



Market Design Project Road Map

Stu Bresler
Exec. VP, Market Services & Strategy

Rebecca Carroll
Sr. Director, Market Design

Market Implementation Committee
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BACKGROUND:

As part of [Ensuring a Reliable Energy Transition](#), PJM is taking a series of steps to maintain reliability as we progress through the energy transition. PJM identified three time horizons for reliability concerns – Immediate, Near-Term, and Upcoming. PJM and stakeholders have worked some of these concerns, but more action needs to be taken.

Immediate Concern

Support Resource Performance

Near-Term Concern

Ensure Resource Adequacy

Upcoming Concern

Essential Reliability Services

The Market Design Team has produced a road map to communicate the critical market initiatives and timing of the work.



Pending PJM Implementation Initiatives

| INITIATIVE | | 2024 | 2025 | 2026 | 2027 | 2028 |
|----------------------------------|--|------|------|------|------|------|
| Pending PJM Implementation Items | Regulation Market Re-Design Phase I – New Signal and Performance Reqs. | ■ | ■ | ■ | | |
| | Regulation Market Re-Design Phase II – Regulation Up/Down Products | | ■ | ■ | ■ | |
| | Participation of DER Aggregations in Markets – FERC Order 2222 | | ■ | ■ | ■ | ■ |
| | Electric Storage Participation in Markets – FERC Order 841 | ■ | ■ | ■ | | |
| | Configuration Models (Combined Cycle, Energy Storage and Hybrids) | | ■ | ■ | ■ | ■ |
| | Schedule Selection in the Energy Market | | ■ | ■ | ■ | ■ |
| | Capacity Market Reforms To Accommodate the Energy Transition | ■ | ■ | | | |
| | Hybrids Phase III | ■ | | | | |



Capacity Market and Energy & Ancillary Services Initiatives

INITIATIVE

2024

2025

2026

2027

2028

| INITIATIVE | | 2024 | 2025 | 2026 | 2027 | 2028 |
|-----------------------------|---|------|------|------|------|------|
| Capacity Market | “Phase 2” Capacity Market Reforms | █ | █ | █ | █ | █ |
| | Refile Components of FERC Docket No. ER24-98 | █ | █ | | | |
| | Update of CONE Financial Parameters | █ | █ | | | |
| | DR Performance Window & Accreditation | █ | █ | | | |
| | Evaluation of Energy Efficiency Resources | █ | █ | | | |
| | Quadrennial Review of the VRR Curve Parameters | | █ | █ | | |
| Energy & Ancillary Services | Reserve Performance/Reserve Procurement Under Operational Uncertainty | █ | | | | |
| | Reserve Deployment Costs/Fuel Procurement Incentives | █ | █ | █ | █ | |
| | Energy & Ancillary Service Market Incentives for an Evolving Generation Fleet | █ | █ | █ | █ | █ |
| | Additional Essential Reliability Service Products | | | | █ | █ |
| | Load Flexibility | █ | | | | |
| | Interchange Optimization | | █ | █ | | |

| 1 | 2 | 3 |
|---|--|---|
| <ul style="list-style-type: none">• The Market Design Project Road Map outlines the key market initiatives and the expected timelines for the projects necessary to remain responsive to the energy transition. | <ul style="list-style-type: none">• The Market Design Project Road Map document provides more information on each of the issues, the anticipated deliverables and a more detailed timeline for the effort. | <ul style="list-style-type: none">• The Market Design Project Road Map is a living document and will be updated as new initiatives materialize and existing initiatives conclude. |

Facilitator:
Foluso Afelumo,
Foluso.Afelumo@pjm.com

Secretary:
Amanda Martin,
Amanda.Martin@pjm.com

SME/Presenter:
Rebecca Carroll,
Rebecca.Carroll@pjm.com



Member Hotline

(610) 666 – 8980

(866) 400 – 8980

custsvc@pjm.com

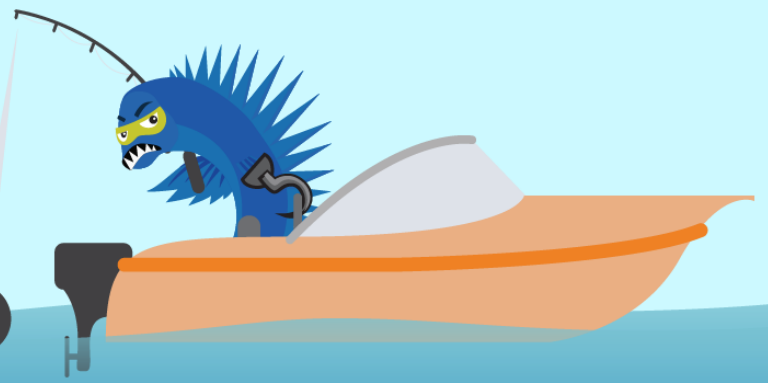
Market Design Project Road Map

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