Regional Targeted Market Efficiency Projects

Brian Chmielewski
Manager, Market Simulation
MEPETF
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How did we get here?

**PJM RTMEP proposal**

DEC 2018
- Process within Order 1000
- Parallels MEP 18-month cycle
- Poll on remaining areas

PJM modifies proposal to address concerns

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

**Stakeholder concerns push topic to Phase 2**

FEB 2018
- Straightforward process
- Compliment Order 1000
- Quick fix / low cost

AUG 2018
- Lack of competition
- Impacts to MEPs
- Congestion savings or Net Load Payment reductions

Reeducation; New Concerns

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

- Lack of competition
- Impacts to MEPs
- Congestion savings or Net Load Payment reductions
<table>
<thead>
<tr>
<th>Design Component</th>
<th>MEP</th>
<th>Regional TMEP</th>
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</thead>
<tbody>
<tr>
<td>Benefit Metric</td>
<td>Net Load Payment Savings</td>
<td>Congestion Cost Savings</td>
</tr>
<tr>
<td>Project cost for B:C Ratio</td>
<td>15 years of Annual Revenue Requirement</td>
<td>Total Capital Cost</td>
</tr>
<tr>
<td>Project Cost Cap</td>
<td>N/A</td>
<td>$20M</td>
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<tr>
<td>In-service Date</td>
<td>RTEP year or later</td>
<td>June 1 of 3(^{rd}) Summer</td>
</tr>
<tr>
<td>Passing Threshold</td>
<td>1.25:1 NPV over 15 years</td>
<td>1:1 over 4 years</td>
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<tr>
<td>Qualified Congestion Driver</td>
<td>Simulated congestion of $1M or more in each RTEP and RTEP+3 simulation years</td>
<td>Historical avg. congestion of $1M or more in 2 previous years; Simulated congestion less than MEP threshold</td>
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<tr>
<td>Proposal Window</td>
<td>60 days</td>
<td>60 days</td>
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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
Next Steps

• 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