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December 15, 2022

Joseph L. Fiordaliso
Chair, Market Monitoring Advisory Committee,
Organization of PJM States, Inc. (OPSI)
President, New Jersey Board of Public Utilities
44 South Clinton Ave
Trenton, NJ 08625

Dear President Fiordaliso,

Thank you for your correspondence dated November 28, 2022 concerning the budget of the Independent Market Monitor (IMM) as a follow-up to the open discussion held at the October 2022 OPSI Advisory Committee (AC). I appreciated both participating in, and hearing the commentary from Commissioners regarding the IMM at the October AC session.

First, I want to concur with the sentiments expressed by OPSI that the PJM markets need a truly independent and strong market monitoring function. Robust market monitoring is foundational for competitive wholesale electricity markets. The IMM function provides an indispensable service and instills confidence in market outcomes. It is therefore critical that the IMM has the resources it requires to perform this important function.

Through the PJM Finance Committee (FC), PJM Members review budgets and propose questions related to those budgets. The process allows for discourse, and can be a healthy process so that Members and consumers can develop a level of comfort with costs being incurred within PJM's budgetary framework. OPSI's comments regarding the budget increase request from Monitoring Analytics are welcome. The PJM Board will consider these comments in its review of the IMM's 2023 budget.

I look forward to continued engagement in the OPSI AC. As the PJM Board and PJM management have stated, the PJM Board encourages open discussion on all issues, including those issues regarding the market monitoring function.

Sincerely,

David E. Mills
Chair, Competitive Markets Committee
PJM Board of Managers