Market Efficiency Update

Transmission Expansion Advisory Committee

May 3, 2018

2016/17 Long Term Window

PPL Group Re-evaluation

- Based on the feedback received from stakeholders, PJM re-evaluated the analysis for the PPL area
  - It was identified that a significant portion of the SUSQ-HARW simulated congestion was caused by the generator Sunbury #2 (Queue: AA2-182, FSA status)

- Re-evaluation completed using the mid-cycle update of the Market Efficiency base case corrected to include the assumed network upgrade for the generator Sunbury #2 (Queue: AA2-182, FSA status)
  - At the time of mid-cycle update, the reliability study for Sunbury #2 was in-progress and specific network upgrades were not finalized and available to be included in the base case.

- No proposal passes the 1.25 threshold in the corrected base case.

Proposal Description	Company	ID	Proposal Cost	Old B/C Ratios (presented Nov 2017 TEAC)	Corrected B/C Ratios*
				Old Base Case	Corrected Base Case
Reconductor Susquehanna - Harwood 230 kV	PPL	2A	13.13	1.74	0.83
New Siegfried 500/230 kV transformer	PPL	2C	18.32	0.83	0.46
New Harwood - Trexler Run 230 kV line	NTD	18Q	33.7	2.7	0.08

*Calculated on a base case corrected to include the reliability network upgrade required for unit Sunbury #2 (Queue: AA2-182, FSA status)

- The re-evaluation analysis confirms PJM's decision presented at the March 2018 TEAC to not recommend any proposals submitted for SUSQ-HARW congestion driver as part of the 2016/17 Long Term Window.

- The re-evaluation analysis supports PJM's proposal at the Market Efficiency Process Enhancement Task Force (MEPETF) to exclude FSA and Suspended ISA units from the Market Efficiency base case.

2018/19 RTEP Long Term Window

- Study Years
  - 2019 and 2023 to study approved RTEP projects for accelerations and modifications
  - 2019, 2023, 2026, 2029, and 2033 to study new system enhancements
- Underlying ABB input database based on March 2018 PROMOD IV Data Release
- Simulations performed using PROMOD IV v11.1.13 engine
- PJM to present at June TEAC the input assumptions for load forecast, generation expansion, demand resources, fuel/emissions price forecasts, and financial parameters.

Step	Timeline
Post Base Case Assumptions	TEAC June 2018
Build Base Case	June – July 2018
Post Preview Base Case	July 2018
Identify Congestion Drivers	August – September 2018
Post Final Base Case and Congestion Drivers	October 2018
Proposal Window	November 2018 - February 2019
Analysis of Proposed Solutions	March - November 2019
Final TEAC Review and Board Approval	November - December 2019

- Revision History
  - V1 – 4/30/2018 – Original Version Posted to PJM.com