Targeted Market Efficiency Project Type
MEPETF Phase 3

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Market Efficiency Process Enhancement Task Force
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History

- Exists in interregional space
- Discussed regional implementation in MEPETF phase 1 & 2
  - Phase 1: general support for concept but no agreement on details
  - Phase 2: no substantial progress toward consensus
- Stakeholders voted to continue discussions in Phase 3
• Small, low cost, short lead time projects
• Target persistent historical congestion issues
• Criteria under consideration
  – Address persistent historical congestion, which is not due to planned outages and/or is not addressed by any planned upgrades or ISA generators
  – Capital cost less than $20M
  – To be in service by third summer season
  – Total capital cost is covered by four years of benefits
  – Benefits are calculated based on the average of past 2 years of historical congestion (Day Ahead + Balancing), adjusted for outage impacts
Advantages

- Identifies high-impact, low cost solutions
- Puts solutions in the ground, bringing benefits to customers, faster than the MEP process
- Addresses congestion issues that otherwise may go unresolved
Stakeholder Concerns

- Model availability to reproduce results
  - Models which use market sensitive data can’t be shared
- Proposal window
  - Timing of window (existing ME window, acceleration analysis, reevaluation, etc.) and interaction with MEP process
- Benefit metric disparity between TMEP and MEPs
  - Non-linear correlation between congestion and load cost savings

*This list is not exhaustive, but represents concerns the PJM SME team believes will be most difficult to address
Next Steps

• PJM SMEs reviewed stakeholder concerns and considered alternatives
  – Addressing all concerns results in a solution very similar to the existing MEP process

• No comprehensive proposal identified which
  – Accomplishes goals of TMEP process
  – Addresses stakeholder concerns
  – Likely to earn consensus support

• Encourage alternative proposals from Task Force participants