

Mission

The Markets and Reliability Committee (MRC) approved the creation of the Generator Offer Flexibility Senior Task Force (GOFSTF) on April 23, 2015 to investigate process and rule changes necessary to allow Day-ahead and Real-time market offers for physical resources to vary hour by hour.

Issue Charge

Group Objectives

The Generator Offer Flexibility Senior Task Force stakeholder group will conduct the following key work activities and produce the stated deliverables as described in the Issue Charge:

1. Identify potential benefits and concerns associated with changing PJM energy market rules and processes to allow for hourly-differentiated price offers by generating units, energy storage systems or price-based demand side response.
2. Investigate implementation of hourly unit offer policies and processes in other RTO markets
 - a. Rules for submitting and updating offers
 - b. Rules for RTO and IMM review of submitted offers and updates, including but not limited to index prices, appropriate notice to system operators and unit-specific offer thresholds
 - c. Consideration of measures to mitigate potential price and uplift manipulation or price-based withholding
3. Discuss broadly stakeholder questions and concerns associated with the proposed market design change
4. Work with PJM staff to develop proposals that balance market benefits with implementation costs
5. Propose process and market rule changes for PJM, if appropriate

Expected Deliverables

1. Report on benefits and issues associated with enhancing PJM energy market rules to allow generating units, energy storage systems and DSR to submit offer prices on an hour by hour basis for both Day-ahead and Real-time markets
2. Recommendation of proposed process and market rule changes, if appropriate

Expected Duration of Work

The group assigned by the MRC to perform this investigation should plan its activities so that it can report initial findings and recommendations to the MRC by September 2015. Implementation of enhanced policies and processes by December 1, 2015 would be preferred. However, PJM may require more time for IT changes needed to implement some facets of any endorsed solution.

Administrative

1. The group will report to the Markets and Reliability Committee.
2. The group will be facilitated by:
 - Richard Brown, Facilitator
 - Brian Chmielewski, Secretary
3. All PJM Stakeholders may appoint representatives to the task force.
4. The group will conduct its activities in accordance with the protocols found in the PJM Stakeholder Process Manual (M-34)
5. The group will accomplish the scope of work identified above and only the work above. Approval from the parent Standing Committee sought before engaging in any activity outside this scope. Specifically, the following items are out of scope:
 - a. TBD.
6. The group will periodically report progress on its chartered scope of work to its parent Standing Committee.
7. This group will be using Tier 1 decision making method as described in the PJM Stakeholder Process Manual (M-34).
8. Membership in the group is open and will be identified by volunteerism. Group members are not required to sign a confidentiality agreement or non-disclosure agreement.
9. Meeting minutes (notes) and all meeting materials will be published on the PJM web site.