

1. The market efficiency task force charter provides for an examination and solicitation of packages to improve the concepts surrounding the measure of capacity benefit within a project proposal. Current practice requires PJM to post energy and capacity drivers (if any) in advance of a solicitation of a competitive ME window. The current 1.25 B/C threshold allows for contributions by both energy and capacity benefits. However, as written, there appears to be the potential for selection of a large ME project based solely/largely on capacity benefits alone.

The task force members believe the topic should be further reviewed and proposals formed to disallow certain projects that may result as an unintended consequence (excessive cost/scale project) resulting from the current language in OA, OATT, Manuals. This may be achieved by either reevaluation of the B/C ratio or the underlying “math” that is employed in the development of the B/C ratio for projects that may be almost entirely driven by the capacity benefit(s).

The MEPETF intends to continue with this single scope item beyond the task force sunset date of March 1, 2019; therefore, what is your preferred timeline:

- a. Prefer to continue Now (e.g. February 28) with the ME capacity examination and formulation of proposed packages
  - b. Prefer to commence ME capacity examination and formulation of proposed packages upon the earlier of:
    - i. May 1, 2019 or Subsequent to issuance of a FERC Order(s) on PJM Capacity Market design AND submission to FERC of the proposed Market enhancements regarding Energy Price Formation
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2. Can you support the Exelon Capacity proposal?
    - a. Can Support
    - b. Cannot Support
    - c. Maybe able to support (Please provide comments)
  
  3. Can you support the Reevaluation component of Package A (PJM proposal)?
    - a. Can Support
    - b. Cannot Support
    - c. Maybe able to support (Please provide comments)
  
  4. Can you support the Market Efficiency Mid-Cycle Assumption and Model Update components of Package A (PJM proposal)?

- a. Can Support
  - b. Cannot Support
  - c. Maybe able to support (Please provide comments)
5. For the Completion Status portion of the Reevaluation component in the PJM proposal, would you prefer to include a percentage threshold (currently 26% of aggregate project tasks)
- a. Yes
  - b. No (Please provide comments)
- 6.