



2020 Annual Review

Fuel Cost Policy, VOM, and Emissions

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Action Required	Deadline	Who May Be Affected
Check the box to extend currently approved Fuel Cost Policy (FCP), or submit an updated policy (MIRA)	06/15/2020	Generation Market Sellers
Submit Maintenance Adder and Operating Cost Template (PJM SharePoint)	06/15/2020	Generation Market Sellers
Update Emissions data in the Cost Offer Assumptions (COA) tool in MIRA	06/15/2020	Generation Market Sellers
		

Package for Key Work Activity (KWA) #3:

- Endorsed at March MC
- Transmittal letter filed at FERC
 - See Appendix for high-level changes filed
- Changes will not take effect until FERC issues an order, which means **Market Sellers must follow current rules in Manual 15 and Schedule 2 of the Operating Agreement**



By June 15, Market
Sellers must either:



Extend currently
approved FCP



Submit an
updated FCP

By **June 15**, Market Seller must either:

- Check the box in MIRA to extend currently approved FCP for Fuel Policy Year 2020/2021; or
- Submit an updated FCP:
 - Updated policy must be submitted by June 15 to guarantee review by Nov 1
 - Policies submitted for 2019/2020 (expire Nov 1) must also be submitted for FCP year 2020/2021
 - Policies submitted for FCP Year 2020/2021 will become effective on November 1, 2020

PJM recommends removing the following sections if other edits to the policy are required:

- Maintenance Adder & Operating Cost (VOM) Section optional
 - VOM is a separate review process handled outside of the Fuel Cost Policy Review
- 10% Adder Section optional
 - PJM governing documents allow cost-based energy offers to include up to a 10% adder for uncertainty

Maintenance Adder and Operating Cost Template must be submitted by **June 15:**

- Maintenance Adder and Operating Cost Template submitted through PJM SharePoint site
 - <https://connect.pjm.com/vomadders/SitePages/Home.aspx>
- Recent VOM Process Review provided in Tech Change Forum
 - Recording:
<https://pjmexternal.webex.com/pjmexternal/ldr.php?RCID=0636c60c9de3087b2f33141f34554b73>

Emissions Data must be submitted by **June 15:**

- Emissions data must be updated in COA (a MIRA module)
- Update 'Emissions Data' section of COA
- No longer using Emissions template

Emissions Data	
SO2 Allowance Price Index Source	Argus
NOx Annual Allowance Price Index Source	Argus
NOx Seasonal Allowance Price Index Source	Argus
CO2 Allowance Price Index Source	[Select One]
Other Emissions Allowance Cost (\$/ton)	
Base SO2 Emissions Rate (lbs/MMBtu)	
Base NOx Emissions Rate (lbs/MMBtu)	
Base CO2 Emissions Rate (lbs/MMBtu)	
Volatile Organic Compounds Emissions Rate (lbs/MMBtu)	
Other Emissions Rate (lbs/MMBtu)	

For questions please reach out to: FuelCostPolicyAnalysis@pjm.com

- PJM FCP Site: <https://pjm.com/markets-and-operations/energy/fuel-cost-policies.aspx>
- MIRA: <https://mira.monitoringanalytics.com/mira>
- MIRA/COA User Guide:
https://www.monitoringanalytics.com/tools/docs/MIRA_User_Guide_2019.pdf
- SharePoint Site:
<https://connect.pjm.com/vomadders/SitePages/Home.aspx>

APPENDIX

Remove Annual Review

Remove requirement for \$0 marginal cost resources to have a Fuel Cost Policy

Ability for Market Sellers to use Temporary Cost Offer Methodology

Changes to penalty calculation & exemption from penalty

NOTE: This slide does not capture all changes filed.