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CONTACT: Dan Dolan  
(202) 349-0153

## INDEPENDENT MARKET MONITOR CONTINUES TO FIND PJM MARKET'S COMPETITIVE

The PJM markets once again produced competitive results for the first half of 2009, according to an assessment of the market by the Independent Market Monitor, Monitoring Analytics, LLC. The [2009 Quarterly State of the Market Report for PJM: January through June](#) analyzed extensive market data, looking at PJM capacity, energy and regulation markets, among others, and found competitive results throughout.

- “The Market Monitoring Unit (MMU) analyzed measures of market structure, participant conduct and market performance for the first six months of 2009, including market size, concentration, residual supply index, price-cost markup, net revenue and price. The MMU concludes that the PJM Energy Market results were competitive in the first six months of 2009.” P. 3
- “The overall results support the conclusion that prices in PJM are set, on average, by marginal units operating at or close to their marginal costs. This is strong evidence of competitive behavior and competitive market performance.” P. 5
- “Total internal capacity increased 350.2 MW from 156,968.0 MW on June 1, 2008, to 157,318.2 MW on June 1, 2009. This increase was the result of 439.2 MW of new generation, 74.1 MW from generation uprates, [and] 220.6 MW from demand resource (DR) mods.” P. 93
- “In the 2010/2011, 2011/2012, and 2012/2013 auctions, new generation increased 3,271.9 MW; 651.9 MW came out of retirement and net generation deratings were 2,994.9 MW, for a total of 928.9 MW. DR and Energy Efficiency (EE) offers increased 9,409.3 MW through June 1, 2012.” P. 93
- “Reliability Pricing Model (RPM) has explicit market power mitigation rules designed to permit competitive, locational capacity prices while limiting the exercise of market power. The RPM construct is consistent with the appropriate market design objectives of permitting competitive prices to reflect local scarcity conditions while explicitly limiting market power.” P. 98
- Average hourly load declined 4.4% in the first half of 2009 when compared to calendar year 2008, falling from an average of 79,515 MWh to 75,993 MWh. P. 18
- Load weighted average prices in PJM declined 40.3% in the first half of 2009 when compared to calendar year 2008, falling from an average of \$71.13 to \$42.28. P. 22

The report can be found at [http://www.monitoringanalytics.com/reports/PJM\\_State\\_of\\_the\\_Market/2009.shtml](http://www.monitoringanalytics.com/reports/PJM_State_of_the_Market/2009.shtml)

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*EPSA is the national trade association representing competitive power suppliers, including generators and marketers. These suppliers, who account for nearly 40 percent of the installed generating capacity in the United States, provide reliable and competitively priced electricity from environmentally responsible facilities. EPSA seeks to bring the benefits of competition to all power customers.*

*For more information, go to [www.epsa.org](http://www.epsa.org).*