

Regional Targeted Market Efficiency Projects

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DEC 2018

- Process within Order 1000
- Parallels MEP 18-month cycle
- Poll on remaining areas

PJM RTMEP proposal

FEB 2018

- Straightforward process
- Compliment Order 1000
- Quick fix / low cost

PJM modifies proposal to address concerns

Stakeholder concerns push topic to Phase 2

Reeducation; New Concerns

- Data Confidentiality
- 18-month cycle timing with MEPs
- Sponsorship vs. Procurement
- Current OA interpretations

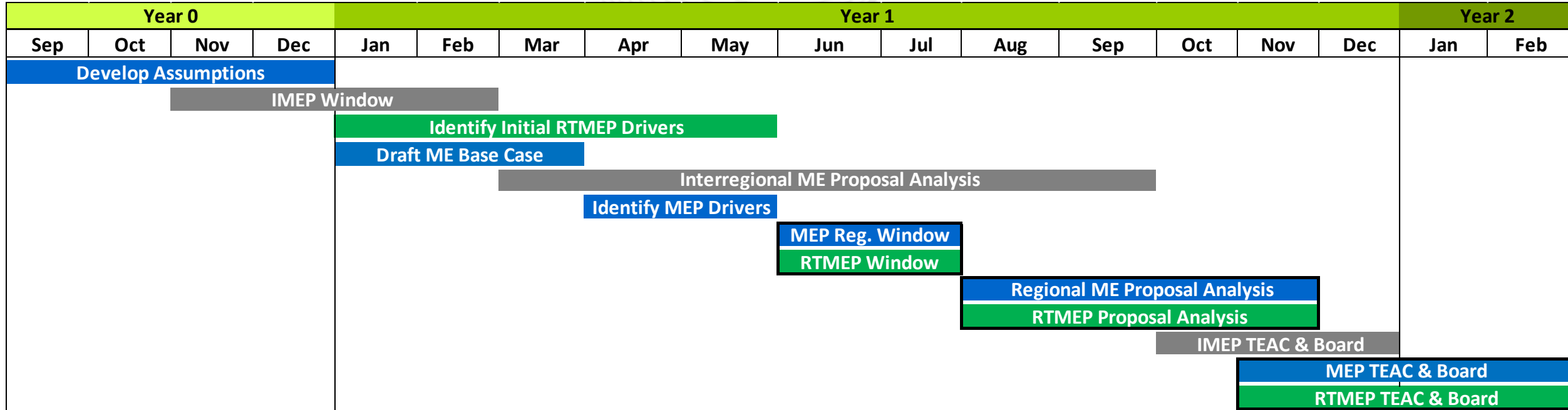
- Lack of competition
- Impacts to MEPs
- Congestion savings or Net Load Payment reductions

AUG 2018

Design Component	MEP	Regional TMEP
Benefit Metric	Net Load Payment Savings	Congestion Cost Savings
Project cost for B:C Ratio	15 years of Annual Revenue Requirement	Total Capital Cost
Project Cost Cap	N/A	\$20M
In-service Date	RTEP year or later	3 rd Summer Peak
Passing Threshold	1.25:1 NPV over 15 years	1:1 over 4 years
Qualified Congestion Driver	Simulated congestion of \$1M or more in each RTEP and RTEP+3 simulation years	Historical avg. congestion of \$1M or more in 2 previous years; Simulated congestion less than MEP threshold
Proposal Window	60 days	60 days



How MEPs, IMEPs and RTMEPs Coexist



IMEPs will follow the existing 24-month cycle. MEPs and RTMEPs will follow the proposed 18-month cycle.

MEP – Market Efficiency Project

IMEP – Interregional Market Efficiency Project

RTMEP – Regional Targeted Market Efficiency Project

- Review polling questions
- Discuss any concerns with other phase 2 topics
 - Reevaluation
 - Capacity Benefits
 - Window / Mid-cycle Update
- Review poll results / build initial proposals for January 7