

Smooth Supply Curve – Quick Fix

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Market Design

Markets & Reliability Committee

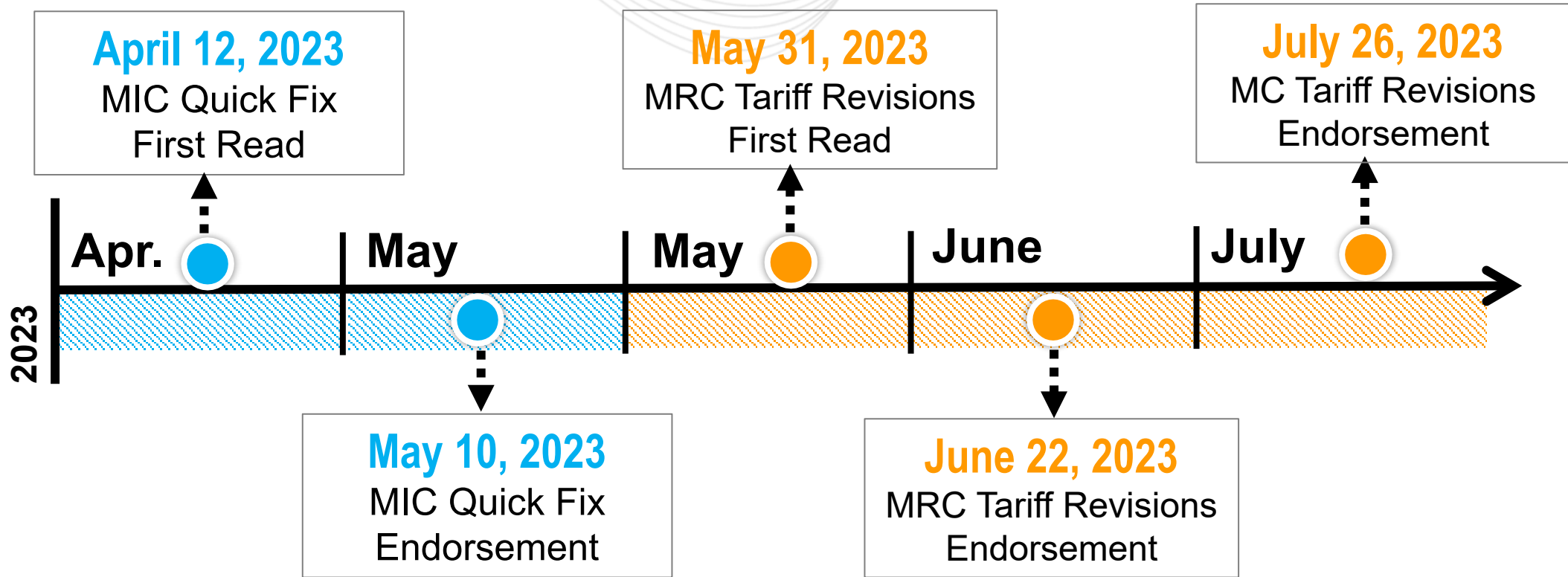
June 22, 2023

- The current rules are unclear that PJM should only publish smooth supply curves after each Base Residual Auction (BRA).
- 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 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.

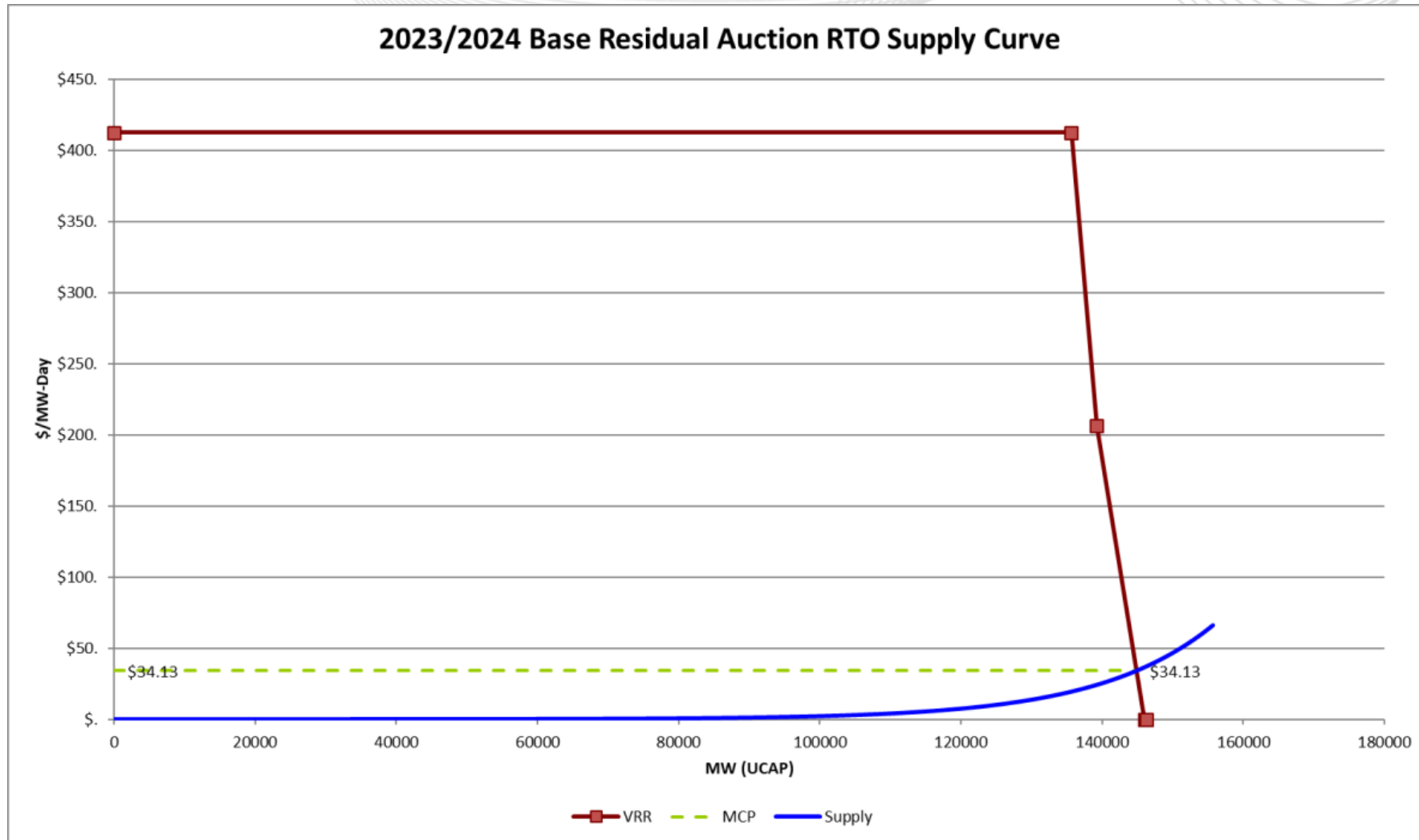
- Clarify in the rules that the smooth supply curves are only published for each BRA.
- Corresponding Tariff revisions will be taken to the MRC and MC for endorsement.

- OATT Attachment DD section 5.11(e):

“The posted results **for each Base Residual Auction** 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.”



Appendix



[2023/2024 BRA Supply Curve](#)

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