

# Future Electricity Market Workshop

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RFF Future Electricity Market Workshop  
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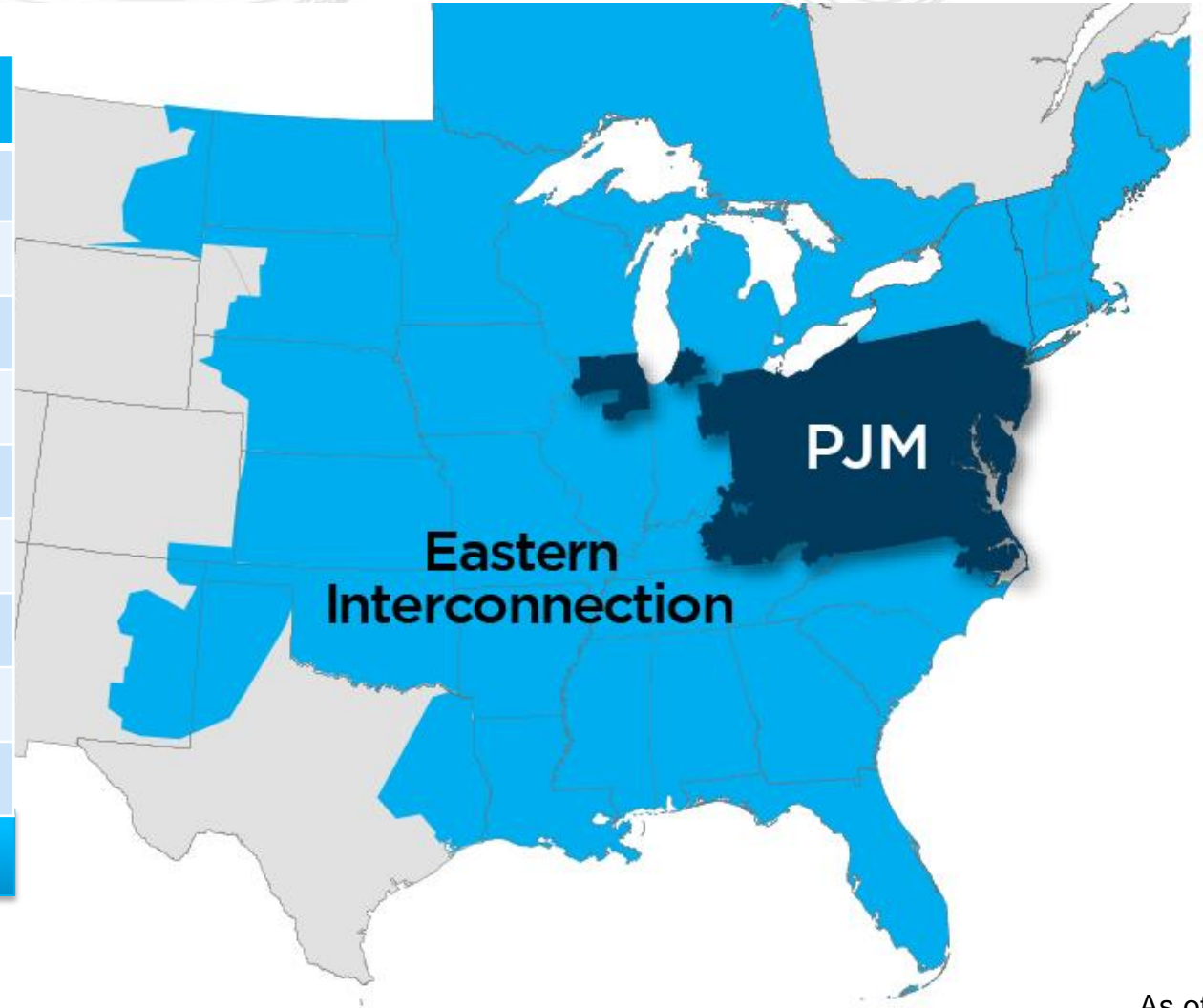


# PJM as Part of the Eastern Interconnection

## Key Statistics

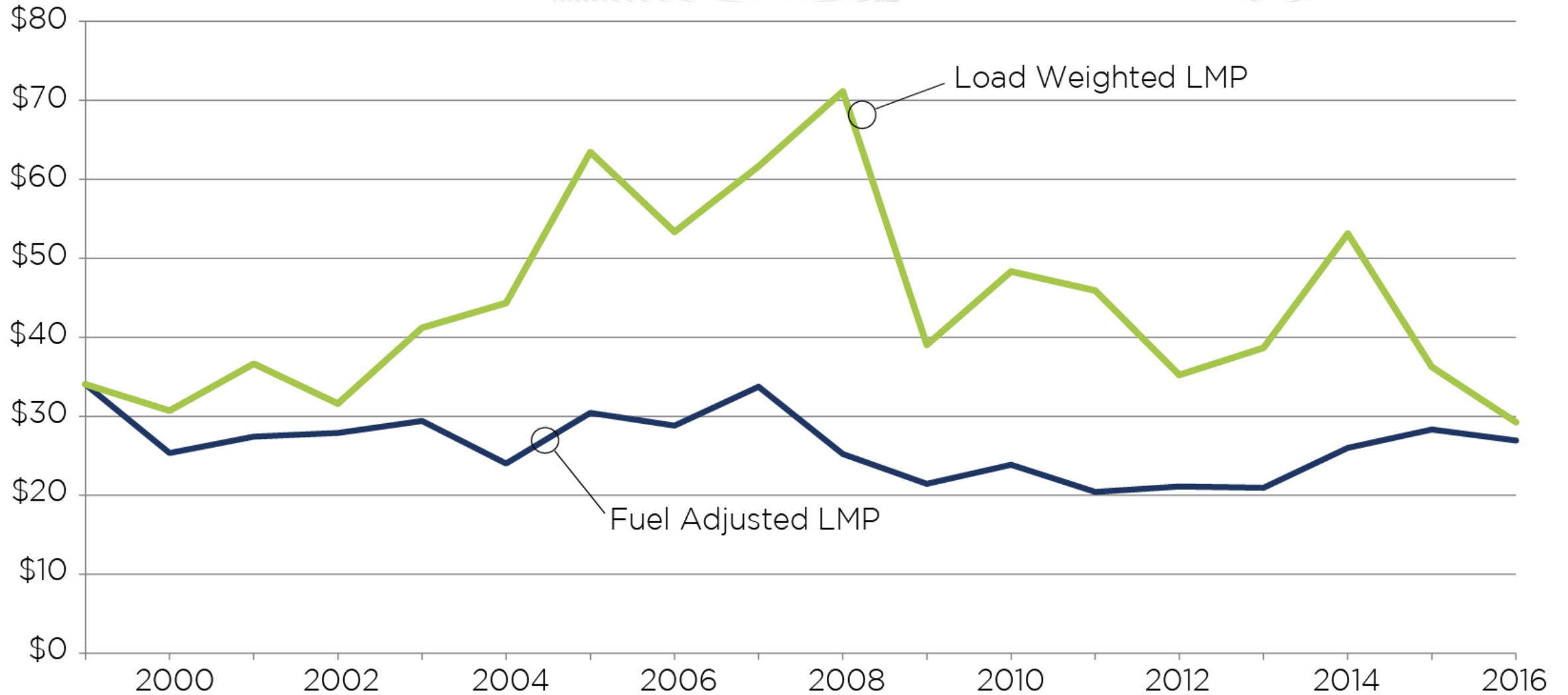
Member companies	1,000+
Millions of people served	65
Peak load in megawatts	165,492
MW of generating capacity	176,569
Miles of transmission lines	82,546
2016 GWh of annual energy	792,314
Generation sources	1,304
Square miles of territory	243,417
States served	13 + DC

**21% of U.S. GDP produced in PJM**

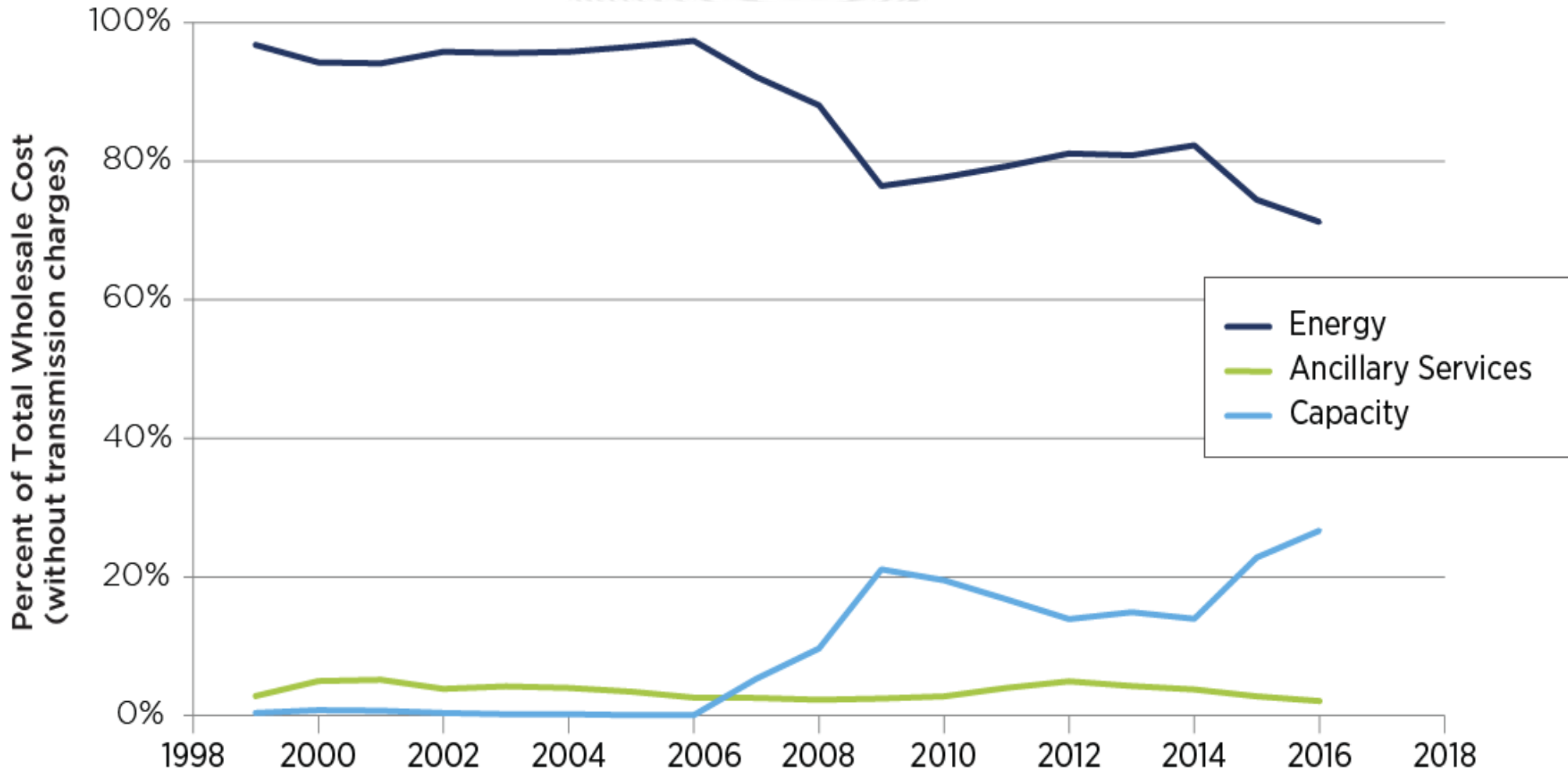


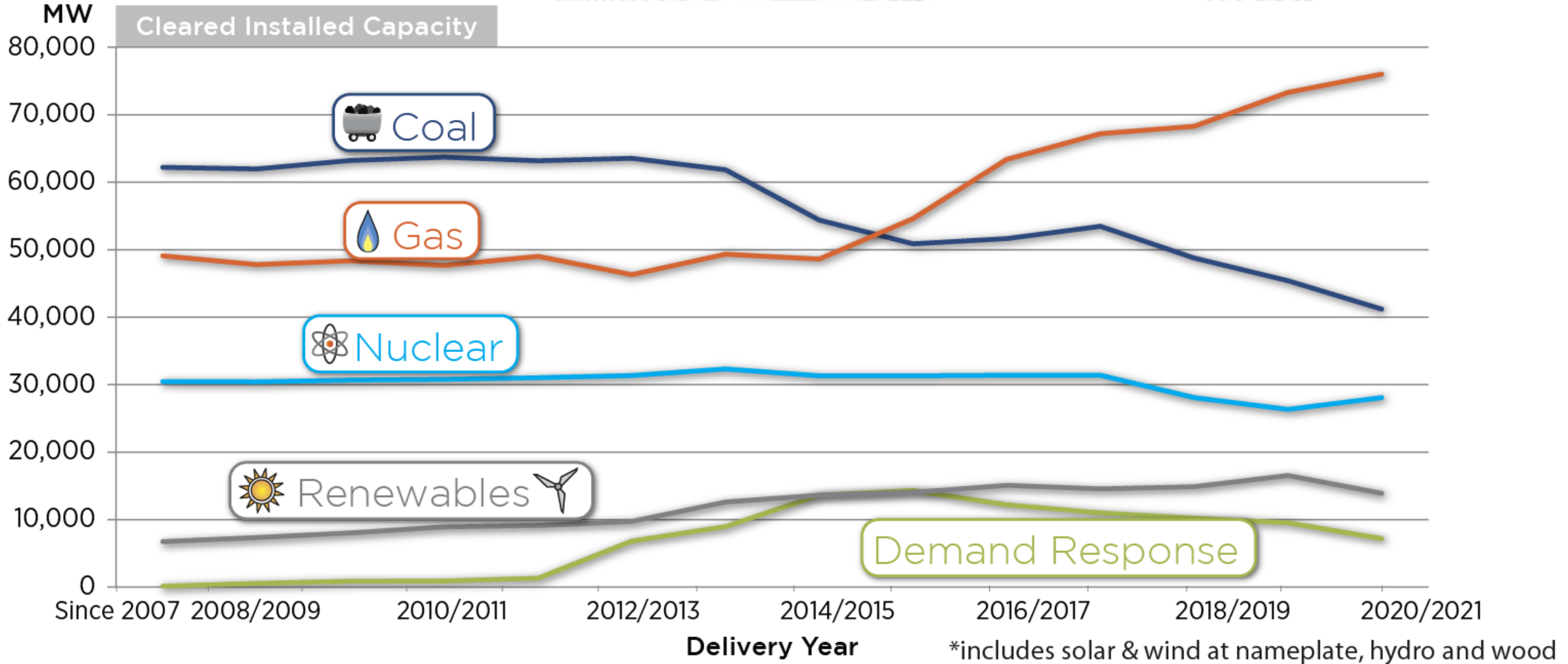
As of 2/2017

# Fuel Cost Adjusted LMP (Referenced to 1999 Fuel Prices)



# Shift from Energy and Ancillary Services to Capacity

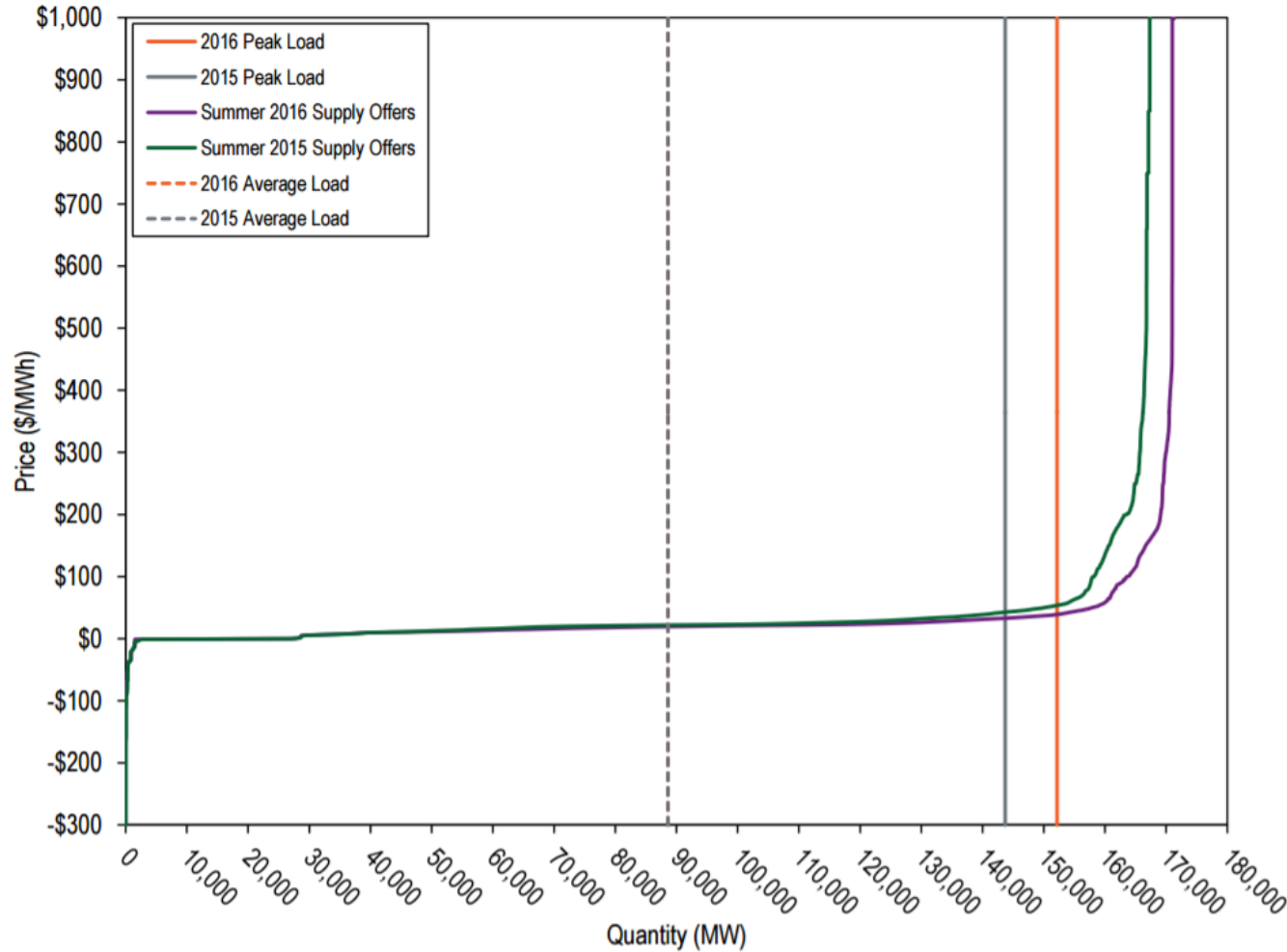






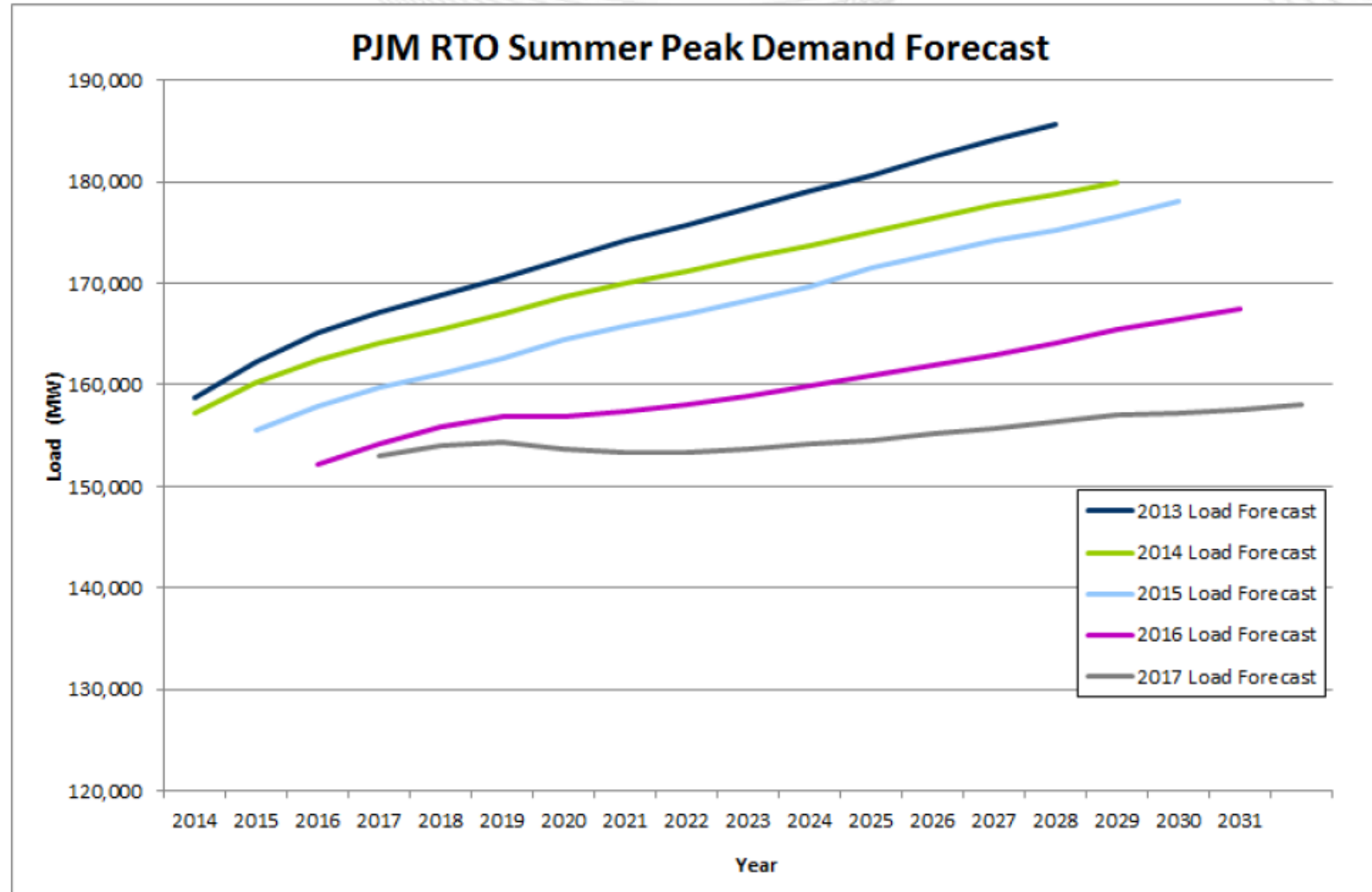
# Flattening Energy Supply Curves

Average PJM Aggregate Real-Time Generation Supply Curves in summer 2015 and 2016

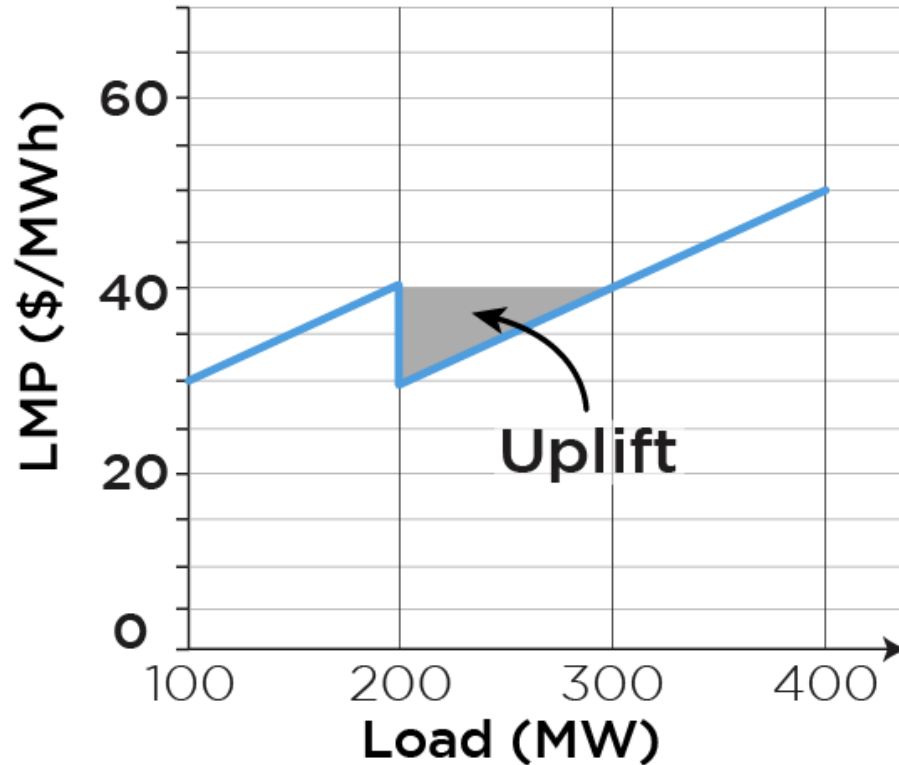


Monitoring Analytics, LLC. *PJM State of the Market Report – 2016*. Section 3 – Energy Market.

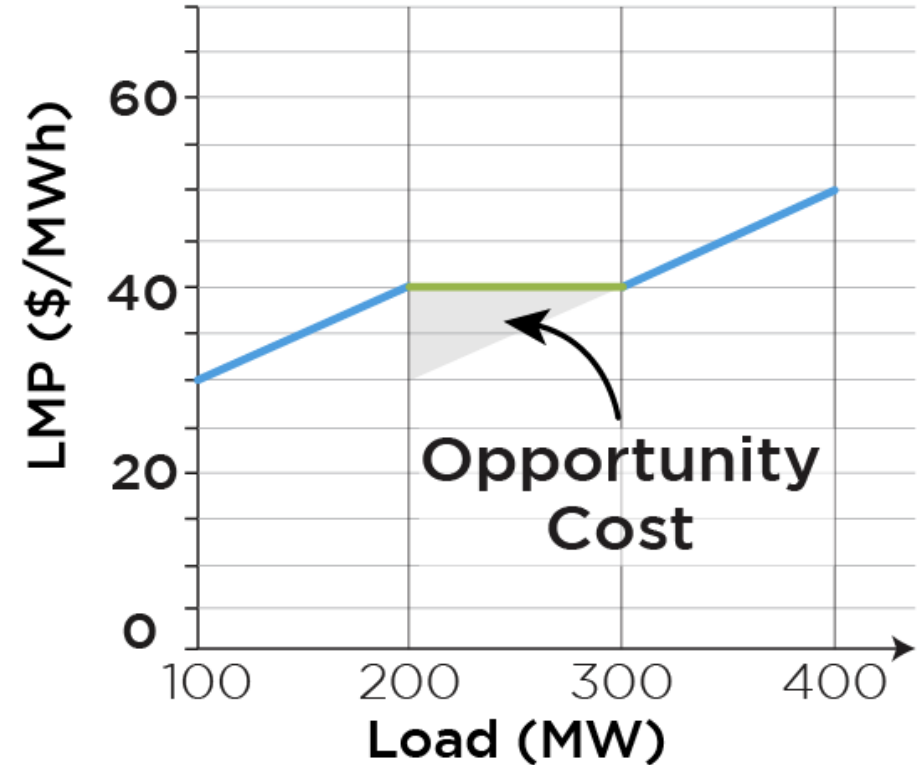




**Today: Only flexible units allowed to set price**



**Alternative: Any unit needed can set price**



**Inflexible unit offer: 100 MW @ \$40**

**Flexible unit offer: \$20 + \$0.1/MW**



