



Market Efficiency Process Enhancement Task Force Final Proposal Report – Phase 3

October 21, 2020

Issue Creation

[Market Efficiency Process Enhancement Task Force](#)

[Problem Statement and Issue Charge](#) brought forward by PJM and approved at the January 11, 2018 Planning Committee (PC).

[Market Efficiency Process Enhancement Task Force Charter](#)

Issue Summary

PJM has conducted multiple ME cycles (2014/15 and 2016/17) since implementing Order 1000 processes. The mission of the Market Efficiency Process Enhancement Task Force is to discuss challenges and opportunities for improvements that have become evident as a result of these ME cycles.

Consensus-Based Issue Resolution Process

Number of Meetings and date range covering this topic: 9

[Non-Binding Poll Results](#)

[PC Vote Results](#)

[MRC Vote Results](#)

[Final Matrix](#)

Regional Targeted Market Efficiency Project Process

1. Recommended Proposal

AEP (A4) sponsored package looking to use historical congestion as a measure to select “quick fix” market efficiency solutions. The capital cost for the project must be less than \$20 million, and four (4) years of benefits must fully cover the capital costs of the project. The project must be in service by June 1 of the third summer season. The project is awarded to the incumbent transmission owner. The package received 56% support and was favored over the status quo by 58% at the Planning Committee. This package failed at the Markets and Reliability Committee with 1.56 in favor.

2. Alternate 1 Proposal

The PJM (A1) sponsored package is the same as the AEP sponsored package, but this package would like to use a 30-day competitive window to award the project. The package received 55% support at the Planning Committee. This package passed at the Markets and Reliability Committee with 2.63 in favor.



3. Standing Committee Results

- Category A1 (PJM): 87 Yes (55%), 72 No (45%), 15 Abstain [PASS]
- Category A2 (IMM): 19 Yes (12%), 143 No (88%), 12 Abstain [FAIL]
- Category A4 (AEP): 89 Yes (56%), 71 No (44%), 14 Abstain [PASS]
- The committee voted if A4 was preferable to the status quo. This vote passed with 97 Yes (58%), 71 No (42%), and 12 Abstain.

Benefit Calculation

1. Recommended Proposal

The FE sponsored (B4) package wanted to use weighted averages of sensitivities and in the base case, and it also wanted to use an average of Monte Carlo draws rather than the current single draw. A project based on capacity drivers is required to be in service prior to June 1 of the respective Delivery Year. At the Planning Committee, the package received 54% support and was favored by 56% over the status quo. This package failed at the Markets and Reliability Committee with 2.02 in favor.

2. Alternate 1 Proposal

The PJM sponsored (B1) package wanted to keep everything status quo with the exceptions of a project based on capacity drivers is required to be in service prior to June 1 of the respective Delivery Year, and the simulation years used for calculating benefits be changed to RPM and RTEP years. This package received 52% support at the Planning Committee. This package passed at the Markets and Reliability Committee with 3.75 in favor.



3. Standing Committee Results

- Category B1 (PJM): 82 Yes (52%), 75 No (48%), 17 Abstain [PASS]
- Category B2 (IMM): 26 Yes (16%), 135 No (84%), 13 Abstain [FAIL]
- Category B4 (First Energy): 84 Yes (54%), 73 No (46%), 17 Abstain [PASS]
- The committee voted if B4 was preferable to the status quo. This vote passed with 93 Yes (56%), 73 No (44%), 14 Abstain.

Window for Capacity Drivers

1. Recommended Proposal

The PJM sponsored (C1) package clarified when a capacity driver can be used to determine a project's eligibility. It will create a 60-day window following each Base Residual Auction (BRA). The Open Access Transmission Tariff (OATT), Attachment DD, Section 15 will define the criteria for capacity drivers. Projects with energy drivers and both energy and capacity drivers will be studied during the 120-day window that occurs between January and April of odd years. At the Planning Committee, the package received 52% support and was favored over the status quo by 63%. This package passed at the Markets and Reliability Committee with 4.3 in favor.

2. Standing Committee Results

- Category C1 (PJM): 82 Yes (52%), 75 No (48%), 17 Abstain [PASS]
- Category C2 (IMM): 40 Yes (25%), 119 No (75%), 15 Abstain [FAIL]
- The committee voted if C1 was preferable to the status quo. This vote passed with 102 Yes (63%), 61 No (37%), 5 Abstain.

Appendix I: Supplemental Documents

Committee Page: [Planning Committee](#)
Issue Tracking: [RTEP Market Efficiency Analysis](#)
FERC Docket: [ER21-162-000](#)

Appendix II: PJM Participation

Facilitator: Fran Barrett / Jack Thomas
Secretary: Jack Thomas
Advocate: Brian Chmielewski



Subject Matter Expert: Tim Horger
 Subject Matter Expert: Nick Dumitriu
 Subject Matter Expert: Alex Worcester
 PJM Legal: Pauline Foley; Mark Stanisz

Appendix III: Stakeholder Participation

Last Name	First Name	Company Name	Sector
Abdur-Rahman	Muhsin	ABB	Not Applicable
Abing	Benjamin	ITC Transco	Not Applicable
Achaab	Edward Ed	AEP Energy Partners, Inc.	Other Supplier
Adams	Darrin	East Kentucky Power Cooperative, Inc.	Transmission Owner
Ali	Shadab	PPL Electric Utilities Corp. dba PPL Utilities	Transmission Owner
Allen	William Bill	Commonwealth Edison Company	Transmission Owner
Arsalan	Qamar	Public Service Electric & Gas Company	Transmission Owner
Bainbridge	Thomas	FirstEnergy Solutions Corp.	Transmission Owner
Barrett	Fran	PJM Interconnection, LLC	Not Applicable
Benchek	Jim	American Transmission Systems, Inc.	Transmission Owner
Benson	Ed	NextEra Energy Transmission, LLC	Other Supplier
Canter	David	Appalachian Power Company	Transmission Owner
Chmielewski	Brian	PJM Interconnection, LLC	Not Applicable
Corash	Richard	PSEG Energy Resources and Trade LLC	Transmission Owner
Dadourian	John	Monitoring Analytics, LLC	Not Applicable
DeAngelis	Cameron	Public Service Electric & Gas Company	Transmission Owner
Dolan	Ryan	American Municipal Power, Inc.	Electric Distributor
Domian	Christin	Duquesne Light Company	Transmission Owner
Dugan	Chuck	East Kentucky Power Cooperative, Inc.	Transmission Owner
Dumitriu	Nicolae	PJM Interconnection, LLC	Not Applicable
Ericson	Christine	Illinois Commerce Commission	Not Applicable
Feller	John	PPL Electric Utilities Corp. dba PPL Utilities	Transmission Owner
Filomena	Guy	Customized Energy Solutions, Ltd.	Not Applicable
Foladare	Kenneth	Tangibl	Not Applicable
Foley	Pauline	PJM Interconnection, LLC	Not Applicable
Ford	Adrien	Old Dominion Electric Cooperative	Electric Distributor
Fuerst	Gary	American Transmission Systems, Inc.	Transmission Owner



Gahimer	Mike	IN Office of Utility Consumer Counselor	End User Customer
Gilani	Rehan	ConEdison Energy, Inc.	Other Supplier
Glatz	Suzanne	PJM Interconnection, LLC	Not Applicable
Gobrecht	Wade	York Planning Commission	Not Applicable
Haas	Howard	Monitoring Analytics, LLC	Not Applicable
Hastings	David	Market Interconnection LLC	Not Applicable
Heinle	Frederick	Office of the People's Counsel	End User Customer
Helms	Joseph	Rainbow Energy Marketing Corporation	Other Supplier
Herling	Steve	PJM Interconnection, LLC	Not Applicable
Hirsh	Chad	Duquesne Light Company	Transmission Owner
Hoatson	Tom	Riverside Generating, LLC	Other Supplier
Hollis	Gabriel	NextEra Energy Transmission, LLC	Other Supplier
Horger	Tim	PJM Interconnection, LLC	Not Applicable
Horning	Lynn	Customized Energy Solutions, Ltd.	Not Applicable
Horstmann	John	Dayton Power & Light Company (The)	Transmission Owner
Huang	Jame	Con Edison Co. of NY	Not Applicable
Hutt	Daniel	Public Service Electric & Gas Company	Transmission Owner
Hyzinski	Tom	GT Power Group	Not Applicable
Jens	Tom	Black Oak Capital, LLC	Other Supplier
Jha	Monica	PCI	Not Applicable
Johnson	Carl	Customized Energy Solutions, Ltd.*	Not Applicable
Laios	Takis	Appalachian Power Company	Transmission Owner
LaVista	Bill William	PSEG Energy Resources and Trade, LLC	Transmission Owner
Lawson	Ryen	Dominion Virginia Power	Not Applicable
Loresch	Jonathan	American Transmission Systems, Inc.	Transmission Owner
Lyakhovich	Leonid	Public Service Electric & Gas Company	Transmission Owner
Mariam	Yohannes	Office of the Peoples Counsel for the District of Columbia	End User Customer
Mauroschadt	Erich	PJM Interconnection, LLC	Not Applicable
McGlynn	Paul	PJM Interconnection, LLC	Not Applicable
Mirhosseini	Niloufar	PJM Interconnection, LLC	Not Applicable
Nekolny	Christopher	Exelon Generation Co., LLC	Generation Owner
Ondayko	Brock	Appalachian Power Company	Transmission Owner
Ovando	Pablo	The Federal Energy Regulatory Commission	Not Applicable
Rumsey	Amanda	PPL Electric Utilities Corp. dba PPL Utilities	Transmission Owner



Sasser	Jonathan	Customized Energy Solutions, Ltd.*	Not Applicable
Scarpignato	David	Calpine Energy Services, L.P.	Generation Owner
Seiler	Ken	PJM Interconnection, LLC	Not Applicable
Segner	Sharon	LS Power Transmission, LLC	Not Applicable
Shah	Pulin	PECO Energy Company	Transmission Owner
Shegarfi	Roozbeh	Exelon Energy Company	Transmission Owner
Shoemaker	Jason	PJM Interconnection, LLC	Not Applicable
Sims	Mark	PJM Interconnection, LLC	Not Applicable
Sock	Bryan	PSEG Energy Resources and Trade LLC	Transmission Owner
Squibb	Bill	Ohio Valley Electric	Generation Owner
Stanisz	Mark	PJM Interconnection, LLC	Not Applicable
Steinkuhl	Steve	Duke Energy Business Services LLC	Transmission Owner
Stern	Alexander	Public Service Electric & Gas Company	Transmission Owner
Sun	Haiban	Exelon Corp	Transmission Owner
Sweeney	Rory	GT Power Group	Not Applicable
Taylor	Robert	Exelon Business Services Company, LLC	Transmission Owner
Taylor	Miles	Northern Indiana Public Service Company	Other Supplier
Tekle	Zelalem	Baltimore Gas and Electric Company	Transmission Owner
Thomas	Jack	PJM Interconnection, LLC	Not Applicable
Thundiyl	Kevin	Exelon Energy Company	Transmission Owner
Von Pinho	Frederico	NextEra Energy Transmission, LLC	Other Supplier
Wang	Yang	NiSource Inc.	Not Applicable
Weber	Adam	Union Electric Company d/b/a Ameren Missouri	Other Supplier
Westendorf	Alex	Commonwealth Edison Company	Transmission Owner
Whitehead	Jeffrey	GT Power Group	Not Applicable
Wicks	Tonja	Duquesne Light Company	Transmission Owner
Wisersky	Megan	Madison Gas & Electric Company	Other Supplier
Worcester	Alex	PJM Interconnection, LLC	Not Applicable
York	Amy	McNees Wallace & Nurick	Not Applicable
Zhang	Li Frank	Dominion Virginia Power	Not Applicable
Zweig	James	American Transmission Company, LLC	Transmission Owner