



MIC Market Operations Report

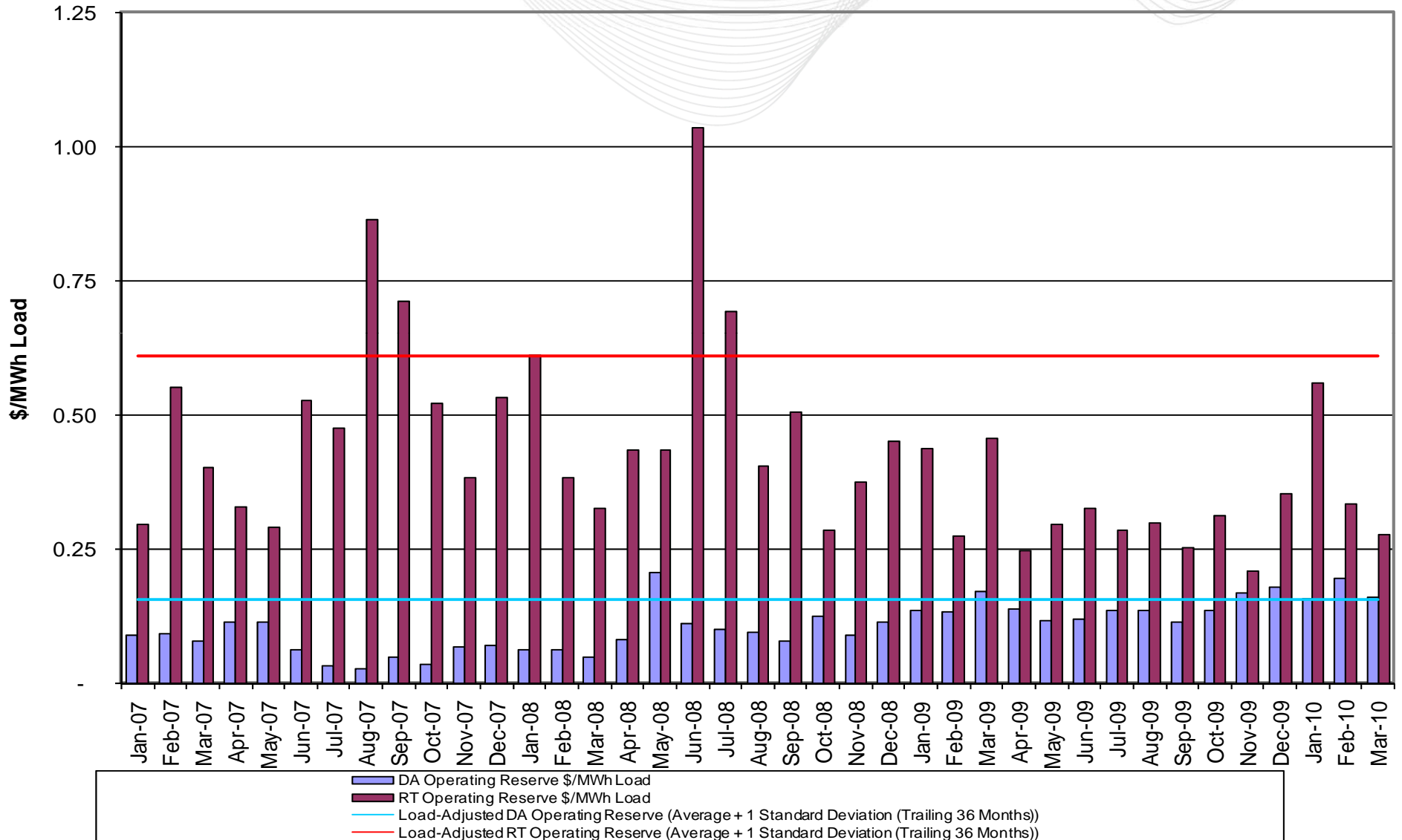
April 13, 2010

- Horizontal lines on some of the charts in this report represent average *plus (or minus)* 1 standard deviation of the series for the previous 36 months. They are clearly labeled in the legends.
- The levels represented by these horizontal lines are intended to trigger an explanation by PJM staff when an observation above (or below) the threshold level is registered.
- An observation above (or below) the threshold level does not necessarily imply an extraordinary circumstance, neither does an observation that fails to exceed the threshold level preclude an explanation.
- PJM staff always welcomes questions about any of the observations or data presented in these charts.



PJM Operating Reserve Costs

PJM Operating Reserve Costs (\$/MWh Load)



- Day-Ahead Operating Reserve (DA OR) payments per MWh of load served slightly exceeded the trigger level in March 2010 (\$0.160 vs. \$0.156). In absolute terms, DA OR payments in March 2010 were \$8.84 million vs. \$9.55 million in March 2009. March's total DA OR payments level represents a drop from the previous three months (\$11.32 million in December 2009, \$10.28 million in January 2010 and \$11.43 million in February 2010).
- Above-threshold DA OR payments in March is generally attributable to running uneconomic generation for transmission constraints caused by scheduled maintenance outages.
- The top DA OR payment-earning unit collected 28.6% of total payments while the second unit collected 20.3% of the total.

- Beginning in December 2008, the daily Balancing Operating Reserves (BOR) rate was replaced with six different BOR rates: RTO BOR for Reliability Rate, RTO BOR for Deviations Rate, East BOR for Reliability Rate, East BOR for Deviations Rate, West BOR for Reliability Rate, West BOR for Deviations Rate.
- Reliability rates are charged to all real-time load and exports, whereas deviation rates, as before, are charged only to real-time deviations. RTO rates are charged to the whole footprint, whereas East and West rate adders are charged based on location.
- The table in the following slide shows average daily balancing operating reserves rates for each month since the implementation of the new regime.



Balancing Operating Reserves

Average Daily Balancing Operating Reserves Rates

	RTO Balancing OR for Reliability Rate	RTO Balancing OR for Deviations Rate	East Balancing OR for Reliability Rate	East Balancing OR for Deviations Rate	West Balancing OR for Reliability Rate	West Balancing OR for Deviations Rate
Dec-2008	0.01691	1.09679	0.00068	0.06578	0.03607	0.00477
Jan-2009	0.01621	1.37554	0.00143	0.17885	0.05294	0.01470
Feb-2009	0.00677	0.80124	0.00009	0.05070	0.13748	0.01002
Mar-2009	0.01012	1.15900	0.00106	0.09114	0.19644	0.19523
Apr-2009	0.00441	0.48617	0.00066	0.07241	0.04720	0.08621
May-2009	0.00315	0.61985	0.00024	0.08362	0.04474	0.00686
Jun-2009	0.00317	0.73087	0.00765	0.20450	0.08293	0.02877
Jul-2009	0.00302	0.65389	0.00087	0.21729	0.06706	0.01726
Aug-2009	0.00353	0.86290	0.00094	0.08031	0.03968	0.04186
Sep-2009	0.00477	0.61261	0	0.10245	0.07240	0.09437
Oct-2009	0.00249	0.84508	0.00008	0.07027	0.04217	0.31849
Nov-2009	0.00205	0.64437	0.00021	0.07138	0.04907	0.00599
Dec-2009	0.04902	1.07071	0.00250	0.13851	0.00670	0.03544
Jan-2010	0.08877	1.42239	0.00424	0.08343	0.04994	0.07479
Feb-2010	0.06185	0.79917	0.00211	0.10527	0.04562	0.11142
Mar-2010	0.01709	0.55292	0.00183	0.14467	0.10064	0.18216

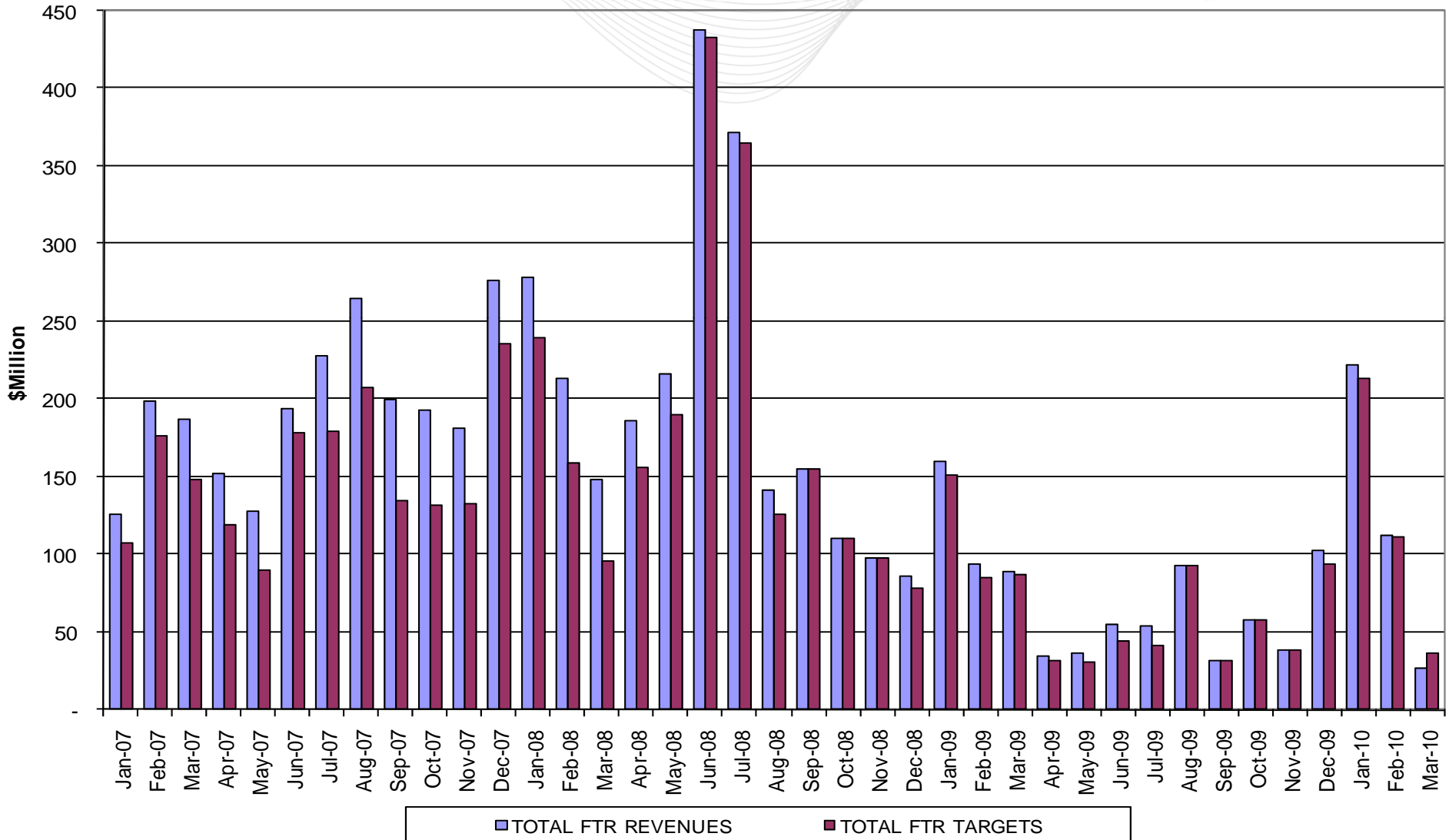
Reliability rates are \$/MWh of Real-Time Load plus Exports. Deviations rates are \$/MWh of Real-Time Deviations.



FTR Revenues vs. FTR Target Allocation

FTR TARGET ALLOCATIONS AND TOTAL FTR REVENUES

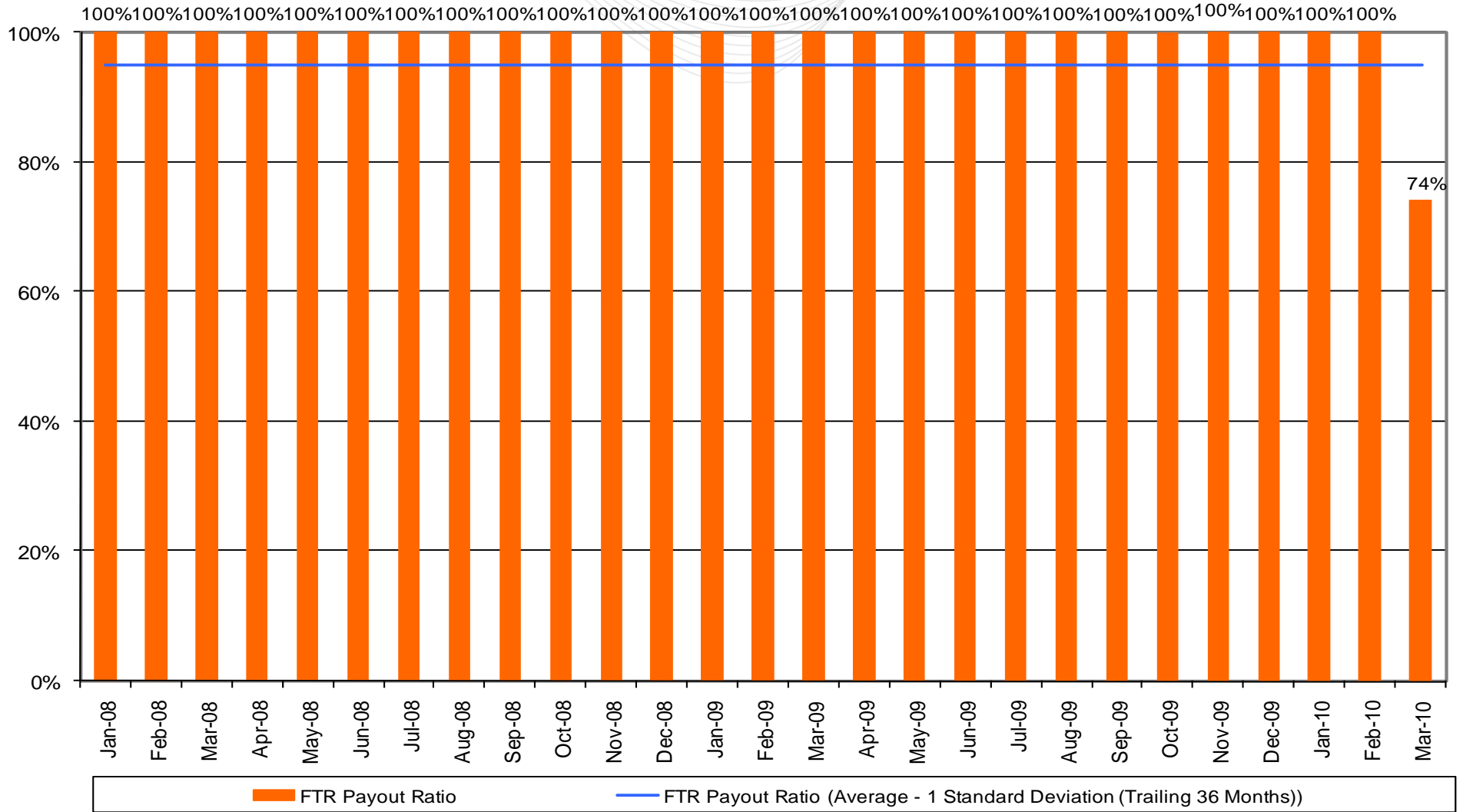
PY 2009-2010 Deficit Through March: \$9.4 Million





PJM FTR Payout Monthly

PJM FTR Payout Ratio



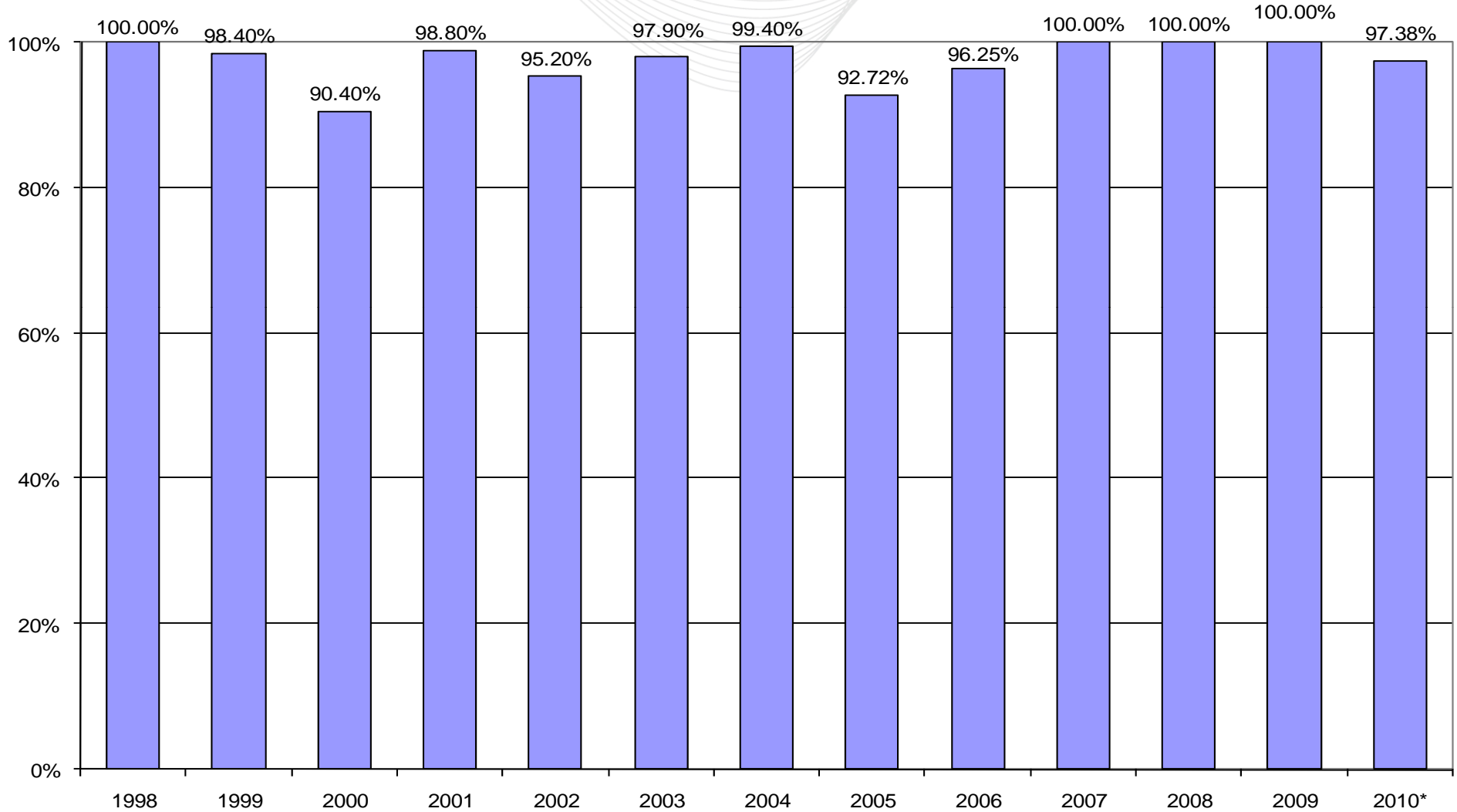
- FTR revenues in March 2010 fell \$9.4 million short of the FTR targets (\$36.1 million vs. \$26.7 million). As a result, FTR revenue adequacy was 73.9% for the month. The Planning Year is also \$9.4 million deficient through March with an FTR revenue adequacy of 98.7%.
- The entire revenue shortfall was directly attributable to the impacts of scheduled transmission outages. March is the beginning of the Spring maintenance outage season so outages are natural occurrences this time of the year.
- March 2010 witnessed the lowest monthly congestion total since April 2004. Therefore, there was not enough congestion revenue in the rest of the system to cover the shortfall incurred as a result of outages in Northern PS.



PJM FTR Payout Calendar Year

PJM Calendar Year FTR Payout Ratio

*Through March

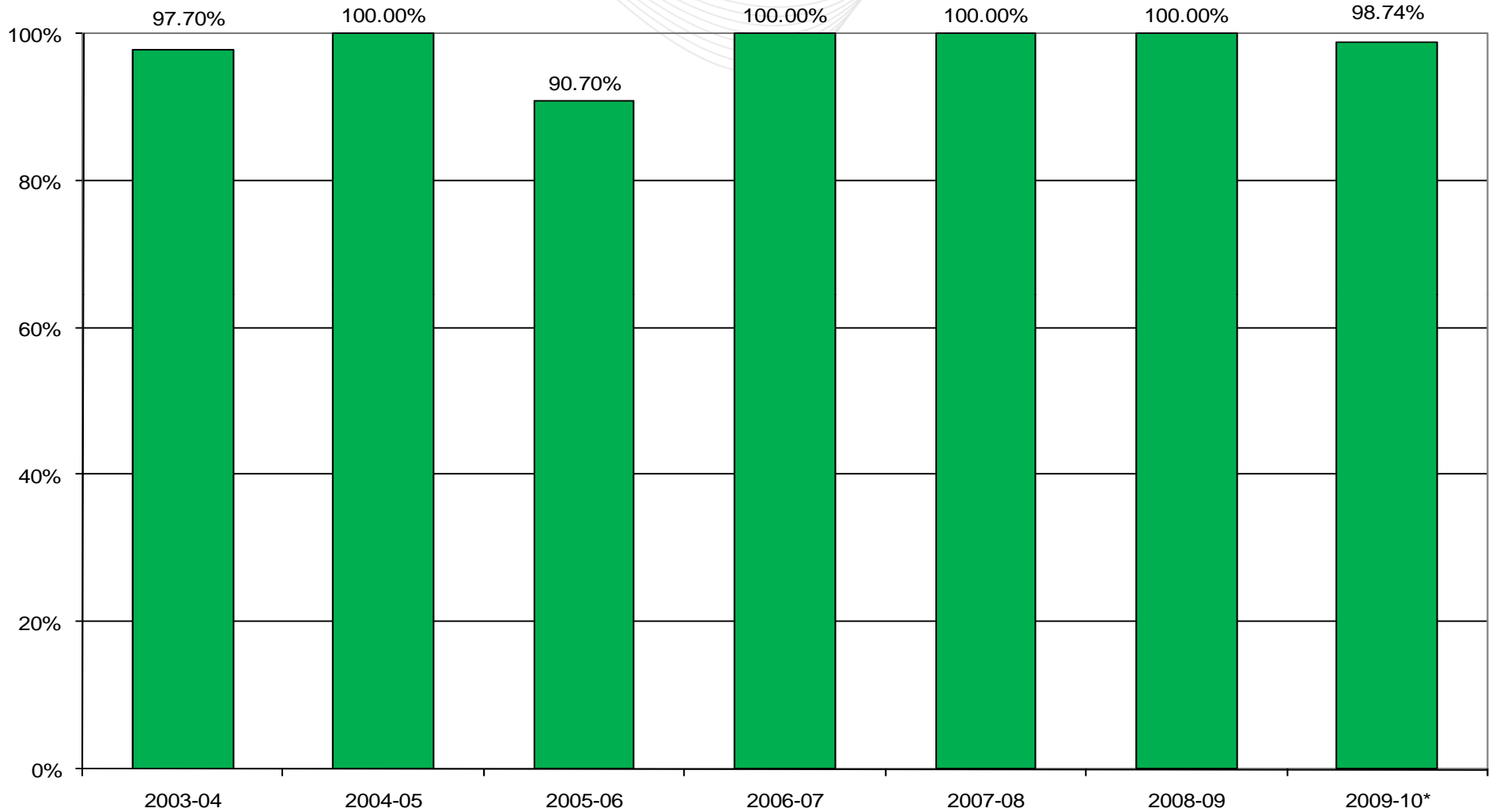




PJM FTR Payout Planning Year

PJM Planning Year FTR Payout Ratio

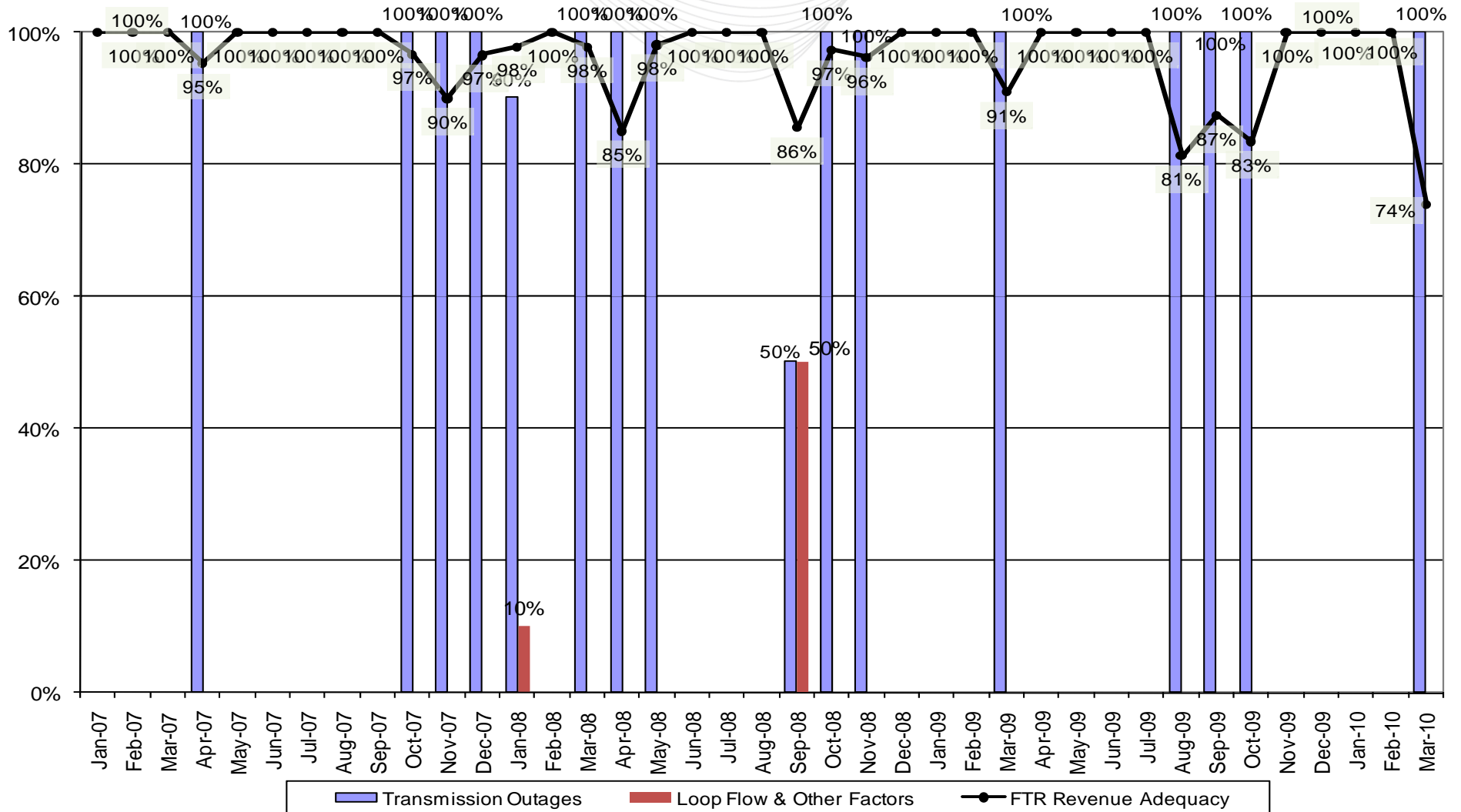
* Through March
Surplus: \$9.4million





PJM FTR Revenue Shortfall Components

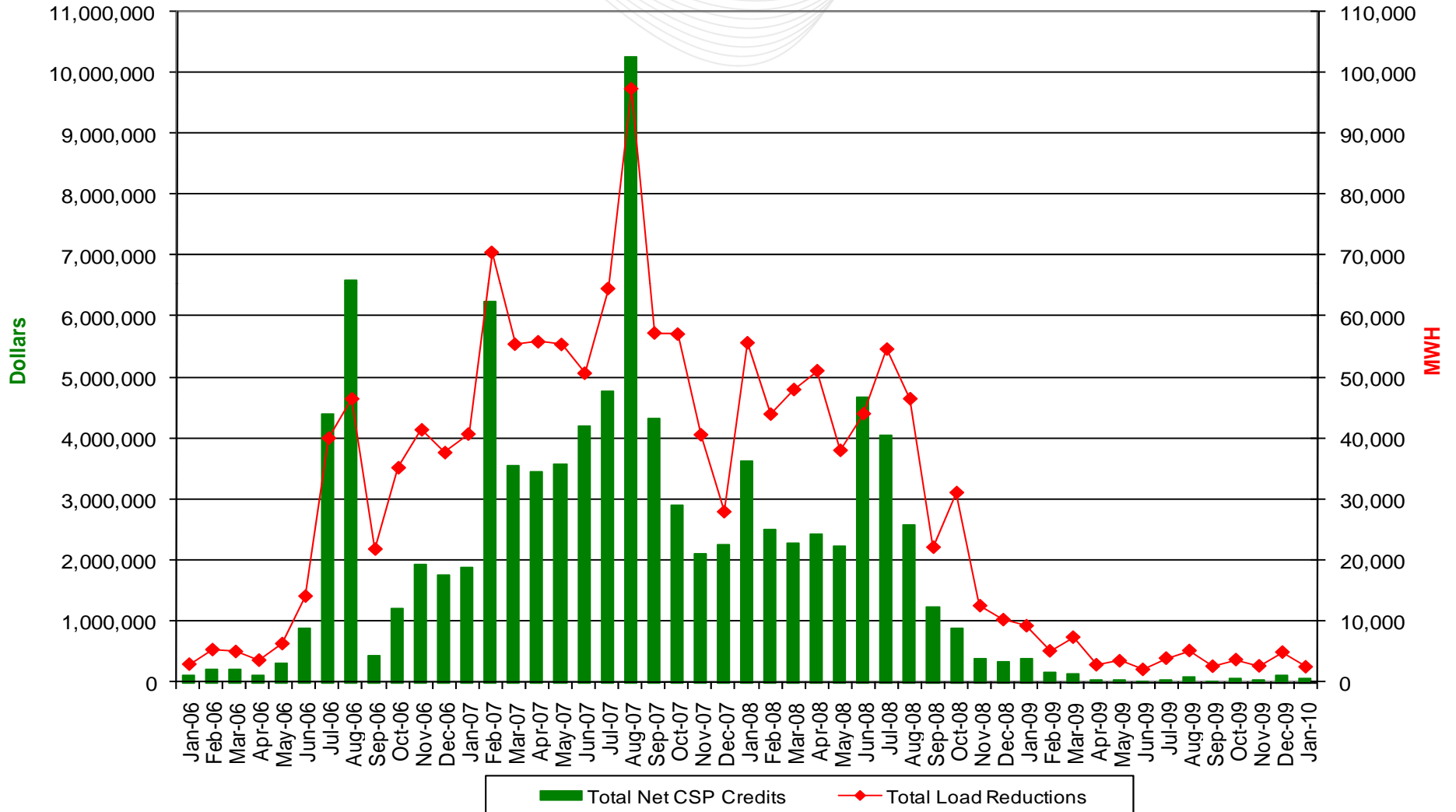
FTR Revenue Shortfall Breakdown



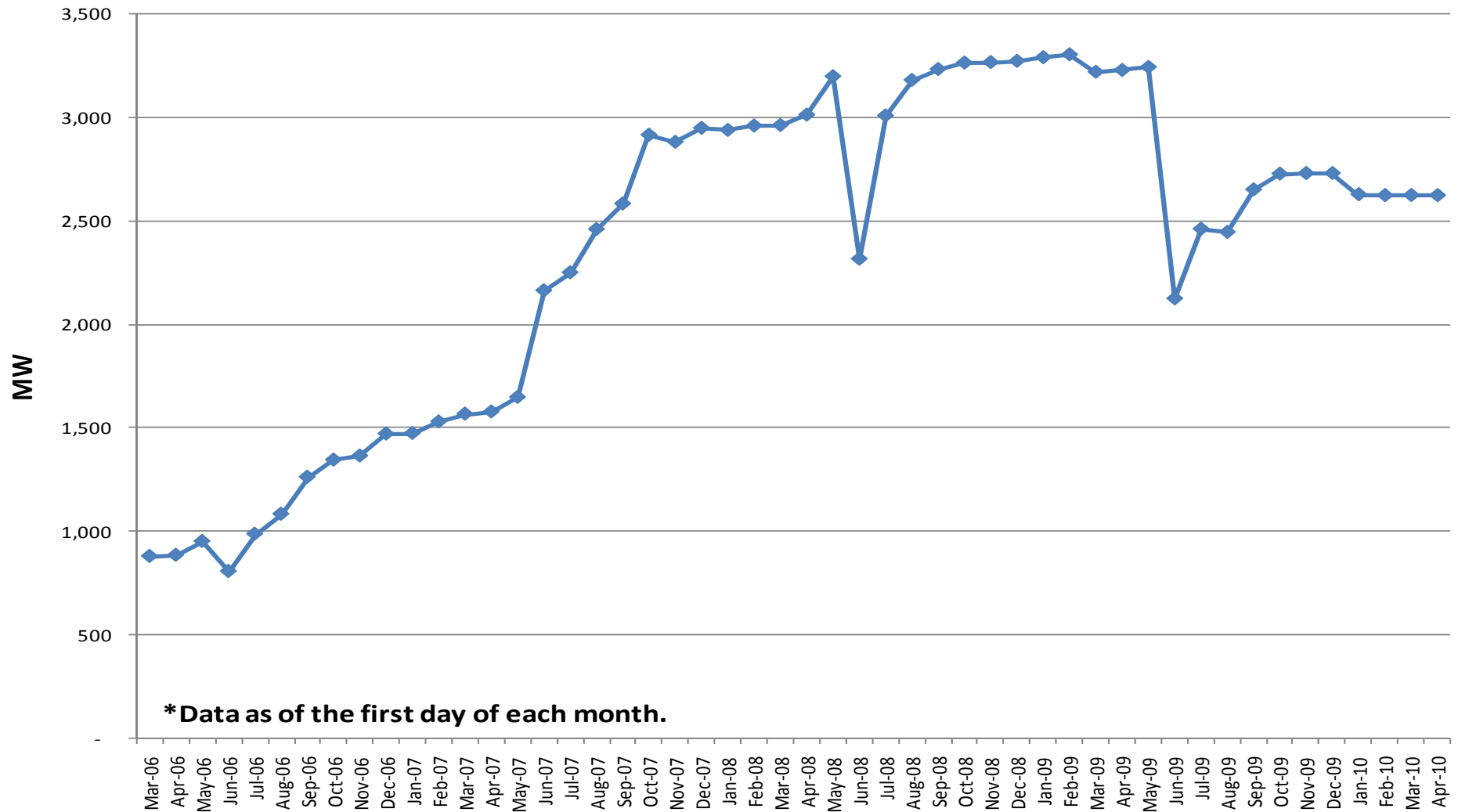


PJM Economic Demand Response Activity

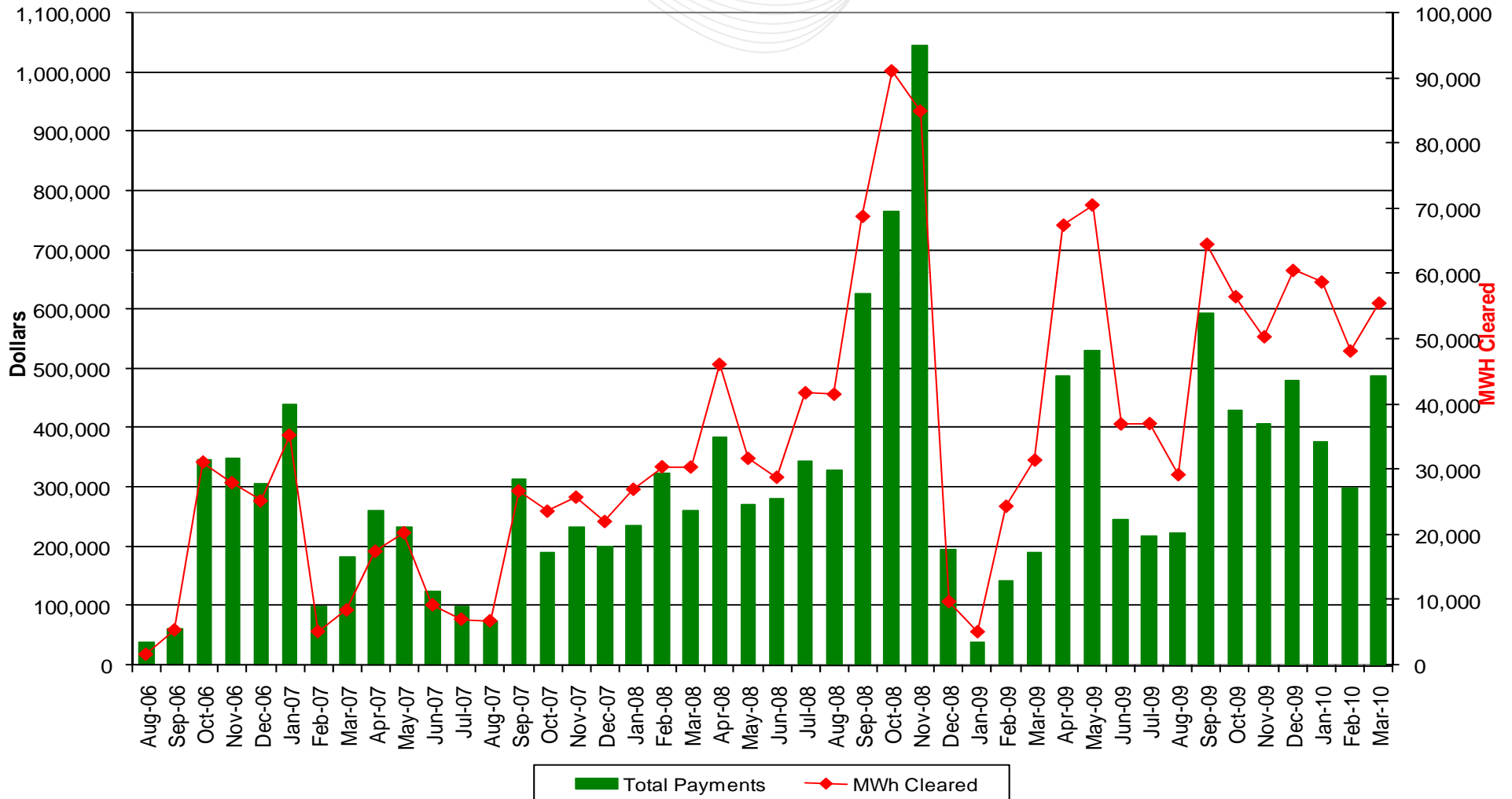
*Data for last few months are subject to significant change due to the settlement window.



Total Registered MWs in PJM's Economic Demand Response

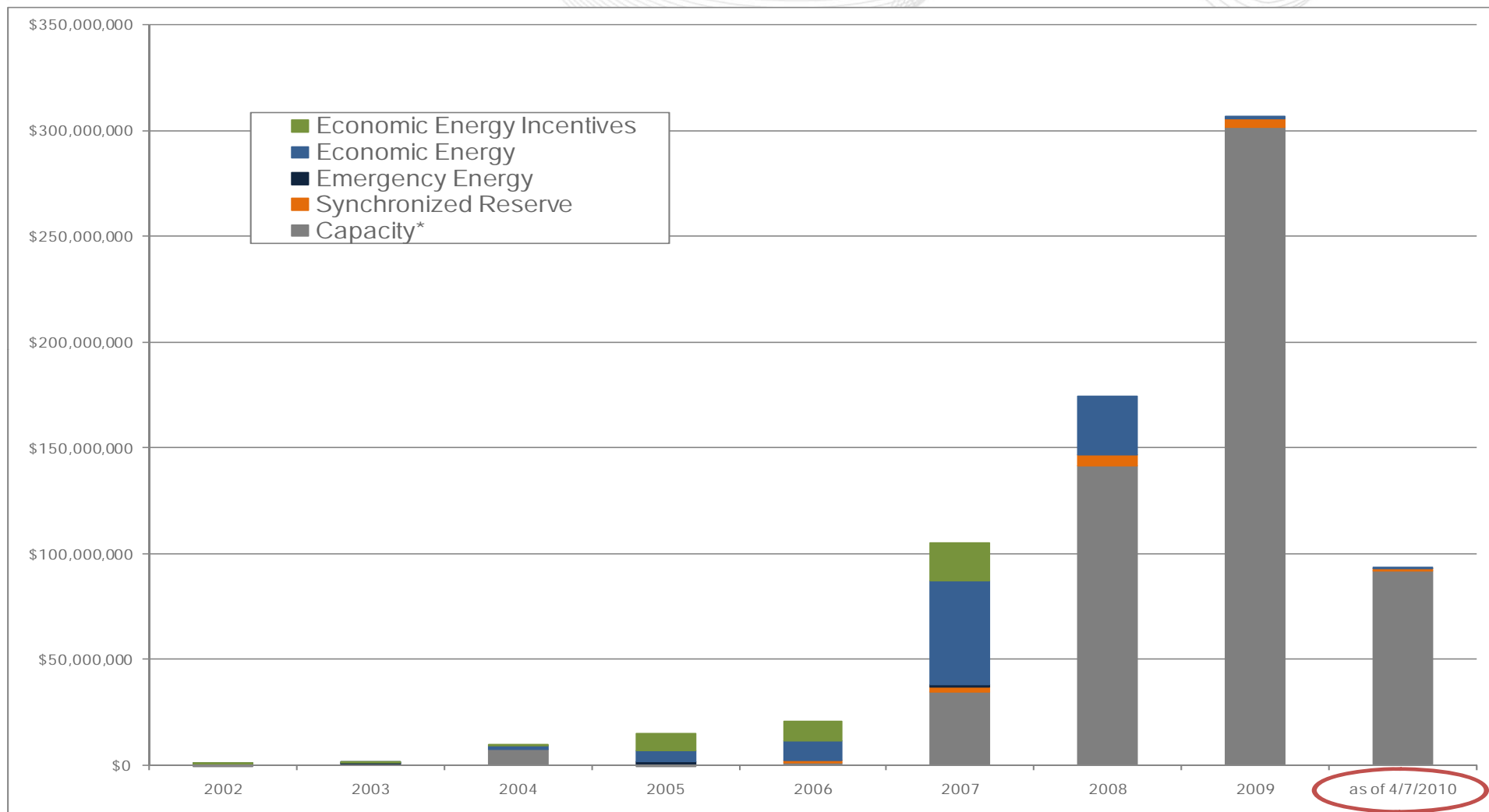


DSR Participation in PJM Synchronized Reserve Markets



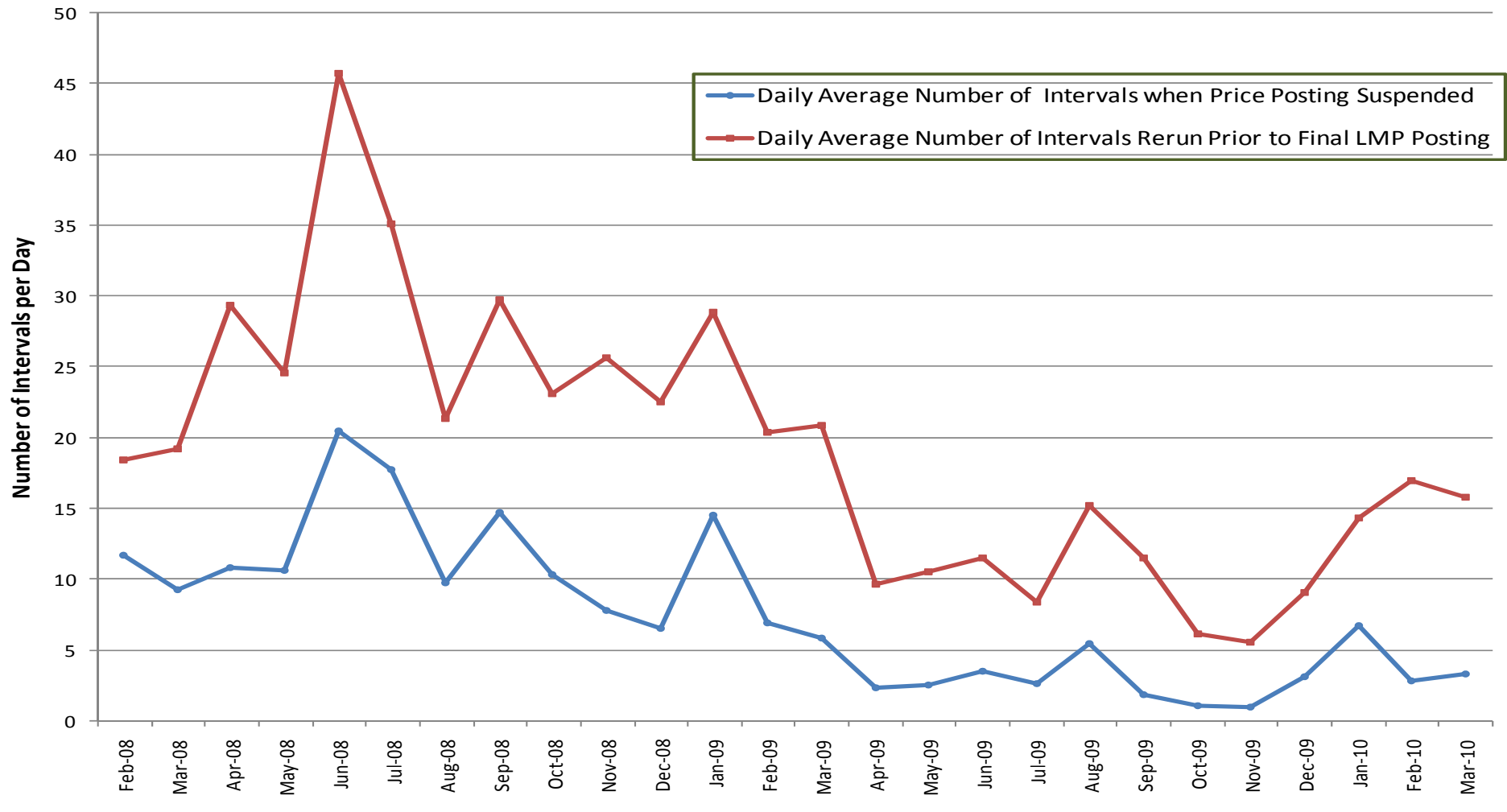


PJM Demand Side Response Estimated Revenue



*Capacity revenue prior RPM implementation on 6/1/07 estimated based on average daily ALM capacity credits and weighted average daily PJM capacity market clearing price.

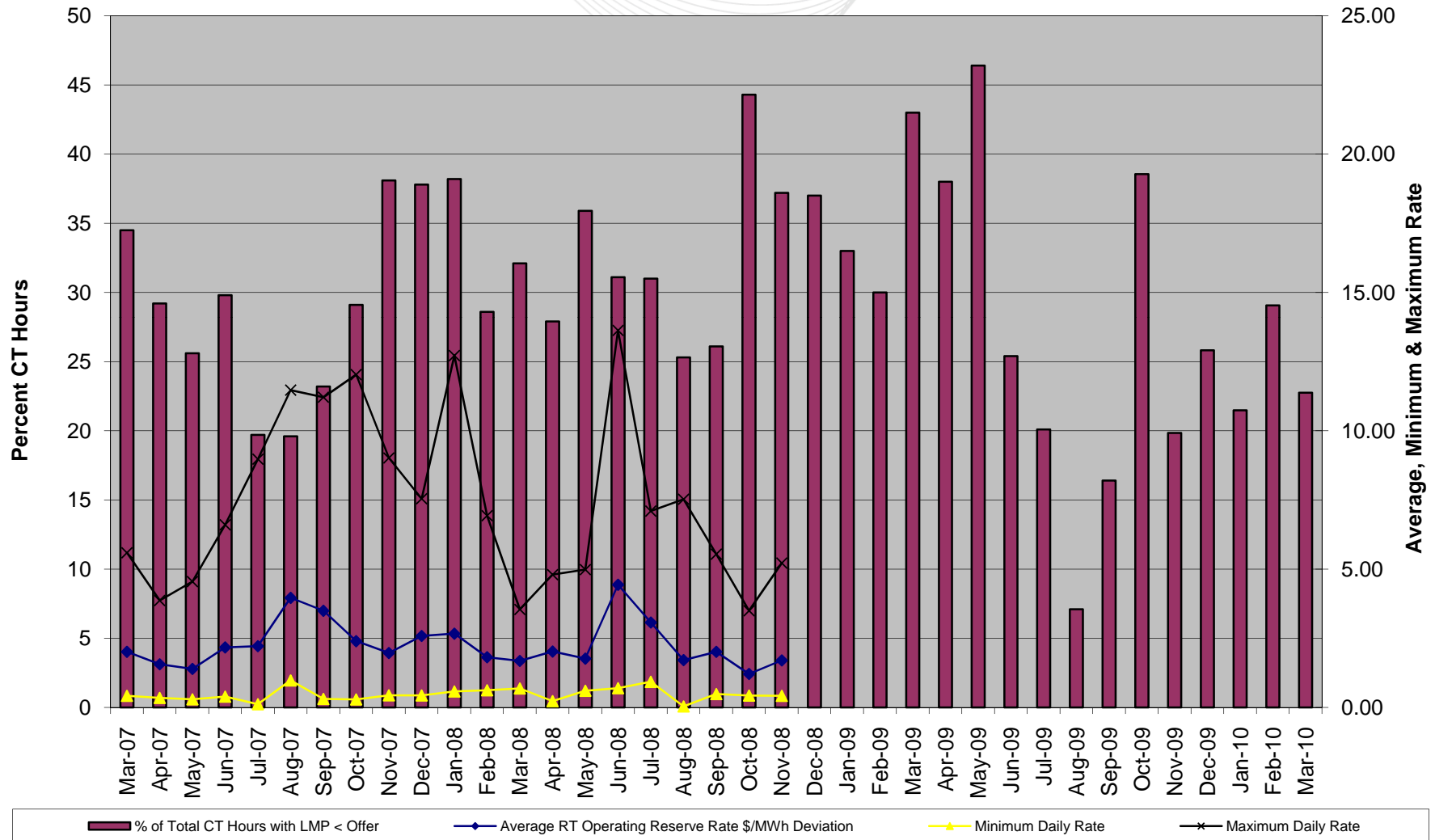
Price Posting Suspensions and Reruns
Daily Average Number of 5-Minute Intervals



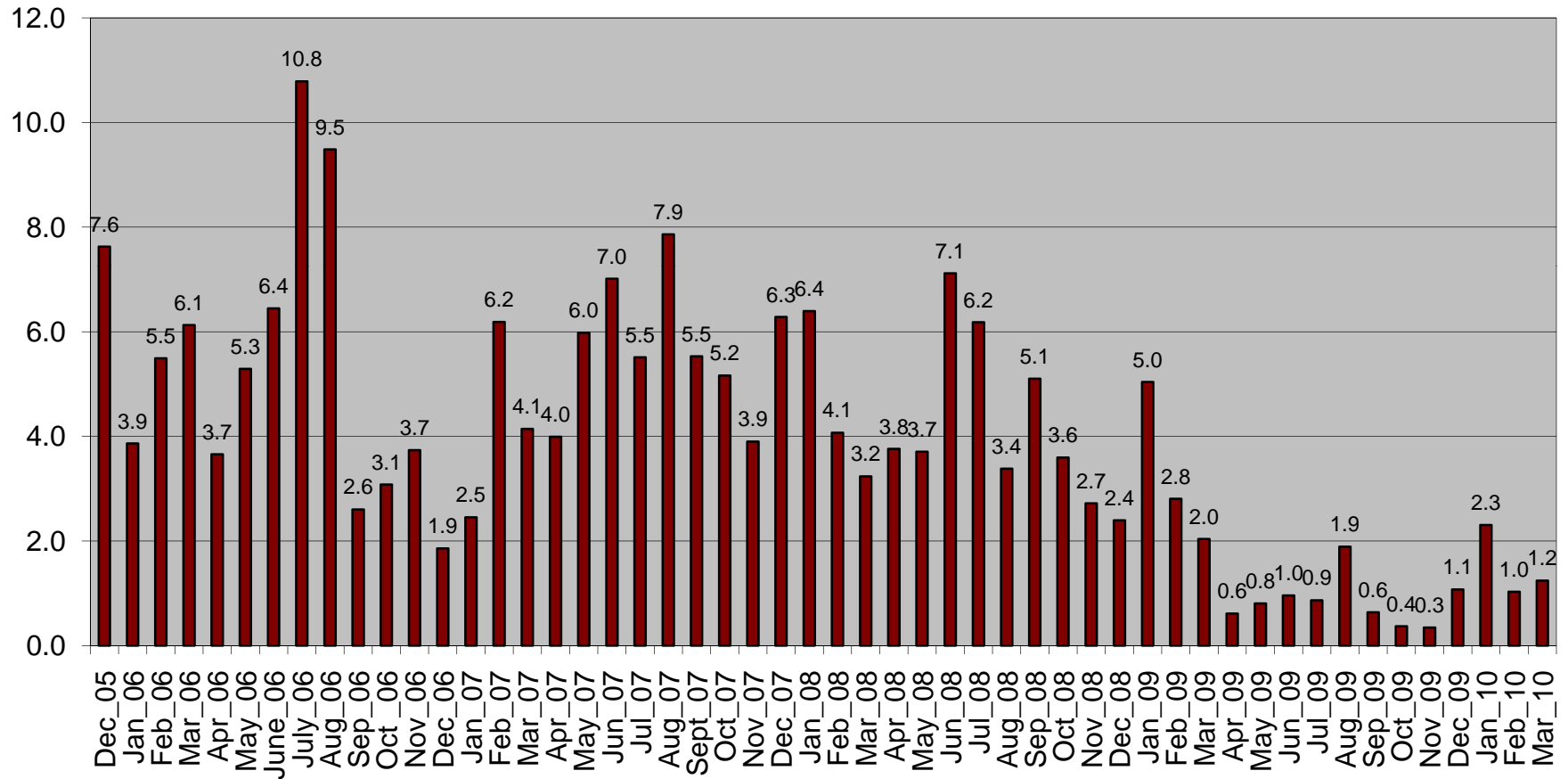


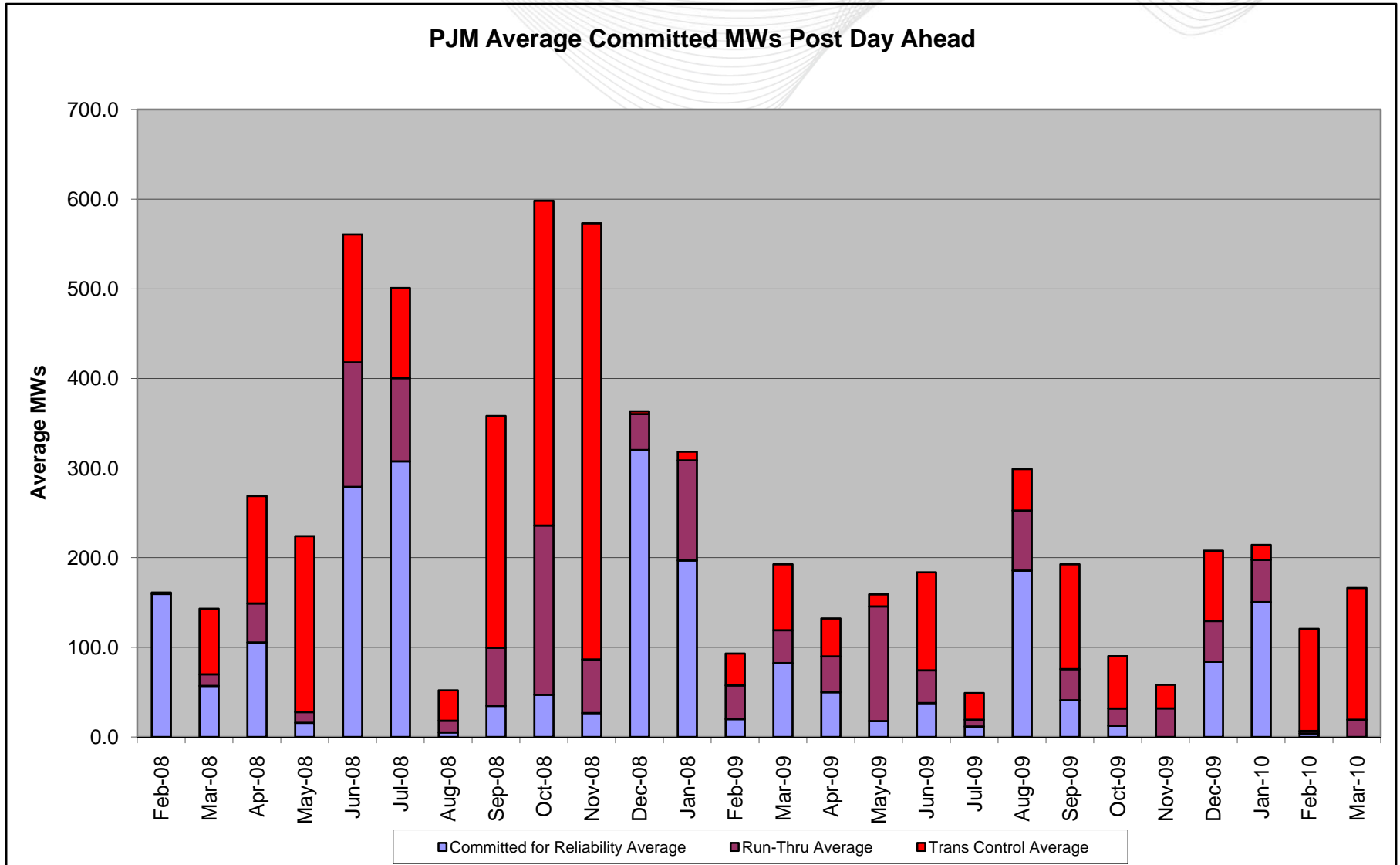
PJM CT Uneconomic Operation/Operating Reserve Costs

% of Total CT Hours with LMP < Offer and Monthly Real Time Operating Reserve Rates (\$/MWh Deviation)



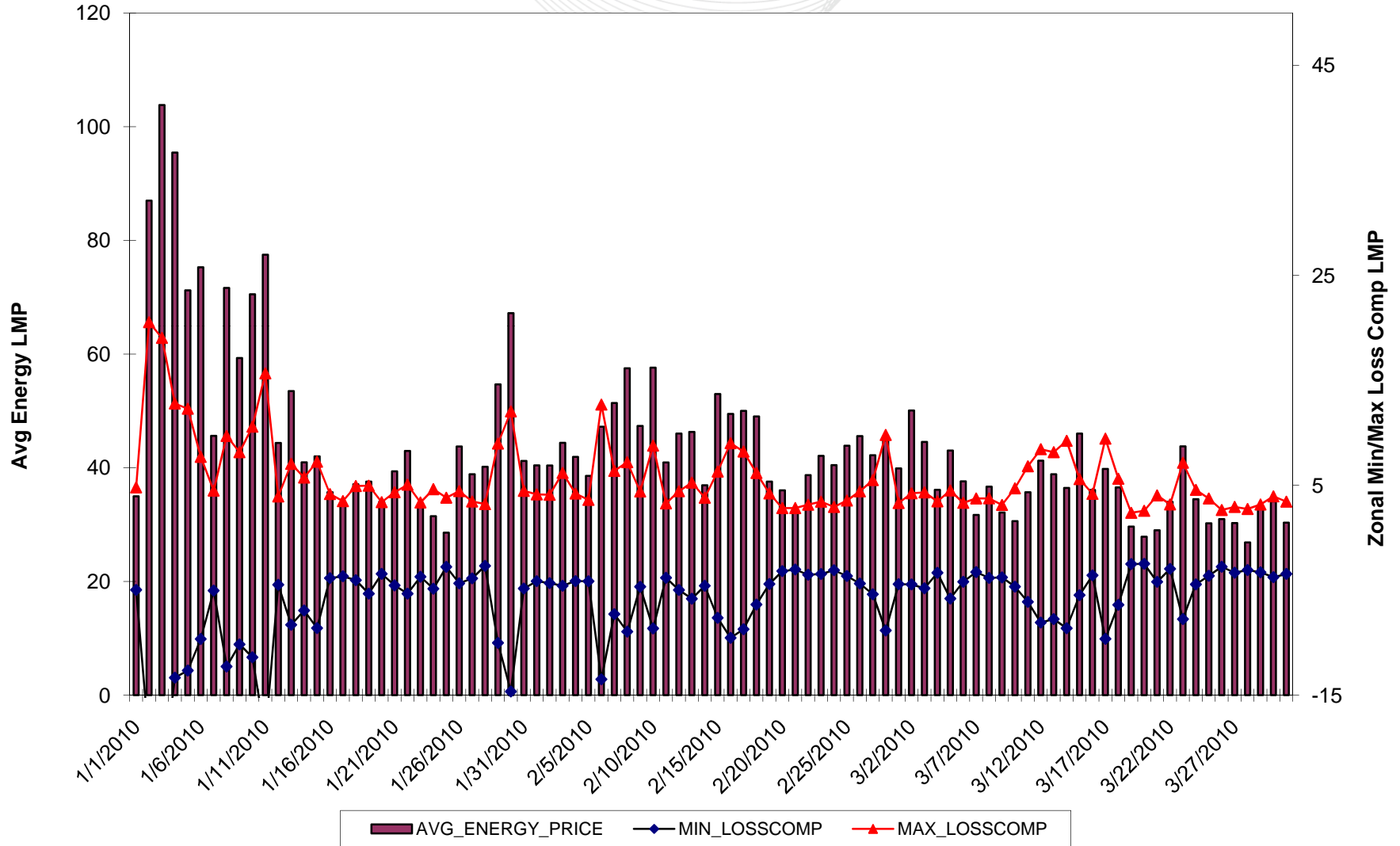
Percentage of 5 Minute LMP Intervals Not Posted on Edata





Real Time Marginal Loss Summary Data

Daily Real Time Marginal Loss Summary





Marginal Loss - Loss Surplus Data

Daily Loss Surplus

Total Loss Surplus Charges (Planning Year) - \$533569061
Total Loss Surplus Charges (Calendar Year) - \$208993024
Average \$/MWH of Load Served (Since Inception) - \$1.26

