PJM Interconnection, L.L.C.
Docket Nos. EL05-148-000 and ER05-1410-000

Technical conference on PJM's proposed Reliability Pricing Model (RPM)

Day One: June 7, 2006

Introduction – *Anna Cochrane*

9:00 – 9:45	A. How should the height and slope of the downward sloping demand curve be determined? Should the curve be based on the net cost of new generation entry, or on other factors such as the value to customers of alternative levels of capacity?
9:45 – 11:00	B. If the demand curve is based on the cost of new generation entry, what is the cost of new entry? How should these costs be determined?
11:00 – 11:15	BREAK
11:15 – 12:30	C. How should expected revenues from the energy and ancillary service markets be estimated and how should they be used to adjust the height and slope of the demand curve?
12:30 – 1:30	LUNCH
1:30 – 2:45	D. What is the appropriate capacity level at which the capacity price should equal the net cost of new entry?
2:45 – 3:00	BREAK
3:00 – 4:15	E. What is the appropriate slope or slopes for various portions of the demand curve?
4:15 – 5:00	F. What is the appropriate maximum price and the appropriate capacity level at which the price of capacity should fall to zero?