

# Clean Procurement Road Map

## Key Work Activity 1

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Initial discussion, education and assessment of opportunities to **address the social cost of carbon and for procurement of clean resource attributes in PJM markets** (potentially capacity, energy and ancillary services, or a combination) shall be performed in the RASTF

**Such initial discussion, education and assessment shall occur and a decision on **initial direction determined** at the RASTF by end of **Q1 2022**.**

Depending on the outcome, the appropriate Problem Statement(s) and Issue Charge(s) shall be established through a vote at the MRC.

- KWA#1: Determine whether a forward procurement of clean resource attributes should be pursued, and investigate the inclusion of the Social Cost of Carbon in PJM markets.
  - Discuss the potential benefits and drawbacks of a forward procurement of clean resource attributes.
  - Discuss the potential benefits and drawbacks of including the Social Cost of Carbon in wholesale markets (capacity, energy and ancillary services, or some combination)
  - PJM and stakeholders present different high-level solution options for consideration and to inform discussions of market design directions and next steps.

- Determine whether a forward procurement of clean resource attributes or inclusion of the Social Cost of Carbon in PJM markets should be pursued.
- If so, decide whether the desired products are aligned with the capacity, energy and/or ancillary service markets, and determine the appropriate stakeholder venue to develop a detailed design given the high-level product determination, by the end of Q1 2022.
- A separate issue charge for the appropriate stakeholder venue will be developed for consideration by the MRC if the determination results in additional scope.

PJM can enable states to express their demand for clean resources more directly in the PJM markets through a range of approaches including:

## In the capacity market...

Procurement of **clean *energy* product** and capacity product within single integrated market

Procurement of **clean *capacity* product** within capacity market

## Outside the capacity market...

Procurement of unbundled **clean *energy* or carbon product** in separate market

Use of **social cost of carbon** to inform clearing for other PJM market products

Which approach(es) are most feasible, best reflect state & customer preferences, and represent the best opportunity for PJM to add value?

Date	Time	Agenda
<b>January 10, 2022</b>	9:00 a.m. – 4:00 p.m.	Education and Stakeholder Perspectives
<b>February 4, 2022</b>	9:00 a.m. – 4:00 p.m.	Education and PJM Perspectives
<b>February 28, 2022</b>	9:00 a.m. – 4:00 p.m.	Education and Discussion
<b>March 24, 2022</b>	9:00 a.m. – 4:00 p.m.	Initial Direction Determination

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**RASTF KWA#1 Road Map**



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