



# Market Efficiency Process Enhancement Task Force Phase 3 Package C1

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Markets and Reliability Committee  
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PJM  
(C1)

52%

63% support over Status  
Quo

- Clarifies when capacity benefits are calculated
  - Follows OATT, Att. DD, Section 15 language
- Removes obsolete language from OATT, Att. DD, Section 15 that is inconsistent with Operating Agreement, Schedule 6, section 1.5.7(d)

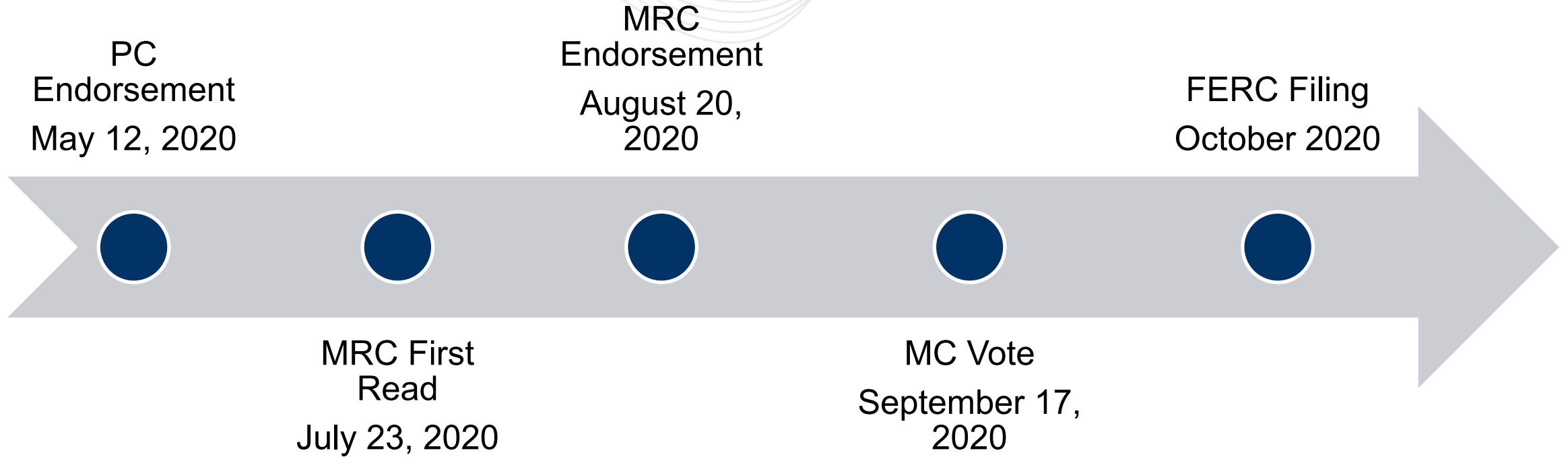
## **OA, Schedule 6, Section 1.5.7 Development of Economic-based Enhancements or Expansions**

- Add clarification language regarding when capacity benefits are calculated
  - Reliability Pricing Model constraints identified in accordance to OATT Attachment DD Section 15

## **OATT, Att. DD, Section 15**

Following each Base Residual Auction, the Office of the Interconnection shall review each LDA that has a Locational Price Adder to determine if Planned Generation Capacity Resources, Planned Demand Resources, or Qualifying Transmission Upgrades submitted Sell Offers that cleared in such auction. If a Locational Price Adder results from the clearing of an LDA for two consecutive Base Residual Auctions, and no such planned resources or upgrades clear in such auctions for such LDA, then the Office of the Interconnection shall evaluate in the RTEP process the costs and benefits of a transmission upgrade that would reduce to zero the Locational Price Adder for such LDA. ~~Such evaluation will compare the cost of the upgrade over ten years against the value of elimination of the Locational Price Adder over such period. If such upgrade is found to be feasible and beneficial, it shall be included in the RTEP as soon as practicable. The annual costs of such upgrade shall be allocated as specified in Schedule 6 of the Operating Agreement.~~

Obsolete language proposed to be deleted due to inconsistency with OA, Sched. 6, sec. 1.5.7(d)



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**Market Efficiency Process  
Enhancement Task Force**



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# Appendix

**PJM (C1)** 52%

Y – 82

N - 75

Abstain - 17

**IMM (C2)** 25%

Y – 40

N - 119

Abstain - 15

PJM (C1) preferred  
over the status quo

Y – 102

N – 61

Abstain – 5

# Window for Capacity Drivers Used for Market Efficiency Projects



Design Component	Status Quo	Proposed Change	Justification
Cycle Type	24-Month	24-Month for Energy drivers 12-Month for Capacity drivers	Address capacity driver in time for BRA delivery year
Proposal Windows Type and Duration	120-day long-term window for Energy, Capacity and multi-criteria drivers; biennial	120-day biennial window for long-term Energy drivers 60-day annual short-term window for Capacity exclusive and multi-criteria drivers, when needed	
Window Timing	January-April of odd years	Energy: January-April of odd years Capacity: Following the annual Base Residual Auction (BRA)	
Capacity Driver Criteria	Tied to Eligible Energy Congestion Drivers	Follow existing OATT Att. DD, Section 15 language	Existing procedures outline when transmission solutions are appropriate in RPM
Window Timing and Coordination Energy Drivers and Capacity Drivers	N/A	If the same congestion drivers are identified for both Energy and RPM, then the combined benefits will be evaluated during the 24-month process. Latest available ME base case used to evaluate proposals for such multi-criteria drivers.	

