenaska	Generation Owner
Liang-Nicol	Cecilia	Monongahela Power Company d/b/a Allegheny Power	Transmission Owner
Leopold	Chris	Appalachian Power Company	Transmission Owner



Long
Mabry
Mariam
Mooney
Patel
Peoples
Philips
Ponthot
Rayhorn
Rohrbach
Rumsey
Rushing
Sasser
Schmitt
Sinclair
Singer
Squibb
Wetter
Whitehead
Williams
Wilmoth
Wilson

Matt
David
Yohannes
Jeff
Keyur
John
Marji
Rosana
Carolyn
John
Amanda
Nathan
Jonathan
Jeffrey
Brian
Chad
Bill
Kari
Jeffrey
Stanley
Emily
Bram

AEP Energy Partners, Inc.
McNees, Wallace & Nurick LLC
Office of the Peoples Counsel, District of Columbia
FirstEnergy Solutions Corp.
PJM Interconnection, LLC
Duquesne Light Company
Direct Energy Business, LLC
PSEG
Dominion Virginia Power
Southern Maryland Electric Cooperative
PPL Electric Utilities Corp. dba PPL Utilities
CPV Maryland, LLC
Customized Energy Solutions, Ltd.
PJM Interconnection, LLC
Boston Energy Trading & Marketing, LLC
Trane Grid Services, LLC
Ohio Valley Electric Cooperative
Wabash Valley Power Association
GT Power Group
PJM Interconnection, LLC
Dominion Virginia Power
Diamond State Generation Partners, LLC

Other Supplier
Not Applicable
End Use Customer
Transmission Owner
Not Applicable
Transmission Owner
Other Supplier
Transmission Owner
Not Applicable
Electric Distributor
Transmission Owner
Generation Owner
Not Applicable
Not Applicable
Generation Owner
Other Supplier
Generation Owner
Electric Distributor
Not Applicable
Not Applicable
Not Applicable
Generation Owner