

2020 Annual Review Fuel Cost Policy, VOM, and Emissions

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May 13, 2020

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2020 Annual Review

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
	10	



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



Annual Review Deadline



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



Updates to PJM Standards of Review for 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:

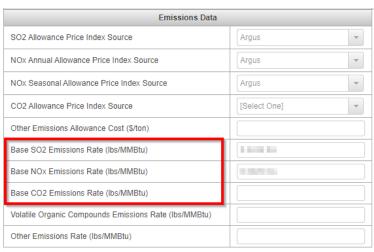
- Maintenance Adder and Operating Cost Template submitted through PJM SharePoint site
 - https://connect.pjm.com/vomadders/SitePages/Home.aspx
- Recent VOM Process Review provided in Tech Change Forum
 - Recording:

https://pjmexternal.webex.com/pjmexternal/ldr.php?RCID=0636c 60c9de3087b2f33141f34554b73



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



Monitoring Analytics

Developed and Hosted by Monitoring Analytics, LLC @2019



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: <u>https://www.monitoringanalytics.com/tools/docs/MIRA_User_Guide_20_19.pdf</u>
- SharePoint Site: https://connect.pjm.com/vomadders/SitePages/Home.aspx



APPENDIX

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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.