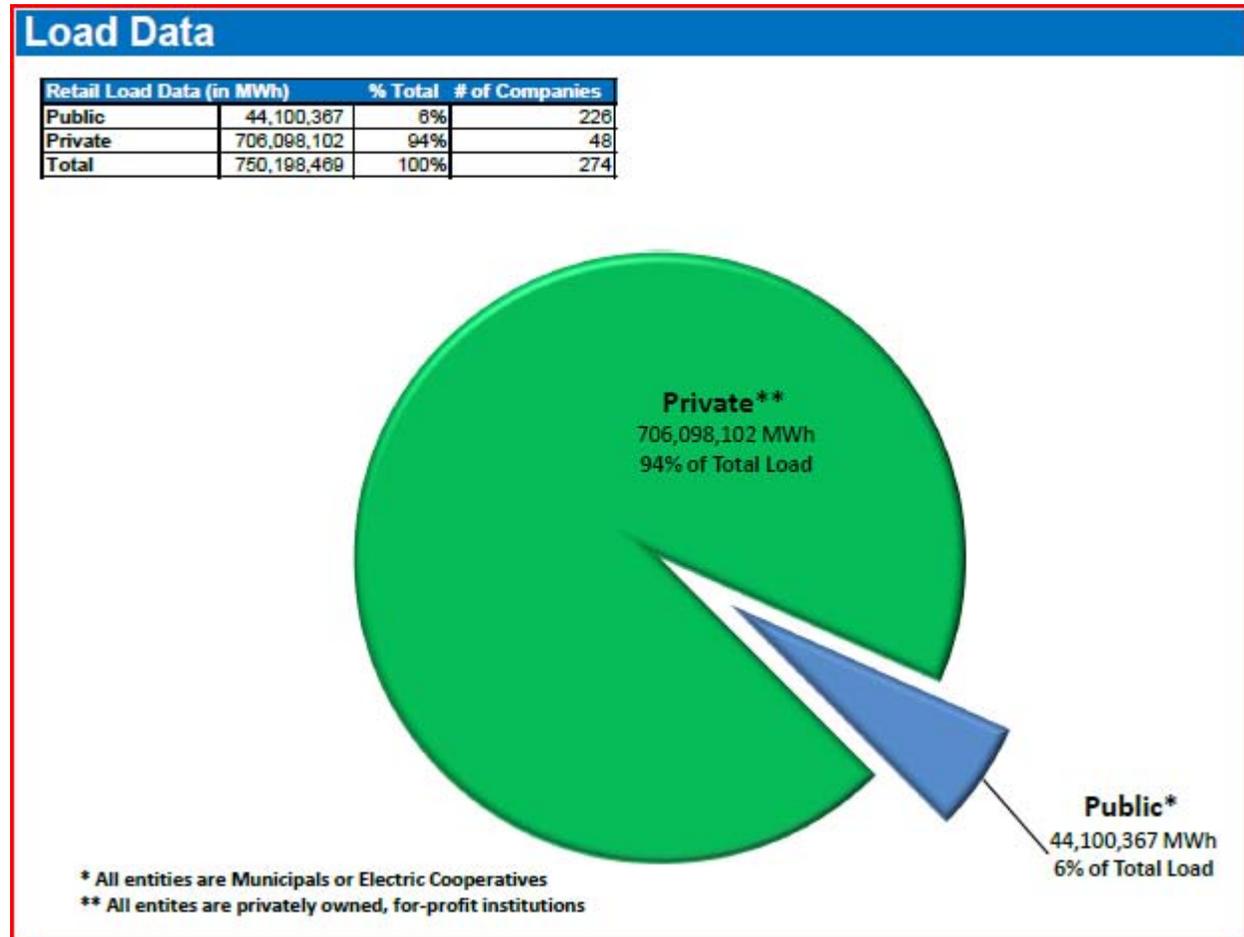


First Energy MOPR Questions Set - 1

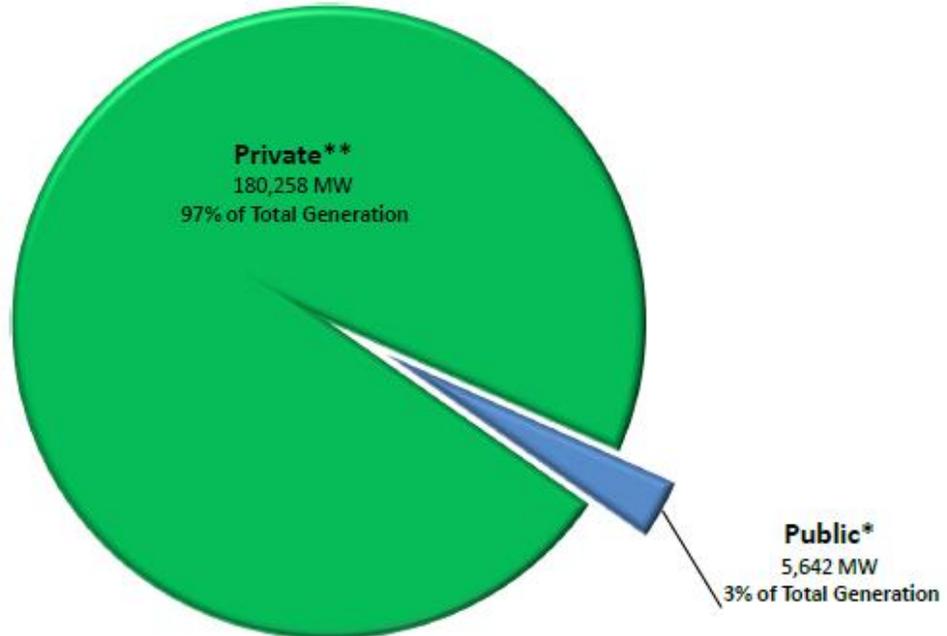
1. Please provide the total Public Power load and generation for each PJM zone.

Response: Unfortunately, providing this data by zone would reveal market sensitive data. Therefore total Public Power load and generation for the PJM footprint have been provided below. These data were taken from publically available information – the most recent publications of EIA 860 & 411 (for capacity) and EIA 861 (for load).



Capacity Data

	Generation Capacity (in MW)		# Generators
Public	5,642	3.03%	111
Private	180,258	96.97%	1894
Total	185,900	100.00%	2005



* All entities are Municipals or Electric Cooperatives
** All entities are privately owned, for-profit institutions

2. Please explain why there are different regional values for the Multi-state Public Power Entity Self-supply exemptions (e.g., 1,000 MW in EMAAC, MAAC and SWMAAC vs. 1,800 MW in RTO) and please provide detailed data support for the particular levels chosen.

Response: This response has been provided by the proponents of Package #1.

For the Multi-state Public Power Entities (as well as other Self-Supply LSEs), the numerical net short limits apply to tariff-established static VRR regions. The net short limits are intended to be large enough to provide the various Self-Supply LSEs sufficient flexibility to operate within consistent with their traditional business models. At the same time, the net short limits are small enough to set a reasonable bound relative to market size, limiting incentives to exercise buyer side market power. The net short limits, in conjunction with other provisions in the proposal, reflect a negotiated balance between providing Self-Supply LSEs flexibility to construct needed resources, and minimizing the resulting impacts such investments will have on competitive markets.

The distinction between multistate and single state public power classes is a reflection of the peak load of the class participants. The Multi-State Public Power Entities have peak loads ranging from approximately 2,500 – 3,500 MW. In contrast, the single state Public Power Entities have a greater diversity, ranging from very small municipalities with peak loads of less than 20 MW to cooperative utilities with peak loads of approximately 2,500 MW.

As shown in the table below, the net short limits are small relative to the market. Additionally, the net short limits as a percentage of market area decline for the LDAs relative to the much larger RTO. A Public Power Entity serving sufficient load in multiple states can have a net short position of up to about 1.1% of the RTO market after the addition of the new resource.

PJM 2015-16 BRA Planning Period Parameters	RTO	MAAC	EMAAC	SWMAAC
Reliability Requirement adjusted for FRR	162,777	71,623	39,370	17,238
Multi-state Public Power Entity* Net Short (MW, UCAP)	1,800	1,000	1,000	1,000
Net Short Percent of LDA	1.1%	1.4%	2.5%	5.8%

*A Multi-state Public Power Entity shall not have more than 90% of its total load in any one state.

The specific supply and demand positions for individual market participants are confidential and will not be provided.

3. Please provide an analysis that reflects what the impact would have been on the 2015/2016 Base Residual Auction clearing price in the ATSI zone if 1,800 MW had been offered into the auction at \$0.

Response: In the recently posted RPM sensitivity studies (<http://www.pjm.com/markets-and-operations/rpm/~media/markets-ops/rpm/rpm-auction-info/sensitivity-scenario-analysis-results.ashx>), two scenarios include additional supply MWs at \$0 in ATSI (+300 MW (scenario 13) and +600 MW (scenario 15)).

4. Please provide an analysis that reflects what the impact would have been on the 2015/2016 Base Residual Auction clearing price in the MAAC zone if 1,000 MW had been offered into the auction at \$0.

Response: In the recently posted RPM sensitivity studies (<http://www.pjm.com/markets-and-operations/rpm/~media/markets-ops/rpm/rpm-auction-info/sensitivity-scenario-analysis-results.ashx>), two scenarios include additional supply MWs at \$0 in MAAC (+1500 MW (scenario 17) and +3000 MW (scenario 7)).

5. Please provide an analysis that reflects what the impact would have been on the 2015/2016 Base Residual Auction clearing price in the SWMAAC zone if 1,000 MW had been offered into the auction at \$0.

Response: In the recently posted RPM sensitivity studies (<http://www.pjm.com/markets-and-operations/rpm/~media/markets-ops/rpm/rpm-auction-info/sensitivity-scenario-analysis-results.ashx>), three scenarios include additional supply MWs at \$0 in SWMAAC (+365 MW (scenario 17), +630 MW (scenario 15) and +750 MW (scenario 11)).

6. Please provide an analysis that reflects what the impact would have been on the 2015/2016 Base Residual Auction clearing price in the EMAAC zone if 1,000 MW had been offered into the auction at \$0.

Response: In the recently posted RPM sensitivity studies (<http://www.pjm.com/markets-and-operations/rpm/~media/markets-ops/rpm/rpm-auction-info/sensitivity-scenario-analysis-results.ashx>), three scenarios include additional supply MWs at \$0 in EMAAC (+820 MW (scenario 17), +1460 MW (scenario 15) and +1500 MW (scenario 9)).