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With an unprecedented amount of electric generation retiring within the next three years, PJM Interconnection's capacity market secured record amounts of new generation, demand resources and energy efficiency to keep the grid reliable. PJM announced the results of its capacity market, the annual Reliability Pricing Model (RPM) auction, for resources to meet power supply needs between June 1, 2015, and May 31, 2016. The RPM auction procured a record amount of new generation in one year, 4,900 megawatts (MW). In addition, capacity imported from west of PJM increased about 8 percent from last year to 4,335 MW.

The RPM establishes contracts with power producers who commit to make their facilities available to provide electricity for the PJM system for a year. Prices are established through competitive bidding. PJM's auction also includes demand response and energy efficiency providers.

This year, the auction procured 164,561 MW of capacity resources at a base price of \$136 per MW. A megawatt is enough electricity to power 800 to 1,000 homes. PJM's all-time peak demand is 158,448 MW. Prices were higher in northern Ohio and the Mid-Atlantic region. "PJM is effectively, efficiently and reliably handling a massive shift in generation from coal to natural gas," said Andy Ott, PJM senior vice president - Markets. Ott added, "Nevertheless, much work needs to be done, including transmission upgrades required by plant retirements in order to deliver power supplies to population centers."

In addition to new generation, most of it natural gas-fired, the capacity auction also procured 14,833 MW of demand response, a 5 percent increase over last year, and energy efficiency, a 12 percent increase. The amount of demand response was also a record for PJM, as well as for renewable generation. Solar increased to 56 MW of solar -- a 22 percent increase over last year -- and wind increased to 796 MW - a 15 percent increase.

"Capacity prices were higher than last year's because of retirements of existing coal-fired generation resulting largely from environmental regulations which go into effect in 2015," Ott said. "The retirements impacted northern Ohio to a larger extent than the rest of PJM for several reasons including inherent transmission restrictions, and the level of retirements in that area relative to the rest of PJM."

PJM Interconnection, founded in 1927, ensures the reliability of the high-voltage electric power system serving 60 million people in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia.

Electricity Pricing Areas - May 22, 2012

May

On-Peak	Per kWh
West Hub	\$0.03442
NI Hub	\$0.02899

ComEd Average Day Ahead LMP Electric Price

Time Period	Average per Kwh
May1- May 31, 2011	\$0.03954
June 1 - June 30	\$0.03851
July 1 thru July 31	\$0.05170
Aug 1 - Aug 31	\$0.04064
Sep 1 - Sep 30	\$0.03058
Oct 1- Oct31	\$0.02968
Nov 1- Nov 30	\$0.02816
Dec 1 - Dec 31	\$0.02971
Jan 1 -Jan 31	\$0.03043
Feb 1-Feb 29	\$0.02963
Mar 1 thru Mar 31	\$0.02894
April 1 - April 30	\$0.02659
May 1 thru May 21	\$0.02688

Extended Temperature Forecast: Chicago Area

	Tue	Wed	Thu	Fri	Sat
High	69	81	87	81	86
Low	52	62	71	61	71

