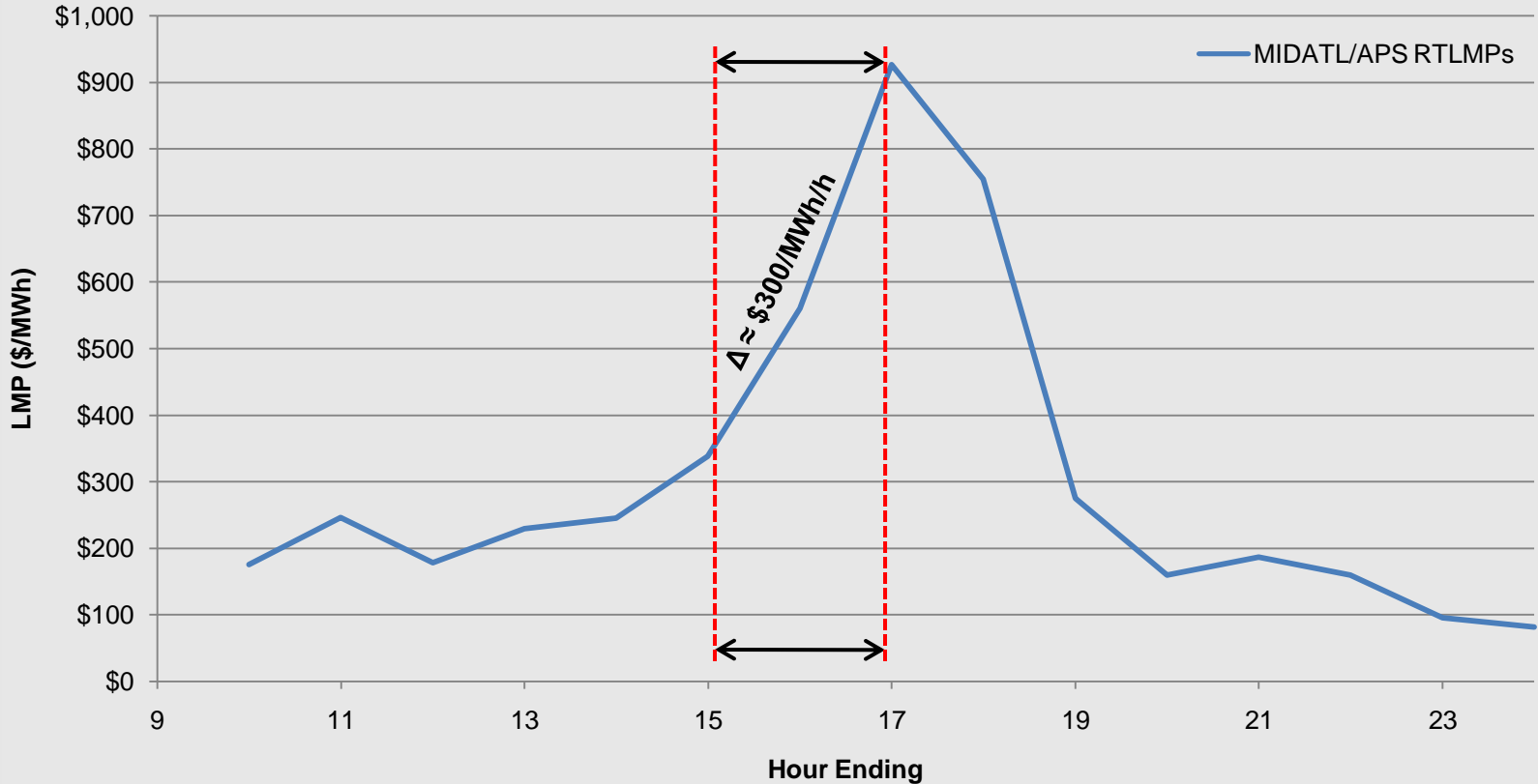


# PJM Demand Response Symposium: *Scarcity Pricing*

Adam Keech



## Real-Time LMPs - August 8, 2007

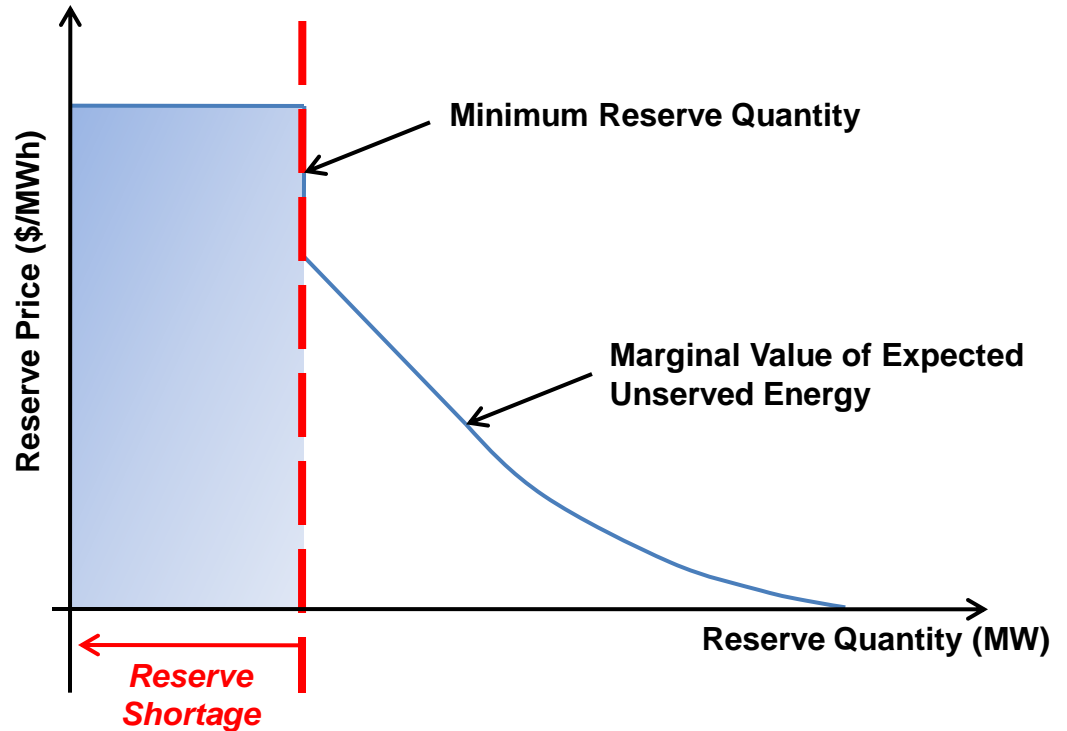


# Incorporating an Operating Reserve Demand Curve

Stability

Transparency

Gradual  
Transitions



- Align real-time market prices with system conditions
- Prices
  - Stable
  - Transparent
  - Predictable
- All resources to respond to their full capability
- Facilitate demand response and price-responsive demand
- Compliance with FERC Order 719

