

Market Monitor Report

MC Webinar
July 26, 2021

IMM



Monitoring Analytics

Uplift Payments

- **PJM continues to pay uplift to resources that do not operate as instructed by PJM.**
- **PJM provides commitment and dispatch instructions.**
- **Dispatch instructions, absent manual instructions, are calculated by RTSCED and sent to Market Participants.**
- **The IMM identifies resources that do not operate as instructed by PJM and receive uplift payments.**
- **The IMM continues to notify PJM and Market Participants that uplift payments should be reversed in these cases.**

ICAP Must Offer Requirement

- **OA Sections 1.10.1A (d) and 1.10.4 (a) state that resources must offer in DA and RT Markets the ICAP equivalent of their committed UCAP, accounting for outages.**
- **The ICAP must offer requirement applies for both DA and RT.**
- **FERC made that clear in the 2015 CP Order (151 FERC ¶ 61,208)**

ICAP Must Offer Requirement

- **2015 CP Order. Paragraph 95**
 - **“PJM’s tariff currently provides, for example, that a resource with a capacity commitment must offer into the day-ahead and real-time energy markets, must leave its real-time offer open throughout the operating day, and must follow PJM’s dispatch instructions.”**

PLS and RTV Show Cause Order

- **On June 17, 2021, FERC issued an order initiating an investigation into PJM's energy market parameter mitigation practices.**
- **This is an important proceeding to address issues with market power mitigation.**
- **FERC highlights issues raised by the IMM in State of the Market reports, protests to market based rates filings, and other proceedings.**

PLS and RTV Show Cause Order

- **Guiding principles for parameters**
 - **Flexible parameters are required for capacity performance resources.**
 - **Resources should always be required to use flexible parameters when they have market power.**
 - **Resources should never receive additional compensation (uplift) for operating inflexibly.**
 - **The grid transition to more renewable generation requires greater flexibility from thermal generators. This requires effective market power mitigation and strengthening the standards for flexible parameters.**

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