BRA Smooth Supply Curve

Problem / Opportunity Statement

PJM is required to post smooth supply curves for each Base Residual Auction (BRA) as outlined in the OATT Attachment DD section 5.11(e). The current Tariff language is unclear that PJM should only publish smooth supply curves after each BRA.

Attachment DD section 5.11(e):

> After conducting the Reliability Pricing Model Auctions, PJM will post the results of each auction as soon thereafter as possible, including any adjustments to PJM Region or LDA Reliability Requirements to reflect Price Responsive Demand with a PRD Reservation Price equal to or less than the applicable Base Residual Auction clearing price. The posted results shall include graphical supply curves that are (a) provided for the entire PJM Region, (b) provided for any Locational Deliverability Area for which there are four (4) or more suppliers, and (c) developed using a formulaic approach to smooth the curves using a statistical technique that fits a smooth curve to the underlying supply curve data while ensuring that the point of intersection between supply and demand curves is at the market clearing price.

- The initial filing that added this Tariff language only discussed posting smooth supply curves for BRAs, and was silent on Incremental Auction (IA) supply curves (ER11-2074-000).

- PJM is not able to publish a smooth supply curves for an IA, as there is not a set demand curve used in the IA and it may introduce the risk of containing market sensitive information.