



# Market Efficiency Update

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Transmission Expansion Advisory Committee

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# 2022/23 Market Efficiency Cycle

- Back in January, PJM posted a preliminary ME Base Case:
  - Included the reliability upgrades from the 2022 Window 1 and 2022 Multi-Driver Window.
  - Preliminary case was posted on the [ME secure page](#).
- Assumptions updates since then
  - Generation update presented at May TEAC (cutoff date used for unit status is Jan 24, 2023).
  - Fuel forecast (Hitachi Energy Spring 2023) presented at June TEAC.
  - Currently in process of updating the preliminary ME Base Case with the following:
    - Load forecast (2023 PJM Load Forecast Report).
    - Recent generator deactivations will be modeled if reliability analysis completed and upgrades identified.
  - Updated Market Efficiency assumptions posted with the July TEAC materials.
- The case will be posted when update completed.

- The generation expansion provides a comfortable reserve margin even with the higher level of loads from the 2023 PJM Load Forecast Report.
- When using the high 2023 data center load forecast, PROMOD SCED engine has difficulty achieving a reasonable dispatch for the 2030 and 2033 simulations
  - a high number of hours have emergency energy and overloads.
- The extreme levels of PROMOD congestion are an indicator of reliability violations and prevent further evaluation of the congestion patterns.
- Preliminary congestion analysis shows Enbridge-DeKalb to TapWaterman 138 kV and Haumesser Rd to W DeKalb Tap 138 kV ComEd constraints binding independently of the Dominion data center load issue.
  - Preliminary reliability analysis shows reliability violations in the same area.

- PJM delayed the opening of the 2022/2023 Long-Term Window until the reliability violations for the 2022 Window 3 (Dominion) are addressed.
  - Schedules for the 2023 Acceleration and 2023 Reevaluation analyses may also be impacted.
- PJM will continue to monitor the progress and provide additional details to stakeholders at future TEAC meetings.
- Updates to the Market Efficiency Base Case will be posted as necessary.

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## Market Efficiency Update



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