

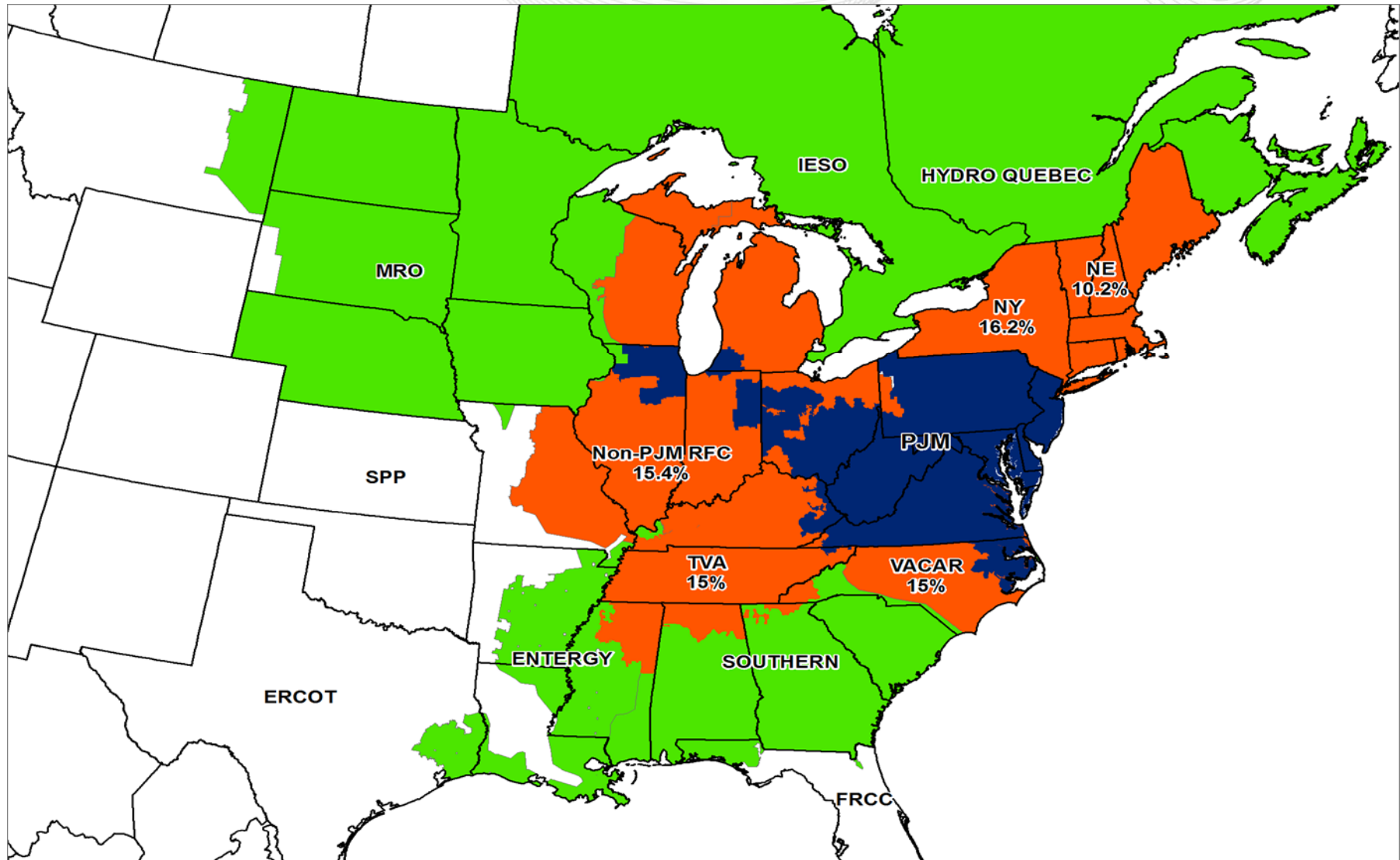


2009 IRM Study

Planning Committee

October 22, 2009

- 2009 IRM Study will re-set parameters for 2012/13 Delivery Year and set parameters for 2013/14 Delivery Year.
- “Base Case” is defined to be:
 - ATSI modeled inside PJM
 - “Small World” modeled at collective “1 in 10” LOLE as determined by PRISM



2012/13 Delivery Year

IRM = 15.4% FPR = 1.0796 DR Factor = 0.955

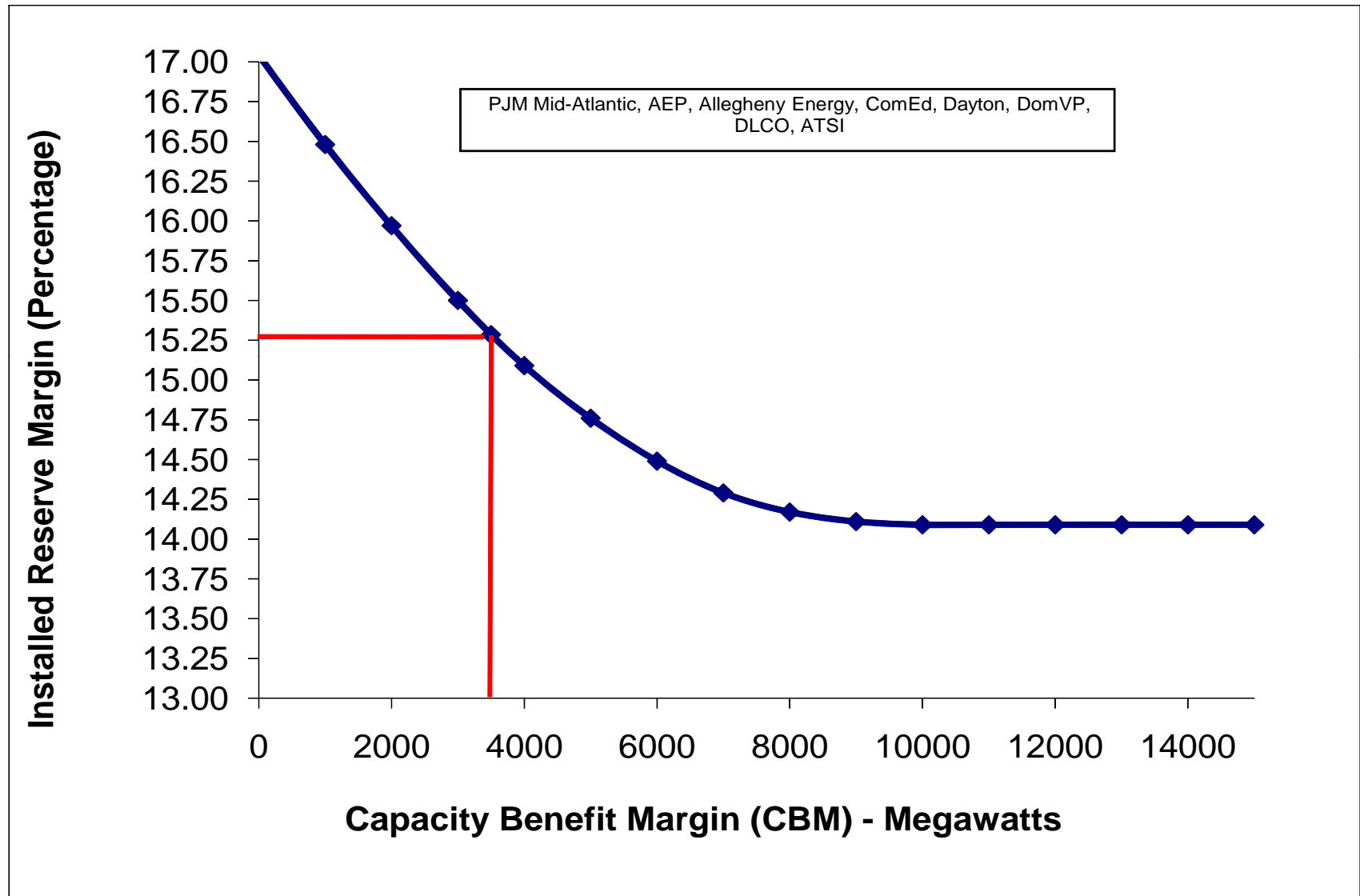
2013/14 Delivery Year

IRM = 15.3% FPR = 1.0784 DR Factor = 0.957

2008 IRM Study Results (2012/13 DY)

IRM = 16.2% FPR = 1.0872 DR Factor = 0.950

- 0.9% reduction in IRM is primarily due to increase in load diversity between PJM and World
 - Result of load modeling refinements
 - World monthly load shape now recognizes intra-World diversity
 - PJM peaks in July; World peaks in August
 - Capacity value of CBM increased from 1700 MW to 2800 MW
- 5 year PJM average forced outage rate changed very little from 2008 Study



- Base Case IRM of 15.3% is unaffected by:
 - ATSI modeled in or out of PJM
 - Modeling of Small World or Large World areas
 - World is modeled at “1 in 10” using individual region reserve requirements or “1 in 10” overall as calculated by PRISM
 - Increasing World reserve level beyond 15%



Winter Weekly Reserve Target

Month	Calendar Week	% Weekly Reserves level for 1D/10 YR	LOLE (3rd Margin State)
December	49	19.67	9.09E-05
	50	19.63	8.27E-05
	51	22.23	0.00E+00
	52	29.62	0.00E+00
January	1	24.37	0.00E+00
	2	19.70	1.12E-04
	3	26.71	0.00E+00
	4	28.06	0.00E+00
	5	32.75	0.00E+00
February	6	20.08	1.07E-04
	7	24.52	0.00E+00
	8	28.90	0.00E+00
	9	22.44	0.00E+00
Average Weekly Reserves		24.5	

- Number of sigma to represent in load model
- Load to use in denominator when calculating IRM in PRISM
- Amount of World load management assumed to be implemented when PJM is in a capacity emergency

Endorsement of:

2012/13 Delivery Year

IRM = 15.4% FPR = 1.0796 DR Factor = 0.955

2013/14 Delivery Year

IRM = 15.3% FPR = 1.0784 DR Factor = 0.957

2009/2010 Winter Operating Period

Winter Weekly Reserve Target = 25%

RRAWG endorsed IRM recommendations (4 in favor, 2 opposed) and Winter Weekly Reserve Target unanimously

- October 21
 - Review of IRM Study results with MRC
- October 22
 - PC vote on IRM recommendation to the MRC
- November 11
 - MRC vote on IRM recommendation to the MC
- November 19
 - MC vote on IRM recommendation to the PJM Board
- January 2010
 - PJM Board approval of IRM, FPR and DR Factor for 2012/13 and 2013/14 Delivery Years