

Gas-Electric Market Timeline Alignment

Problem / Opportunity Statement

On March 20, 2014, the Federal Energy Regulatory Commission (“FERC”) issued a Notice of Proposed Rulemaking (“NOPR”) (Docket No. RM14-2-000, <http://www.ferc.gov/whats-new/comm-meet/2014/032014/M-1.pdf>) to begin to address coordination challenges between the gas and electric industries. In a separate set of Orders, FERC opened 206 proceedings with each ISO/RTO in the United States (Docket No. EL14-24-000 for PJM, https://www.naesb.org/pdf4/ferc032014_order_initiating_investigation_iso_rto_scheduling.pdf) requiring them make a filing within 90 days of a Final Rule on RM14-2-000 to either,

1. propose Tariff changes to adjust the timing of their day-ahead energy market and reliability unit commitment process such that they are sufficiently advance of the Timely and Evening Nomination Cycles, or,
2. show why no tariff changes are necessary.

In its NOPR FERC proposed a set of changes to the timing of the nomination cycles and the gas day itself and requested that the gas and electric industries, through the North American Energy Standards Board (“NAESB”), discuss any changes to FERC’s proposal and file them within 180 days of the issuance of the NOPR. The additional discussion at NAESB did not result in a consensus between the industries and therefore there were no changes or amendments to FERC’s original proposal filed as a result of that process. On April 16, 2014, the NOPR is planned to be discussed at a Sunshine Act Meeting (<http://www.ferc.gov/whats-new/comm-meet/sunshine.pdf>) at FERC.

PJM believes that it is important that stakeholders discuss the Final Rule on the NOPR and have sufficient time to review options for moving the day-ahead energy market and reliability unit commitment timelines prior to PJM making its compliance filing 90 days following the Final Rule. This problem statement is intended to initiate that process in anticipation of an FERC taking action in the near future.

Issue Source

The issued originally stems from the NOPR and 206 proceeding initiated by FERC. PJM is bringing forward the problem statement and issue charge.

Stakeholder Group Assignment

Given the condensed timeframe allowed for discussion PJM is requesting this issue be discussed at the MRC itself during scheduled meetings and potentially additionally scheduled conference calls and/or WebEx meetings.

Key Work Activities

The group will be asked to propose and discuss potential timeline changes to the day-ahead energy market and reliability unit commitment processes.

Expected Deliverables

The deliverables expected of the group will be either,

1. a proposed set of timelines for the day-ahead energy market and reliability unit commitment process that are sufficiently advance of the Timely and Evening Nomination Cycles, or,
2. rationale as to why the existing timelines are compliant.

Expected Overall Duration of Work

The maximum duration for discussion will be 90 days per the deadline set forth by FERC.

Decision-Making Method

In accordance with Manual 34: PJM Stakeholder Process, Appendix I – Compliance Filing Protocol, the content of an ultimate compliance filing in this matter is the sole responsibility of PJM. However also in accordance with the protocol, a stakeholder process is being initiated to vet the issue with the objective of stakeholders and PJM coming to consensus on the content of the compliance filing. Tier 1 (consensus on a single proposal) will be the objective, with Tier 2 (multiple proposals) if Tier 1 is not achieved.

More detail available in M34; Section 6.3: Determining to pursue a new Issue & Section 6.4: Charging a new issue