



Fuel Cost Policy Update Annual Review



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Market Implementation Committee
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- On May 12, 2017 – PJM completed approval of Fuel Cost Policies for all Market Sellers (479 Policies)
- All policies met the requirements of Schedule 2, Operating Agreement and Manual 15
- All cost-based offers are required to be compliant with the approved Fuel Cost Policy
- All Market Sellers are aware of any outstanding concerns from the IMM

- All Market Sellers who have new resources within PJM, either a new unit or a unit transfer need to have an approved policy prior to entering offers into Market Gateway
- If you have any questions about the status of your Fuel Cost Policy please reach out the fuelcostpolicyanalysis@pjm.com

- June 15 – November 1 (Annual Review period)
- August 1, 2017 – Deadline to submit separate Emissions & VOM policies
- June 1, 2017 – PJM sent out a notification via email and created a survey that was sent out to Market Sellers
- Future – A tool will be used to track/submit/administer Fuel Cost Policies, and will allow Market Sellers to indicate if the policy is still compliant, or, submit a new policy for review and approval.

By June 15, all Market Sellers will be required to either:

- Submit an updated Fuel Cost Policy for review, or;
- Confirm their currently approved Fuel Cost Policy remains compliant

By August 1, all Market Sellers will be required to submit both:

- a. An Emissions Policy and sample calculation
- b. A Variable Operations & Maintenance (VOM) Policy that states all VOM costs will be calculated in accordance with Manual 15 and the Operating Agreement, Schedule 2.

PJM reserves the right to request a Market Seller submit a new policy during the annual review.

- This request would be related to conforming changes related to Market Rule changes
- For example, specific documentation required for an ex-ante verification and submission timeline

- All Market Sellers with Natural Gas Fuel Cost Policies will be required to update the policies during the annual review in 2017 due to Intraday Offers (IDO)/Hourly Offers market rule changes
- Due to the opt-out ability within Intraday Offers, Market Sellers need to specify in their Fuel Cost Policy if they choose to update their offers hourly
- PJM and MMU are working on a template to incorporate the requirements of hourly offers.