

# Next Steps Production Cost Modeling

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Chuck Liebold  
Manager Interregional Planning, PJM

# Objectives

- Coordinate modeling databases
  - Continued improvement to be completed 2010
- IREMM analysis
  - Compare IREMM and more detailed production cost models by mid-2010
  - Complete IREMM screening analysis during 2010
- Refine modeling approach
  - Northern New Jersey – Southeast New York interface by 2010
- Conduct nodal production cost analysis for future year
  - After completing IREMM analysis

# Validation Metrics Across Production Cost Programs

- Compare metrics on zonal, monthly, on/off peak basis
- ISO/RTO-to-ISO/RTO average interchange values and seasonal patterns
- Average production cost
- Interchange LMP spreads across ISO/RTO boundaries
- Average LMPs
- Interface flow duration curves and congestion hours

# Production Cost Analysis for Future Year

- After satisfactory validation of production cost models
- Updated production cost analysis of combined systems
  - Identify congested elements
  - Identify significant price spreads
  - Extend IREMM analysis of potential inter-ISO/RTO benefits

