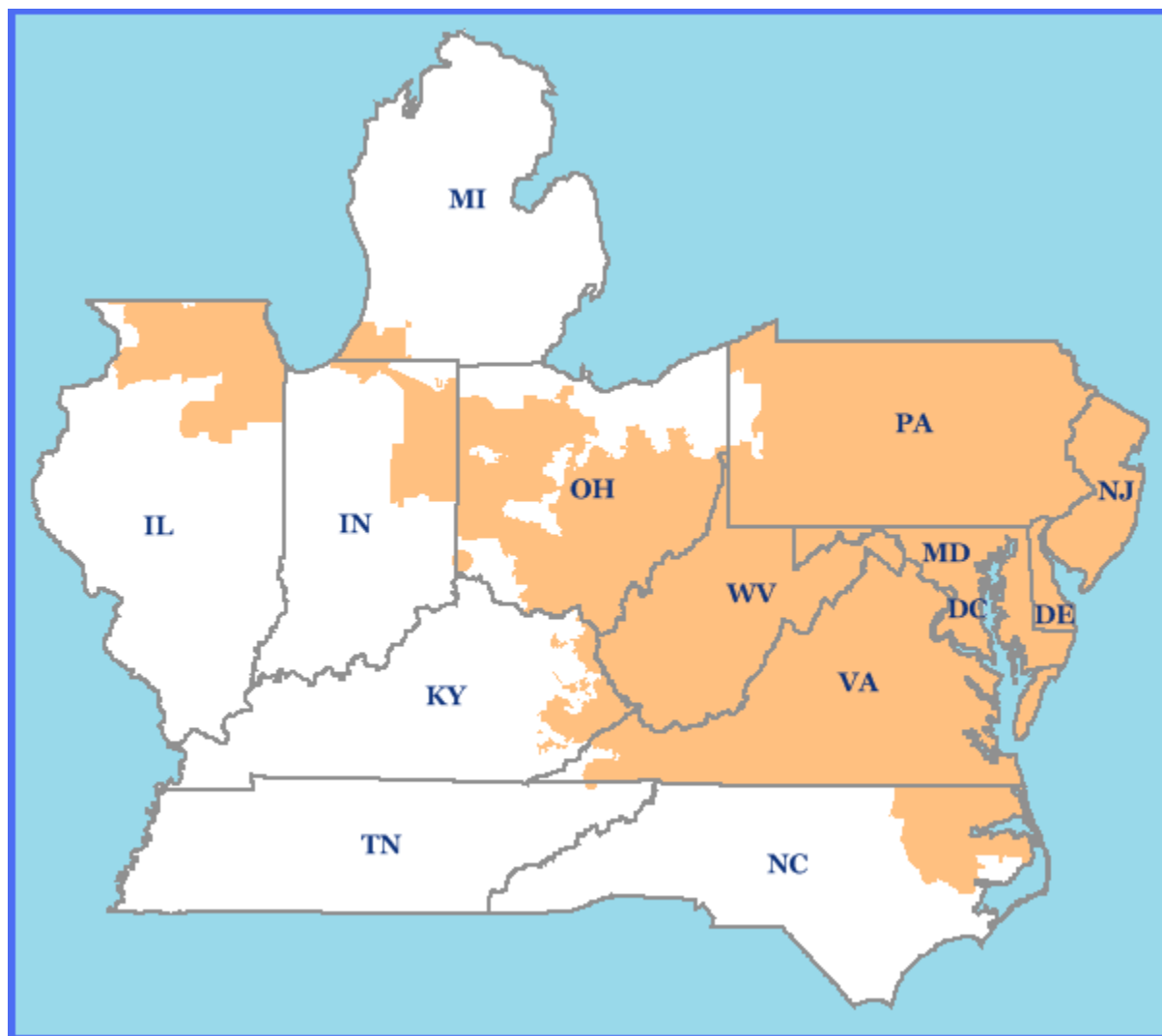


PJM Electric Market



PJM Electric Market: Overview and Focal Points

Federal Energy Regulatory Commission • Market Oversight • www.ferc.gov/oversight

Overview

Market Description:

PJM Interconnection is a regional transmission organization (RTO) that coordinates the movement of wholesale electricity in all or parts of 13 states and the District of Columbia, an area that includes more than 51 million people. As of December 31, 2009, it had installed generating capacity of 167,326 megawatts (MW) and over 500 market buyers, sellers and traders of electricity. In 2009 demand peaked at 126.8 MW on August 10, the lowest annual peak since the last transmission integration.

Geography

States covered: All or most of Delaware, District of Columbia, Maryland, New Jersey, Ohio, Pennsylvania, Virginia and West Virginia. Parts of Indiana, Illinois, Kentucky, Michigan, North Carolina and Tennessee.

Reliability region: Reliability *First* Corporation (RFC) and SERC Reliability Corporation (SERC)

Balancing authority: PJM. The balancing authority is responsible for managing the minute-to-minute supply/demand balance for electricity within its borders to assure reliability.

Load zones:

Allegheny Power Systems (APS)

Atlantic Electric Power Company, Inc. (AECO)

ComEd

Delmarva Power and Light Company (DPL)

Duquesne Light (DUQ)

Metropolitan Edison Company (METED)

PECO Energy (PECO)

Potomac Electric Power Company (PEPCO)

Rockland Electric Company (RECO)

American Electric Power (AEP)

Baltimore Gas and Electric Company (BGE)

Dayton Power and Light Company (DAY)

Dominion (DOM)

Jersey Central Power and Light Company (JCPL)

PPL Electric Utilities (PPL)

Pennsylvania Electric Company (PENELEC)

Public Service Electric and Gas Company (PSEG)

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Hubs:

AEP GEN, AEP-Dayton, Chicago GEN, Chicago, Dominion, Eastern, N. Illinois, New Jersey, Ohio, West INT, Western.

RTO/ISO:

PJM Interconnection (PJM) operates the region's power grid and wholesale electric market:

- Energy market: two-settlement (day ahead and real-time) spot market with locational marginal pricing (prices are calculated at each bus every five minutes)
- Capacity Markets
- Ancillary services markets
- Financial transmission rights (FTR) market
- Energy and capacity are also traded bilaterally through brokers and the Intercontinental Exchange (ICE).

[PJM 2009 State of the Markets Report \(and links to prior annual reports\)](#)

Market Monitoring Unit: Monitoring Analytics, LLC – External Market Monitor

Generation/Supply :

Marginal fuel type (2009): Coal (50.5%) and natural gas (36.0%)

Generating capacity (summer 2009): 157,318 MW

Capacity reserve (summer 2009): 30,513 MW

Reserve margin (summer 2009): 24.1%

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Demand

All time peak demand: 144,644 MW (Set August 2, 2006)

Summer Peak Demand (MW):

2005: 133,763

2006: 144,644

2007: 139,428

2008: 130,100

2009: 126,805

Peak demand change (2008-2009): 2.5% Decline

Prices

Annual Average Day-Ahead Price All Hours (MWh):

PJM Western Hub - A basket of 109 buses from Erie PA to Washington DC (Derived from Bloomberg data)

2005: \$60.61/MWh

2006: \$50.07/MWh

2007: \$57.00/MWh

2008: \$69.88/MWh

2009: \$38.71/MWh

Contact Information:

For questions regarding the PJM region please contact:

Maria Vouras – maria.vouras@ferc.gov

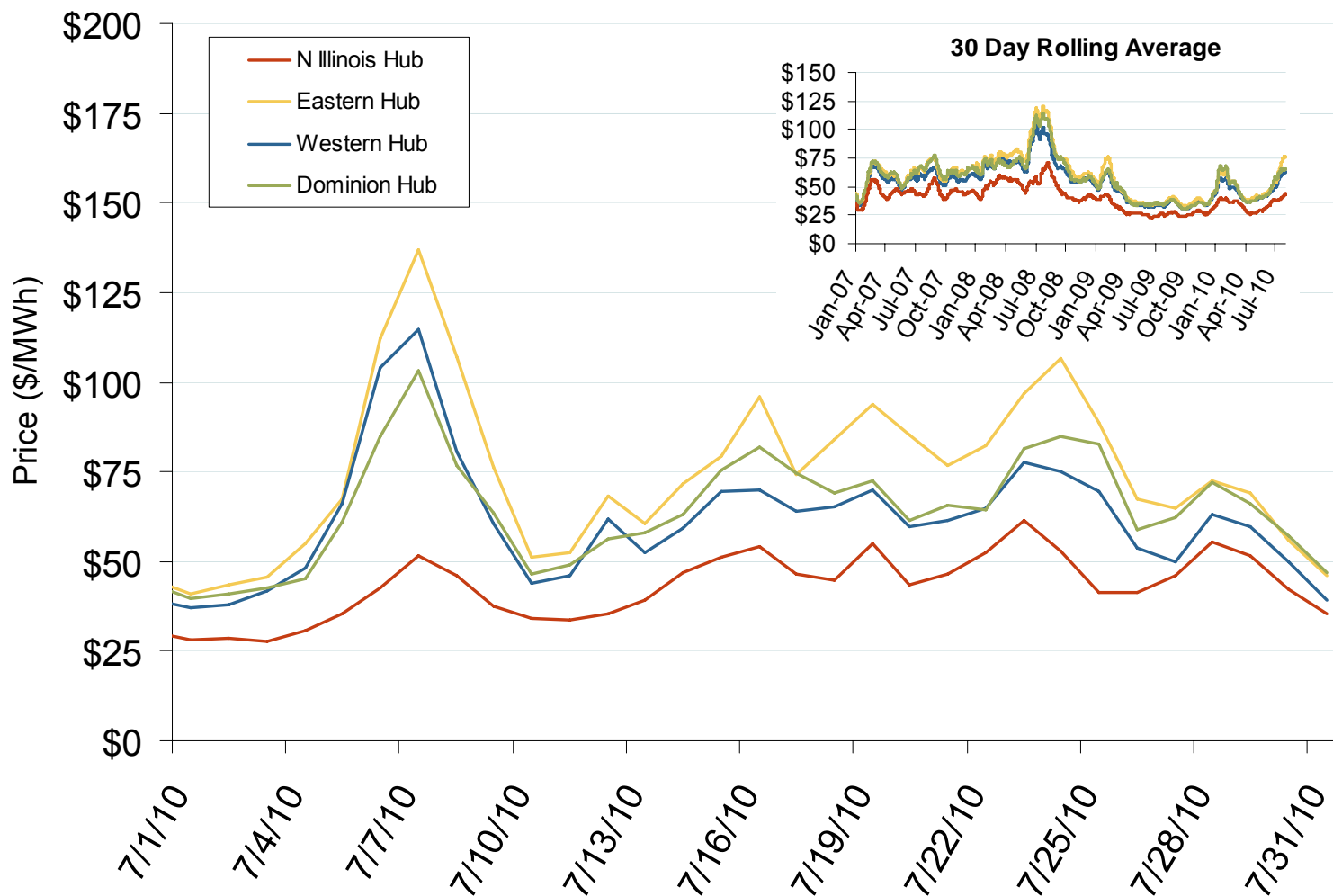
Annual Average Bilateral Prices

| Annual Average Day Ahead On Peak Prices (\$/MWh) | | | | | | |
|--|----------|---------|---------|----------|---------|------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 5-Year Avg |
| Mass Hub | \$89.87 | \$69.85 | \$77.39 | \$91.55 | \$46.24 | \$74.97 |
| Ny Zone G | \$92.46 | \$75.95 | \$83.51 | \$100.99 | \$49.80 | \$80.53 |
| NY Zone J | \$110.03 | \$85.96 | \$94.15 | \$112.63 | \$55.77 | \$91.69 |
| NY Zone A | \$76.04 | \$58.70 | \$64.02 | \$68.34 | \$35.54 | \$60.51 |
| PJM West | \$76.64 | \$61.90 | \$71.15 | \$83.70 | \$44.60 | \$67.59 |

PJM Electric Market: Last Month's RTO Prices

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Daily Average of PJM Day-Ahead Prices - All Hours

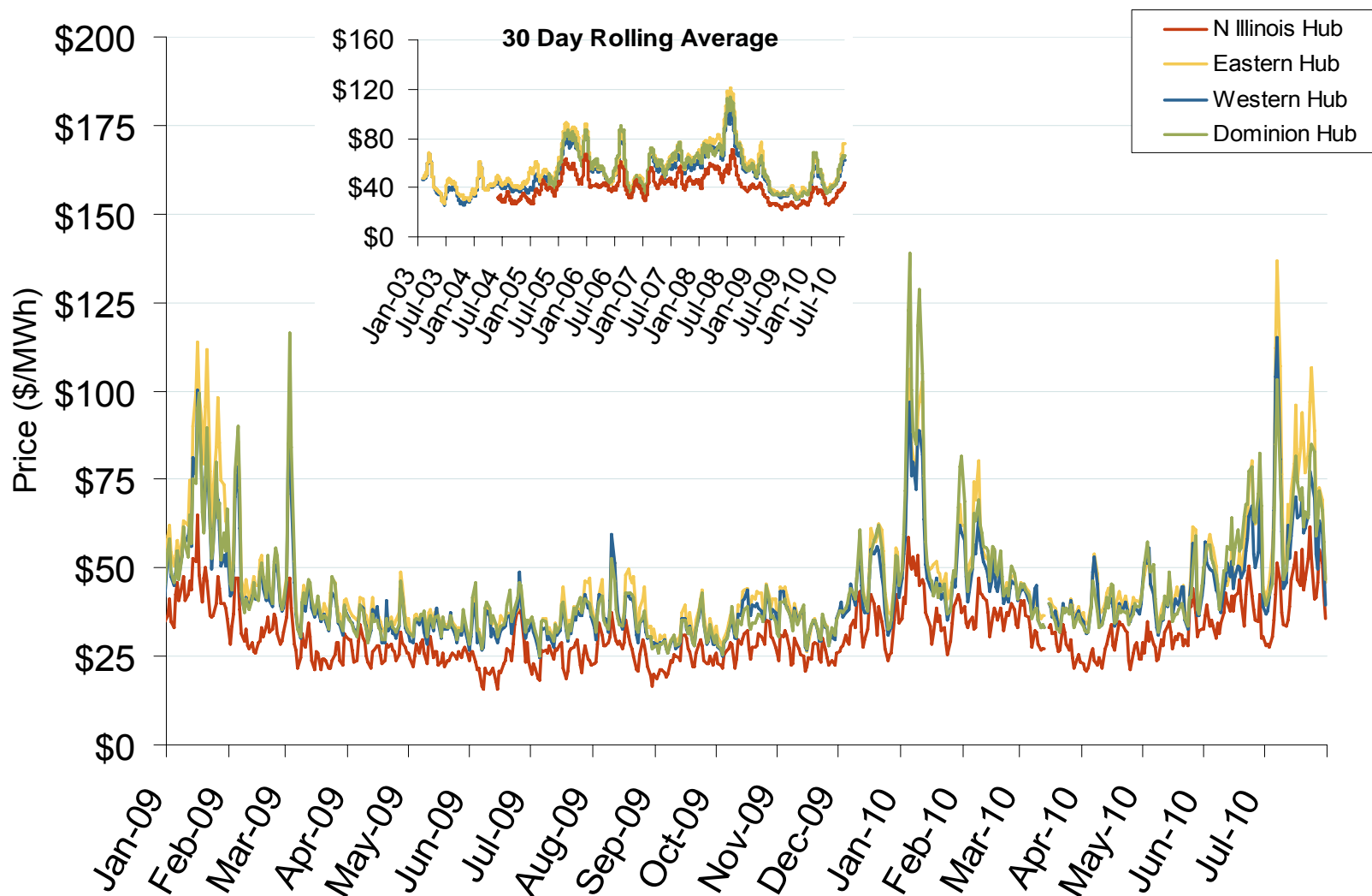


Source: Derived by Bloomberg from PJM data as reported by Bloomberg.

Updated August 6, 2010

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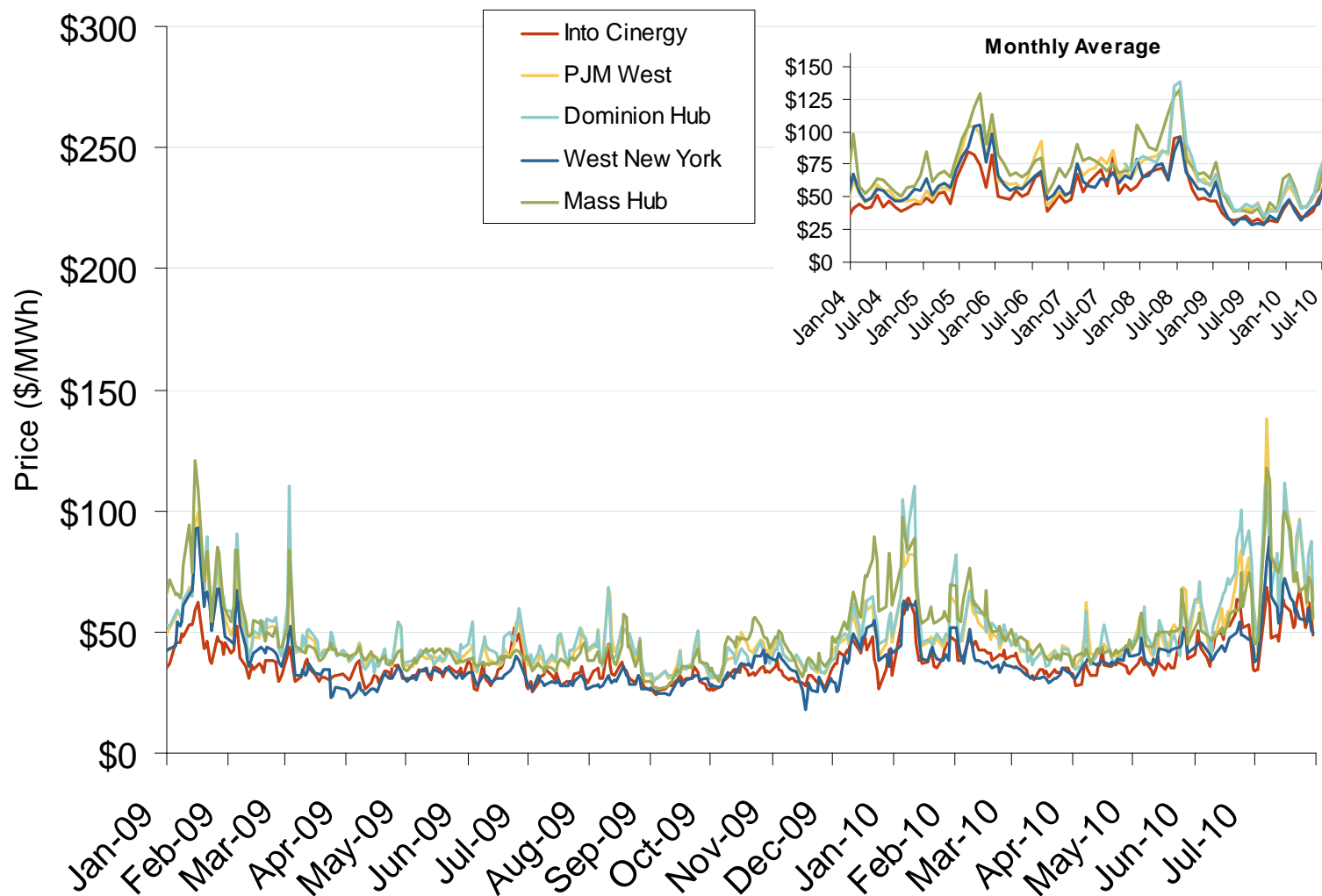
Daily Average of PJM Day-Ahead Prices - All Hours



Source: Derived by *Bloomberg* from PJM data as reported by *Bloomberg*.

Updated August 6, 2010

Eastern Daily Bilateral Day-Ahead On-Peak Prices

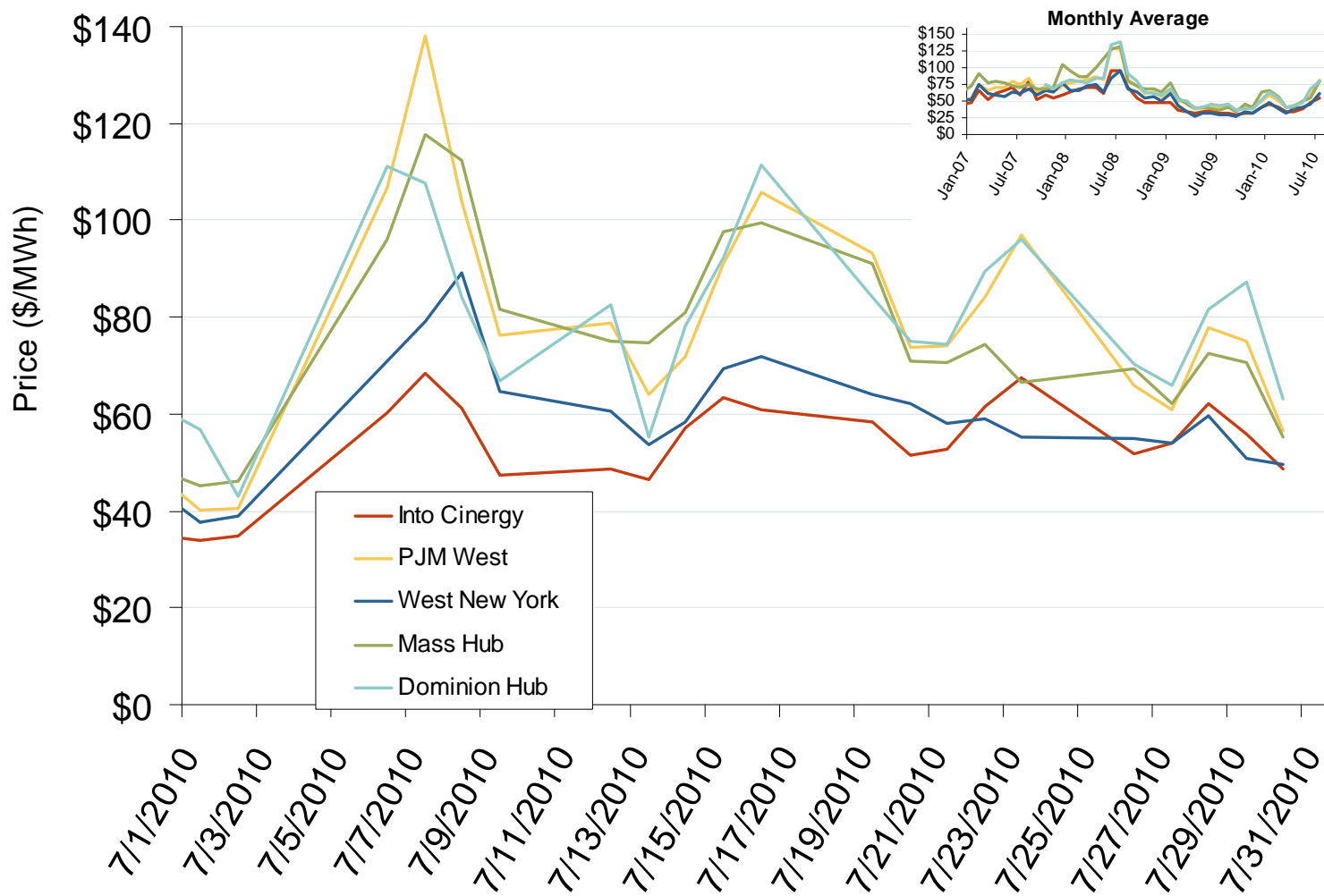


Source: Derived from *Platts* data.

Updated August 6, 2010

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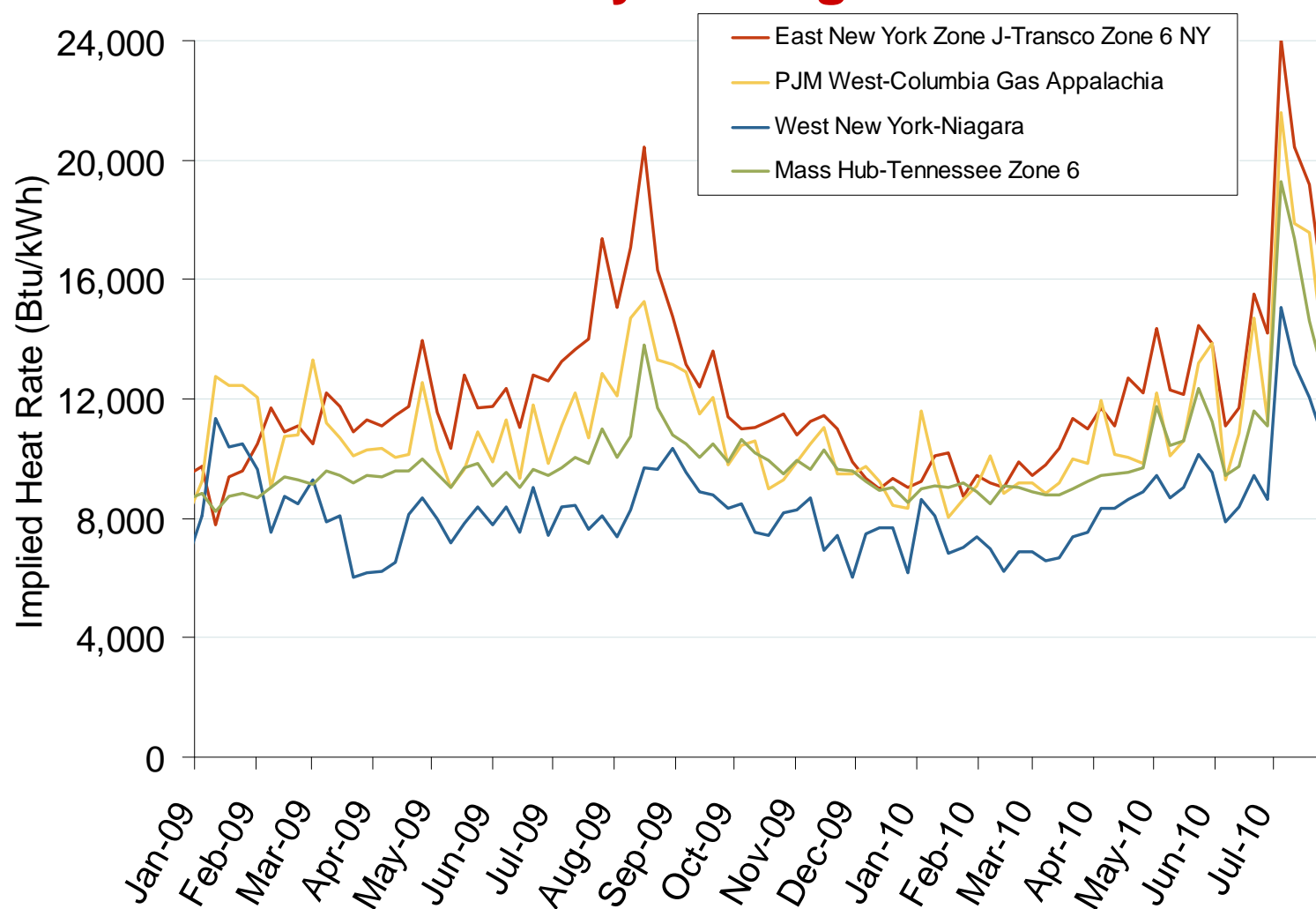
Eastern Daily Bilateral Day-Ahead On-Peak Prices



Source: Derived from *Platts* data.

Updated August 6, 2010

Implied Heat Rates at Eastern Trading Points Weekly Averages

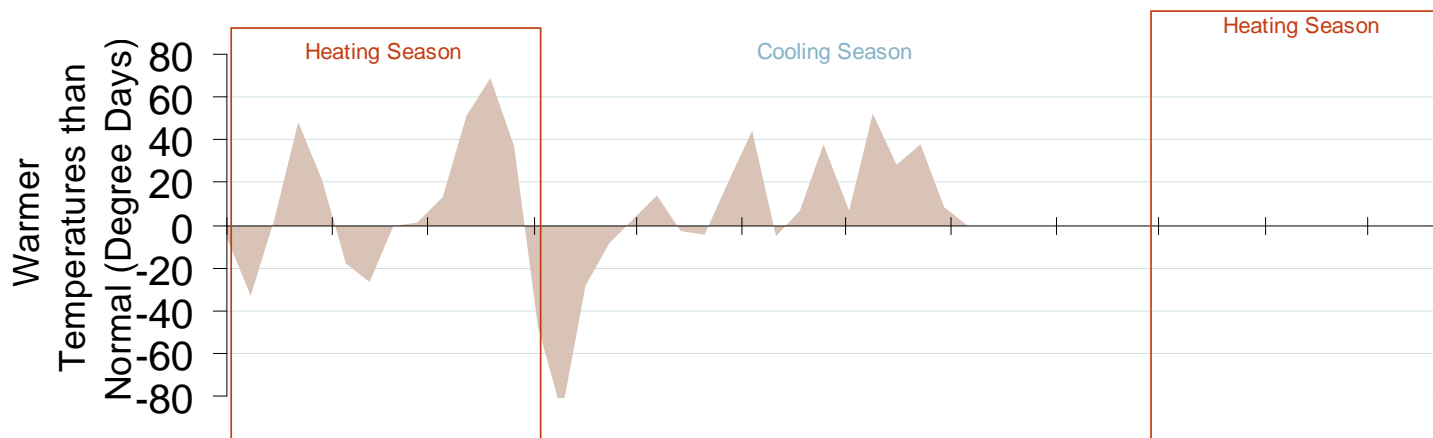
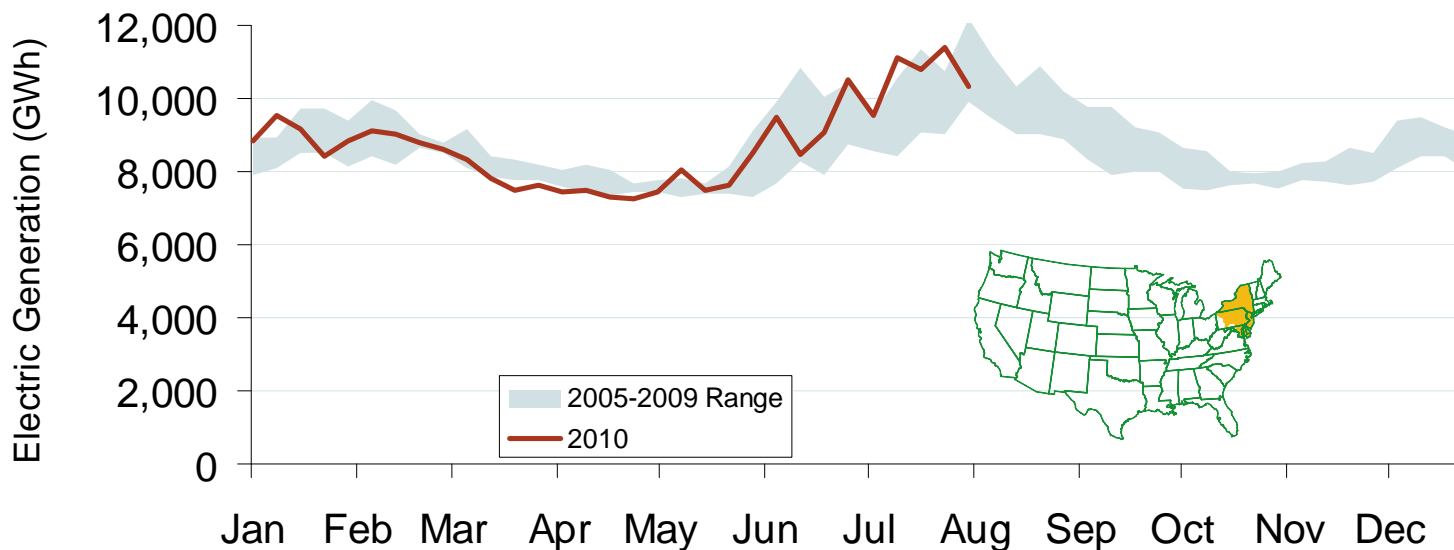


Source: Derived from *Platts* on-peak electric and natural gas price data.

Updated August 6, 2010

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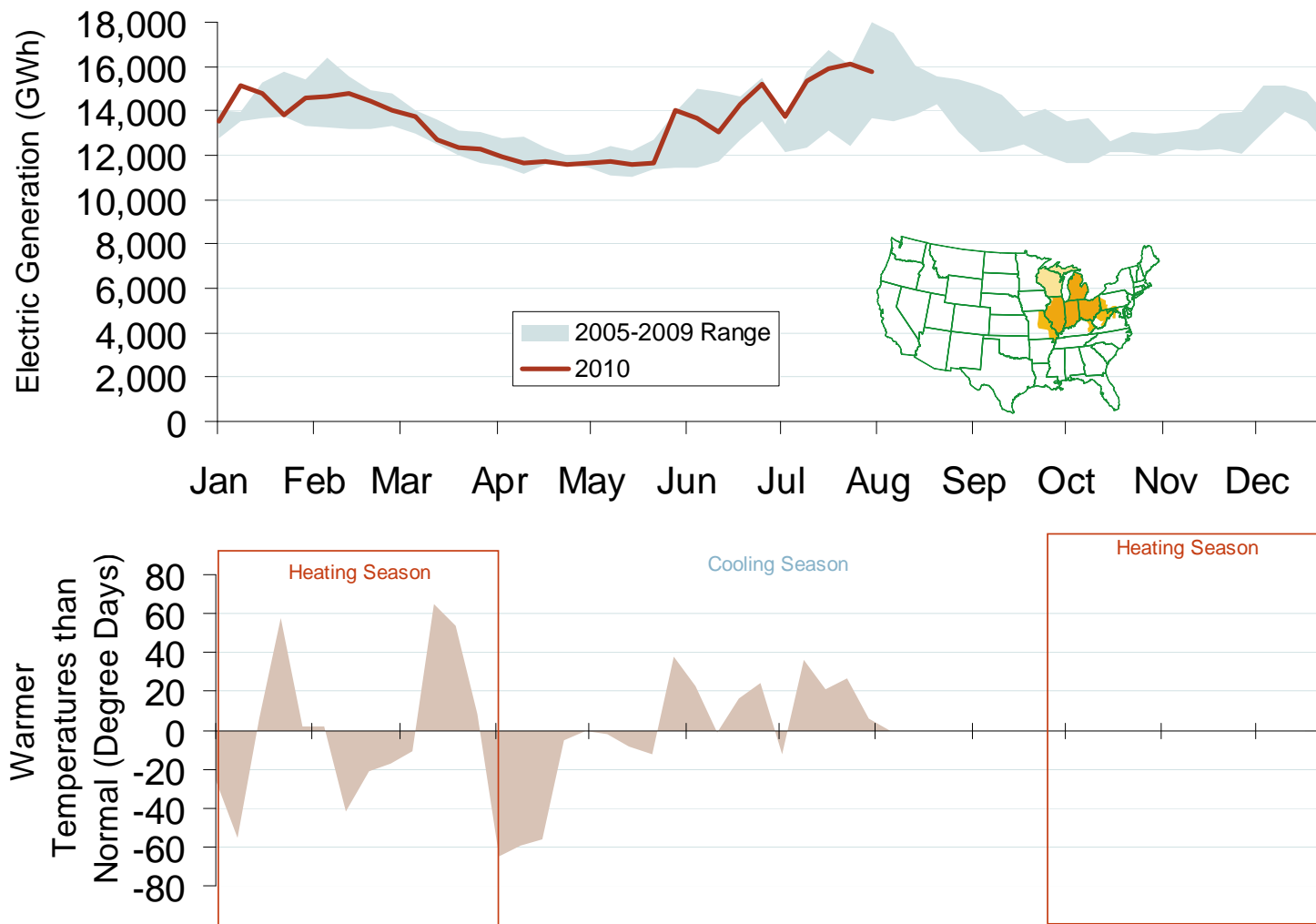
Weekly Electric Generation Output and Temperatures Mid Atlantic Region



Source: Derived from *EI* and NOAA data.

Updated August 6, 2010

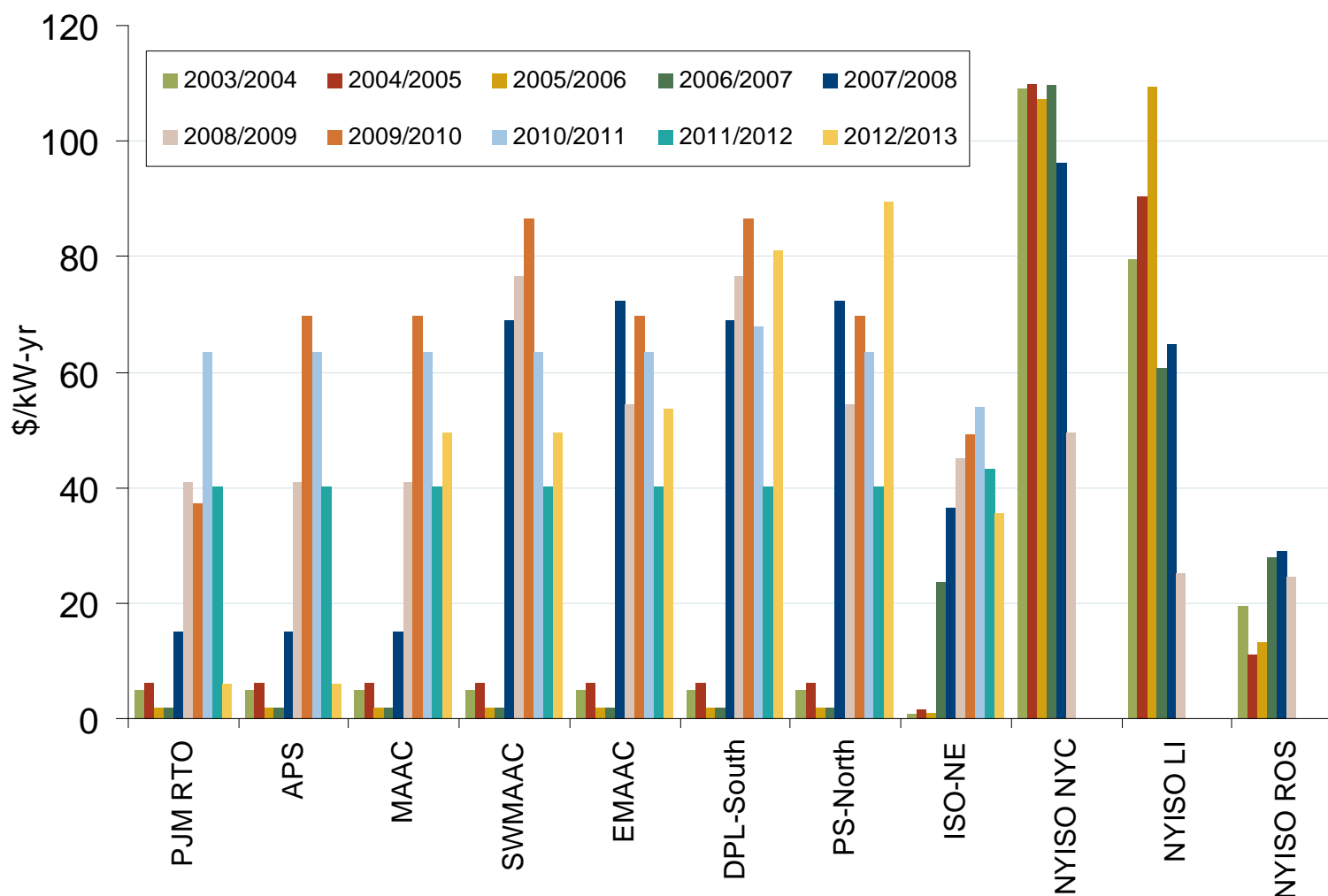
Weekly Electric Generation Output and Temperatures Central Industrial Region



Source: Derived from EEI and NOAA data.

Updated August 6, 2010

PJM, NYISO and ISO-NE Capacity Prices



Note: PJM RPM values are for Base Residual Auctions only.

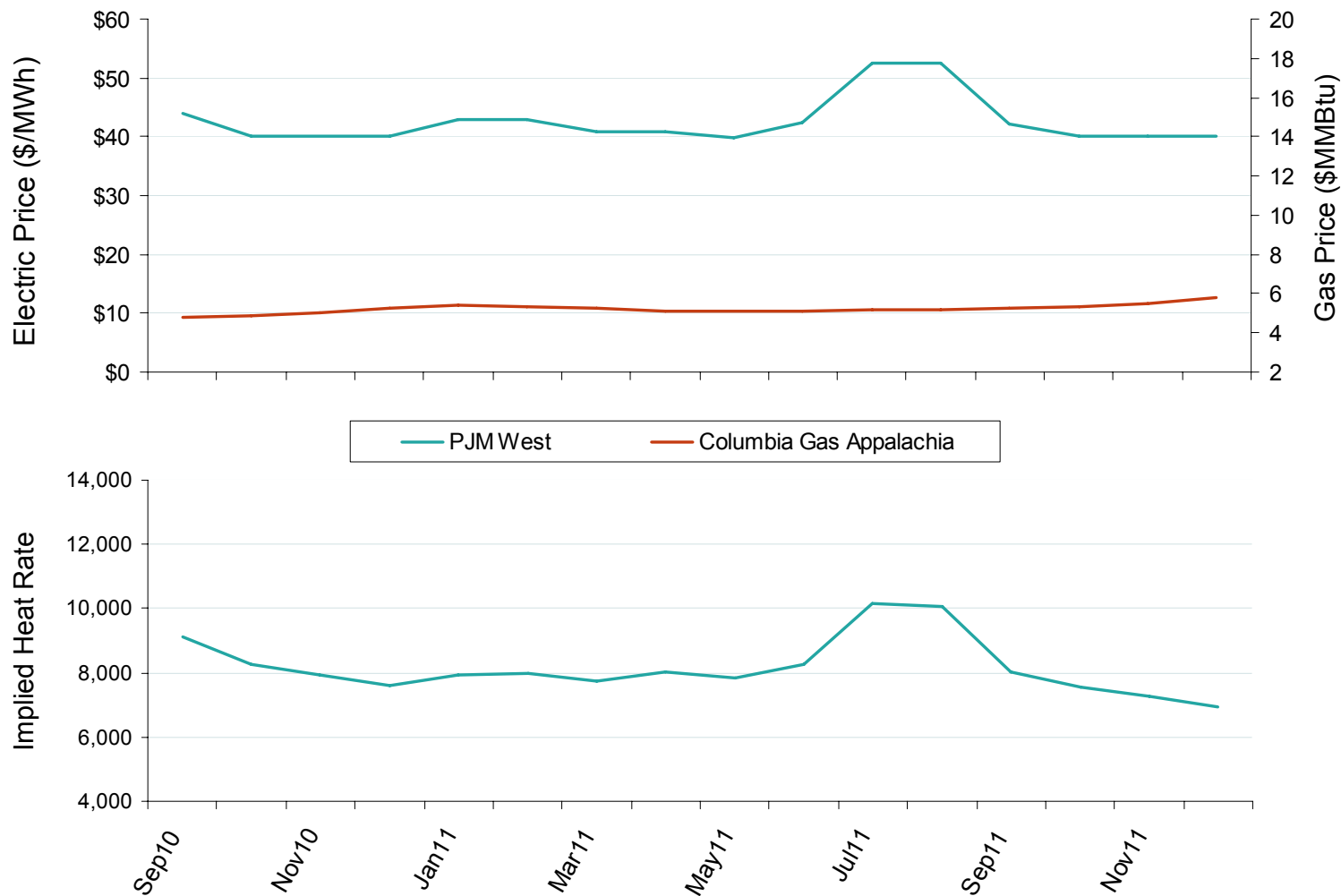
ISO-NE FCM results are based on preliminary FCM auction before pro-rationing and EAS adjustment.

Source: Derived from PJM, NYISO and ISO-NE data

Updated October 7, 2009

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PJM West Electric Forward Price Curves and Implied Heat Rates

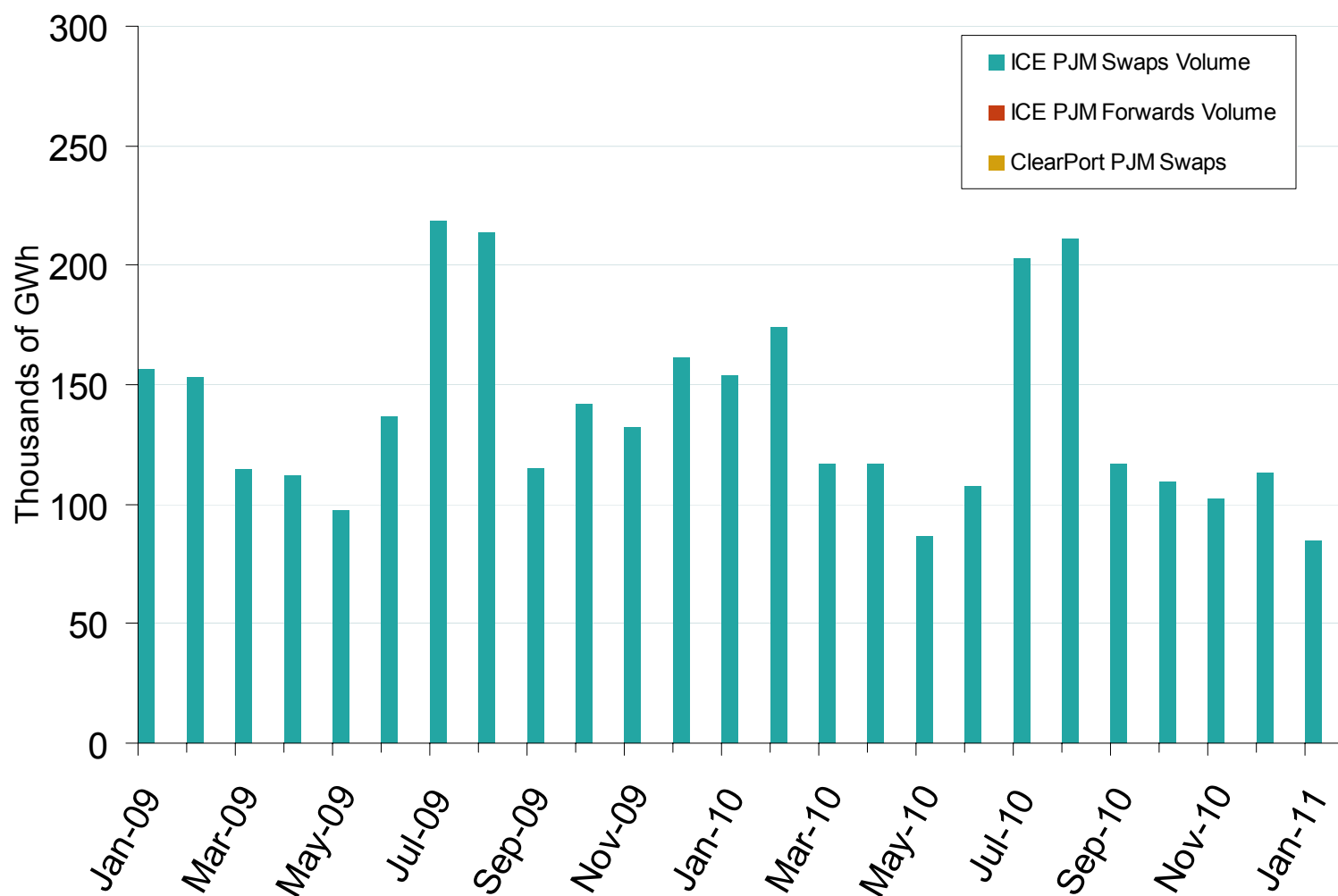


Source: Derived from Nymex data.

Updated August 6, 2010

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PJM Western Hub Forward and Swap Volumes



Source: Derived from ICE and Nymex ClearPort data. ICE on-peak forward (physical) and swap (financial) volumes are for PJM's Western Hub and include monthly, dual monthly, quarterly, and calendar year contracts traded for each month. Nymex ClearPort on-peak swap (financial) volumes are for PJM's Western Hub traded by month.

Updated August 6, 2010

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