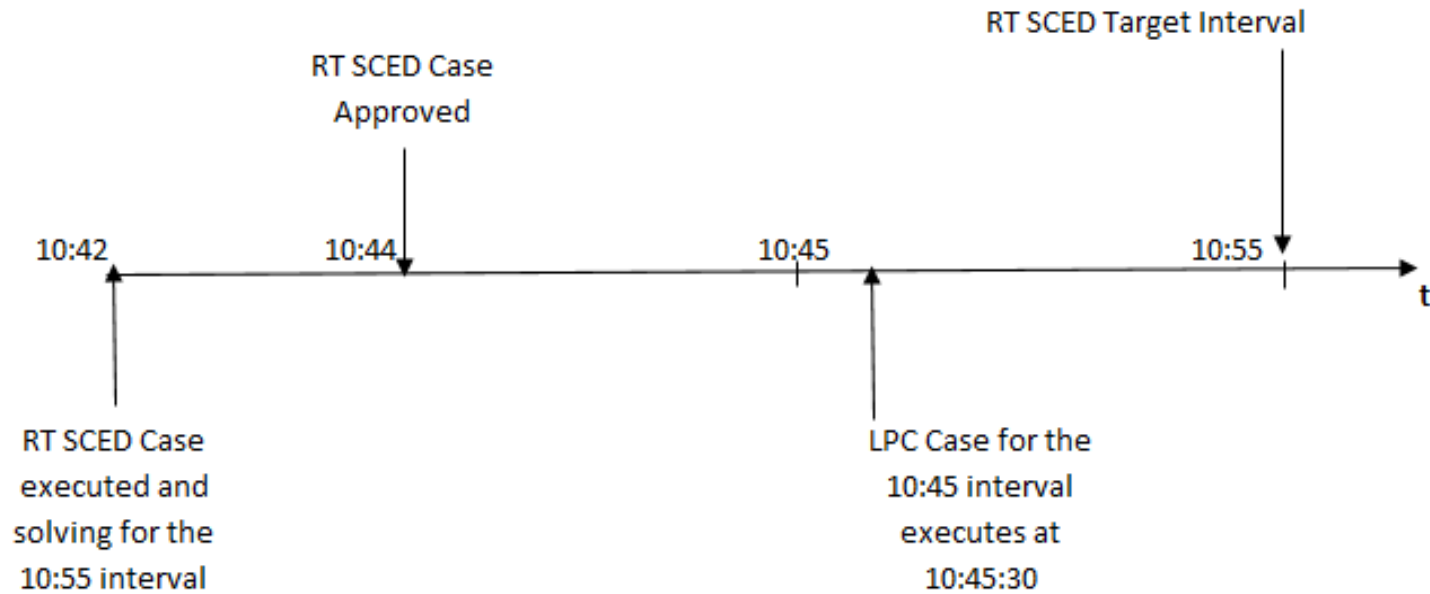




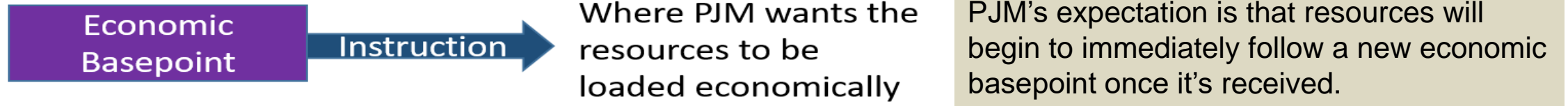
PJM Energy Pricing Methodology

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- LPC is executed every 5 minutes in real time. Kicks off 90 seconds after the target interval for the respective target interval.
 - LPC case for 10:15 interval kicks off at 10:16:30
- LPC uses the latest approved RT SCED case as its reference case.
- The target interval LPC is solving for is not aligned to the reference RT SCED case target interval



- Economic Basepoints calculated by RT SCED are communicated to each resource to direct the output level for all resources dispatched by PJM



- In order to provide resources a pricing signal which is consistent with the new economic basepoint PJM uses the latest approved RT SCED case for each LPC execution.
 - Leads generation by aligning dispatch instructions with pricing
 - Provides resources additional incentive to follow the new economic basepoint.
- This methodology has been in place since the inception of LMP in the PJM market