



# MIC Special Session- Fuel Cost Policy Final Report

November 5, 2020

## Issue Creation

[Problem Statement](#) and [Issue Charge](#) brought forward by Southern Maryland Electric Cooperative, Inc., Old Dominion Electric Cooperative and PPGI Fund A/B Development, LLC and approved at the September 2018 Market Implementation Committee meeting.

[MIC Charter](#)

## Issue Summary

The Market Implementation Committee (MIC) initiates and develops proposals to advance and promote competitive wholesale electricity markets in the PJM region for consideration by the Markets and Reliability Committee (MRC).

## Consensus-Based Issue Resolution Process

Number of Meetings and date range covering this topic: 13 meetings from 8/9/2019 through 8/24/2020 addressing Key Work Activities #4 of the Issue Charge

[Final Matrix](#)

### 1. Recommended Proposal

The MIC Special Session- Fuel Cost Policy Enhancements group developed a single proposal - the PSEG Package. This package proposes the development of an Information Only Cost-Based Offer calculator. The use of the Information Only calculator is optional. The calculator can be used as a comparison with the Market Seller calculated offer and increases the transparency of the input variables used in the development of the cost-based offer. The initial version of calculator will be in Excel or Sharepoint platform. The final version of the calculator will be implemented in Markets Gateway. In this version, PJM will provide non-binding three part Cost-Based Offer (Start up, no load and incremental energy offer) by midnight prior to the market day. Market Sellers will also have the option to overwrite the fuel cost or any other input variable in the cost offer calculation.

The goal of this calculator is to help the Market Seller reduce compliance risk as well as the likelihood and extent of penalties for submitted non-competitive cost-based offers but the Market Sellers are still responsible for the accuracy of their cost offer. All existing cost-based offer rules remain status quo and no manual or tariff changes are needed at this time. The tentative timeline for full project implementation is 2022 but interim steps and detailed design discussions would occur in 2021 at the Cost Development Subcommittee (CDS) meetings.



## Appendix II: PJM Participation

Facilitator – Bhavana Keshavamurthy  
 Secretary – Diane Antonelli  
 Subject Matter Expert – Glen Boyle  
 Subject Matter Expert – Gabrielle Genuario  
 Subject Matter Expert – Tom Hauske  
 Subject Matter Expert – Melissa Pilonig  
 PJM Legal – Chenchao Lu

## Appendix III: Stakeholder Participation

The proposals were developed and discussed at the MIC Special Sessions: Fuel Cost Policy Enhancements. Sample attendance from one of the Special Sessions is below:

### Webex Meeting Attendees

Keshavamurthy	Bhavana (Facilitator)	PJM Interconnection, LLC	Not Applicable
Antonelli	Diane (Secretary)	PJM Interconnection, LLC	Not Applicable
Anders	Dave	PJM Interconnection, LLC	Not Applicable
Barker	Jason	Exelon Business Services, LLC	Transmission Owner
Benchek	Jim	FirstEnergy Solutions Corp.	Transmission Owner
Bowring	Joe	Monitoring Analytics, LLC	Not Applicable
Boyle	Glen	PJM Interconnection, LLC	Not Applicable
Branch	John	NAES	Not Applicable
Brodbeck	John	EDP Renewables North America, LLC	Generation Owner
Cao	Roger	PJM Interconnection, LLC	Not Applicable
Carmean	Greg	OPSI	Not Applicable
Christopher	Mahila	Public Utilities Commission of Ohio	Not Applicable
Chang	Sean	Shell Energy North America (US), LP	Other Supplier
Croop	Danielle	PJM Interconnection, LLC	Not Applicable
Currier	Jeff	Virginia Electric & Power Company	Transmission Owner
Dasher	Brett	The Energy Authority, Inc.	Other Supplier
Davis	Elizabeth	PJM Interconnection, LLC	Not Applicable
Davis	Jim	Dominion Energy Generation Marketing, Inc.	Generation Owner
Depillo	Raymond	PSEG Energy Resources and Trade, LLC	Other Supplier
Diorio	Michelle	PSEG Energy Resource & Trade, LLC	Other Supplier
Dillon	Matt	UGI Development Corp.	Generation Owner
DiNicola	Laura	FirstEnergy Solutions Corp.	Transmission Owner
DiSciullo	Nicholas	PJM Interconnection, LLC	Not Applicable
Dugan	Chuck	East Kentucky Power Cooperative, Inc.	Transmission Owner
Fabiano	Janell	PJM Interconnection, LLC	Not Applicable
Fan	Zhenyu	PJM Interconnection, LLC	Not Applicable
Filomena	Guy	Customized Energy Solutions, Ltd.	Not Applicable
Fitzpatrick	Brian	PJM Interconnection, LLC	Not Applicable
Foldare	Ken	Tangibl	Not Applicable
Gates	Terry	Appalachian Power Company (AEP Generation)	Transmission Owner
Genuario	Gabrielle	PJM Interconnection, LLC	Not Applicable
Gilani	Rehan	ConEdison Energy, Inc.	Other Supplier
Gordon	Joel	PSEG Energy Resources and Trade, LLC	Other Supplier
Greiner	Gary	PSEG Energy Resources and Trade, LLC	Other Supplier
Hastings	Dave	Indiana Utility Regulatory Commission	Not Applicable
Hauske	Thomas	PJM Interconnection, LLC	Not Applicable
Heisey	Bradley	Tenaska Pennsylvania Partners, LLC	Generation Owner
Hoatson	Tom	Riverside Generating, LLC	Generation Owner
Hohenshilt	Jennifer	Talen Energy Marketing, LLC	Generation Owner



Horning	Lynn	Customized Energy Solutions, Ltd.	Not Applicable
Hyzinski	Tom	GT Power Group	Not Applicable
Iler	Art	Indiana Office of the Utility Consumer Counselor	End-User Customer
Janicki	Diane	Boston Energy Trading and Marketing LLC	Other Supplier
Johnson	Carl	Customized Energy Solutions, Ltd.	Not Applicable
Kelly	Stephen	Brookfield Renewable Trading and Marketing LP	Other Supplier
Kogut	George	New York Power Authority	Other Supplier
Lowe	Connie	Virginia Electric & Power Company	Transmission Owner
Lu	Chen	PJM Interconnection, LLC	Not Applicable
Luna	Joel	Monitoring Analytics, LLC	Not Applicable
Mabry	David	McNees, Wallace & Nurick, LLC	Not Applicable
Mariam	Yohannes	Office of the People's Counsel for the District of Columbia	End-Use Customer
Midgley	Sharon	Exelon Business Services Company, LLC	Transmission Owner
Mihaly	Imola	Nautilus Power, LLC	Generation Owner
Mooney	Jeff	FirstEnergy Solutions Corp.	Transmission Owner
Morelli	Lisa	PJM Interconnection, LLC	Not Applicable
Nix	Emma	Gabel & Associates	Not Applicable
Ondayko	Brock	Appalachian Power Company	Transmission Owner
Patel	Keyur	PJM Interconnection, LLC	Not Applicable
Pilong	Melissa	PJM Interconnection LLC	Not Applicable
Ponthot	Rosana	PSEG Energy Resources and Trade, LLC	Other Supplier
Poulos	Greg	CAPS	Not Applicable
Procuriar	Jason	Buckeye Power, Inc.	Electric Distributor
Rainey	John	Northern Virginia Electric Cooperative	Electric Distributor
Robinson	Becky	Vistra Energy	Not Applicable
Rohrbach	John	Wabash Valley Power Authority	Electric Distributor
Sarkel	Ed	Appalachian Power Company (AEP)	Transmission Owner
Sasser	Jonathan	Customized Energy Solutions, Ltd.	Not Applicable
Scheidecker	Paul	PJM Interconnection, LLC	Not Applicable
Shannon	Gary	AEP Energy Partners, Inc.	Transmission Owner
Stacombe	Corey	Duke Energy Kentucky, Inc.	Transmission Owner
Stern	Alex	PSEG Energy Resources and Trade, LLC	Other Supplier
Squibb	Bill	Ohio Valley Electric Cooperative	Transmission Owner
Svenson	Heather	PSEG Energy Resources and Trade, LLC	Other Supplier
Swalwell	Brad	Tangent Energy Solutions, Inc.	Other Supplier
Sweeney	Rory	GT Power Group	Not Applicable
Tangirala	Subha	ABB	Not Applicable
Tyler	Catherine	Monitoring Analytics, LLC	Not Applicable
Vayda	Brian	Borough of Park Ridge, NJ	Electric Distributor
Ward	Michael	PJM Interconnection, LLC	Not Applicable
Warner-Freeman	Jennifer	PJM Interconnection, LLC	Not Applicable
Wei	Jane	Monitoring Analytics, LLC	Not Applicable
Whitehead	Jeffrey	GT Power Group	Not Applicable
Wilmoth	Emily	Dominion Virginia Power	Not Applicable
Zylstra	Dan	Appalachian Power Company (AEP)	Transmission Owner