

Fuel Cost Policy Periodic Review

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Joel Romero Luna



Monitoring Analytics

Fuel Cost Policy Periodic Review

- On July 28, 2020, FERC approved tariff revisions that modified the fuel cost policy process (172 FERC ¶ 61,094).
- The tariff revisions replaced the annual review process with a periodic review set by PJM.
- Fuel cost policies reviewed in 2020 were approved by PJM with an expiration date of November 1, 2023.
 - The FCP had to be approved with an earlier date if a relevant contract expired earlier.

2026 FCP Periodic Review

- **Prior to expiration, Market Participants are required to either:**
 - **Confirm that their expiring Fuel Cost Policy remains compliant.**
 - **Submit an updated Fuel Cost Policy.**
- **Both options will result in new expiration date on 11/01/2029, unless a relevant contract expires between 2026 and 2029.**
- **Only Market Participants with Fuel Cost Policies that expire on 11/01/2026 are required to choose one of the options.**

2026 FCP Periodic Review

- From February 1 through May 1, 2026, Market Participants will be able to confirm in MIRA if their existing Fuel Cost Policy remains compliant.
- Users have to check the “Request Extension” checkbox in the Fuel Policy Editing module.

Example

	Fuel Policy Name	Policy ID	IMM Status	PJM Status	Approved Effective Date	Expiration Date	Request Extension
»			<All>	<All>	11/01/2023		<input type="checkbox"/>
»			<All>	<All>	11/01/2023		<input checked="" type="checkbox"/>

2026 FCP Periodic Review

- PJM and the MMU will send routine reminders to Market Participants prior to the end of the window to extend currently approved FCPs.
- Market Participants that do not extend their FCPs will have to submit a new FCP.
- Market Participants that do not extend their FCPs and do not submit new FCPs before expiration will have to either:
 - Submit cost based offers at zero.
 - Use PJM's temporary cost offer method.

2026 FCP Periodic Review

- **Market Participants that do not wish to make any changes to their FCPs should request an extension as soon as possible.**
- **All extensions will be reviewed by PJM and the MMU.**
- **PJM and/or the MMU may require changes to existing FCPs.**
- **In such case, Market Participants will be required to submit a new FCP.**
- **New FCPs are reviewed following the current deadlines (30 business days between PJM and the MMU).**

Monitoring Analytics, LLC
2621 Van Buren Avenue
Suite 160
Eagleville, PA
19403
(610) 271-8050

MA@monitoringanalytics.com
www.MonitoringAnalytics.com