

Market Efficiency Process Enhancement Task Force

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Planning Committee

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Market Efficiency Process Enhancement Background

- Market Efficiency Process Enhancement approved in January 2018
 - Address challenges and opportunities for improvements to the Market Efficiency process since implementing Order 1000 processes in two phases
- Phase 1 key discussion areas:
 - Benefits-to-Cost Calculation (Energy & Capacity)
 - Regional Targeted Market Efficiency Projects
 - Modeling of Facility Service Agreement (FSA) Generators
 - Market Efficiency Reevaluation Process



- Poll responses are non-binding and intended to solicit feedback on potential support for key design components (open 5/21-5/25)
- 10 individuals representing 71 companies and affiliates participated
- Further areas for discussion:
 - Benefits calculation: simulation year(s) & post-simulation calculation
 - Capacity projects: consider procurement-style approach
 - FSA modeling: further clarity on commercial probability
 - Reevaluation criteria: \$50 million or more capital cost to study



Continue discussions on potential modifications to phase 1 items

- Provide first read of proposal(s) at the July PC
 - Solution package to implement for November 1st window
- Continue MEPETF discussions for phase two
 - Market Efficiency Mid-Cycle Assumption and Model Update
 - Market Efficiency Window



- Next meeting scheduled for June 15th
 - Discuss proposal development
- Report back to the PC July 12th
- Work plan is scheduled through the Q1 of next year