



Market Efficiency Update

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Transmission Expansion Advisory Committee

September 1, 2020

2020/2021 Long Term Window

- Long-Term Window schedule 2020 - 2021 presented at the June TEAC
 - <https://www.pjm.com/-/media/committees-groups/committees/teac/2020/20200602/20200602-item-02-market-efficiency-update.ashx>
- Market Efficiency input assumptions presented at TEAC meetings June through August
 - Market Efficiency Input Assumptions whitepaper to be posted with the materials for the September Board meeting
- Posting schedule
 - Preliminary Market Efficiency Base Case to be posted by September 4th (XML format)
 - XML files compatible with PROMOD 11.3
 - Stakeholders feedback due September 31st
 - Preliminary Congestion Drivers to be presented at October TEAC meeting
 - Final Base Case and Congestion Drivers to be posted in December, before start of 2020/21 Long-Term Window

- Powerflow consistent with the 2020 RTEP Proposal Window 1
- Load Forecast based on PJM 2020 Load Forecast Report
- Demand Response consistent with the 2020 Load Forecast Report
- Fuel/Emissions Price Forecasts from ABB, Spring 2020 update
- Generation Expansion consistent with the machine list included in the Planning 2025 RTEP Powerflow
 - Includes existing and signed ISA level generators
- Financial parameters based on the Transmission Cost Information Center spreadsheet
 - Discount Rate: 7.37%
 - Levelized Annual Carrying Charge Rate: 11.82%

- Interregional updates:
 - Announced retirements
 - Generation expansion
 - Load forecast
- Finalize event file
 - TO feedback
 - PAT Analysis
 - M2M
- Finalize sensitivity cases

Step	Timeline
Stakeholders Feedback	September 2020
Identify Congestion Drivers	October 2020
2020 Reevaluation Analysis	September – November 2020
2020 Acceleration Analysis	November – December 2020
Post Final Base Case and Target Congestion Drivers	December 2020
Long Term Proposal Window	January 2021 - April 2021
Analysis of Proposed Solutions	May – September 2021
TEAC Reviews and Board Approval	October - December 2021

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- V1 – 8/25/2020 – Original slides posted