

# MOPR UNIT SPECIFIC REVIEW

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# Principles for Unit Specific Review Application

- Allow Electricity End-users to benefit from the different future cost and condition estimates of different generation developers
- Limit PJM/IMM or other Administrative prescription of major cost parameters
- Oppose Administratively Established Minimum Prices, but if they must exist establish them to provide a reasonable minimum floor to benefit End-users with legitimate low prices
- Minimums should be “trigger levels” for review, not hard price minimums which may not be reduced

# Objections to PJM/IMM Proposed Approach

- States an inflated standard for what generation should cost in the PJM market
- Encourages generation developers to propose higher and not strain to achieve lower costs
- Reduces generation price competition in the PJM market by disabling one of three exceptions provided in MOPR from effectively competing.
- As a PJM stated standard for what generation should cost in the PJM markets, may produce higher cost claims in other two exceptions and ultimately in the market itself.

# Objections to PJM/IMM Proposed Approach (Continued)

- Concern with future price of electric supply in Maryland purchased through PJM markets and its effect upon Maryland's ability to attract businesses/employers as compared to regulated states and regional markets which adopt less cost inflating processes
- FERC Order proposed "modeling assumptions" should be process related and not cost substantive determinative and should be limited in number