



Preliminary Market Structure Screen

As stated in section 6.3 (a)(i) of Attachment DD of the PJM Tariff, “the Market Monitoring Unit shall apply the Preliminary Market Structure Screen (PMSS) to identify the LDAs in which Capacity Market Sellers must provide the data specified in section 6.7(b) for any auction conducted with respect to such Delivery Year and whether Capacity Market Sellers must provide this data for the entire PJM Region. For each LDA and for the PJM Region, the PMSS will be based on: (1) the Unforced Capacity available for such Delivery Year from Generation Capacity Resources located in such area; and (2) the Locational Deliverability Area Reliability Requirement and the PJM Reliability Requirement.”

As stated in section 6.3 (a)(ii)Section of Attachment DD of the PJM Tariff, “An LDA, Unconstrained LDA Group,¹ or the entire PJM Region shall fail the Preliminary Market Structure Screen, and Capacity Market Sellers owning or controlling any Generation Capacity Resource located in such LDA, Unconstrained LDA Group, or region shall be required to provide the information specified in section 6.7(b), if any one of the following three conditions is met: (1) the market share of any Capacity Market Seller exceeds twenty percent; (2) the HHI for all such sellers is 1800 or higher; or (3) there are not more than three jointly pivotal suppliers.”

Results

The Market Monitoring Unit applied the PMSS for the 2012-2013 Auction using Unforced Capacity from eRPM effective as of June 1, 2012 and the LDA and PJM Reliability Requirements for 2012-2013. As shown in the table below, all LDAs and the entire PJM Region failed the PMSS. As a result, all Capacity Market Sellers owning or controlling any Generation Capacity Resource located in the entire PJM Region shall be required to provide the information specified in section 6.7(b).

RPM Preliminary Market Structure Screen Results: 2012-2013

RPM Markets	Highest Market Share	HHI	Pivotal Suppliers	Pass/Fail
RTO	17.4%	853	1	Fail
MAAC	17.6%	1071	1	Fail
EMAAC	32.8%	2057	1	Fail
SWMAAC	50.7%	4338	1	Fail
PSEG	84.3%	7188	1	Fail
PSEG North	90.9%	8287	1	Fail
DPL South	55.0%	3828	1	Fail

¹ PJM did not define an Unconstrained LDA Group for this Auction.

Data Requirements

As stated in section 6.7(b) of Attachment DD of the PJM Tariff, “Except as provided in subsection (c) below, potential participants in any PJM Reliability Pricing Model Auction in any LDA or unconstrained LDA Group that fails the Preliminary Market Structure Screen (or, if such region fails the screen, potential auction participants in the entire PJM Region) shall, in addition, submit the following data, (all submitted data is subject to verification by the MMU) together with supporting documentation for each item, to the Market Monitoring Unit no later than two months prior to the conduct of such auction”

Provisional Exceptions

No provisional exceptions are provided for the 2012-2013 Auction. All capacity market sellers who plan to offer a non-zero price into the auction must submit avoidable cost rate (ACR) data to the MMU.