



Carbon Pricing Senior Task Force Monthly Progress Report

June 15, 2020

Carbon Pricing

The [Carbon Pricing Senior Task Force](#) (CPSTF) was established to discuss potential process or rule changes necessary to integrate a regional or sub-regional carbon pricing mechanisms into its wholesale electricity markets. Stage 1 of the key work activities includes education on various topics such as jurisdictional issues, leakage, and other RTO/ISO strategies related to carbon pricing. Stage 1 also includes a review of the assumptions and results of the PJM study on the impacts of a carbon price in the PJM wholesale energy market. Stage 1 is expected to take between six to twelve months. Stage 2 will focus on developing market rules to implement carbon pricing and manage leakage, where appropriate. The Carbon Pricing Senior Task Force reports to the Markets and Reliability Committee.

Issue Status

The CPSTF is currently in the education and analysis phase of Stage 1.

Target Completion

Stage 1, Education and Analysis, is expected to take between six to twelve months. Stage 2, Proposal Development, is expected to take an additional six months.

Progress Update

The CPSTF has held seven meetings to date with the last meeting on May 19, 2020. The focus of the last meeting was reviewing additional scenario results from the PJM study on carbon pricing and potential leakage mitigation mechanisms. The additional scenarios discussed included the carbon pricing region consisting of New Jersey, Maryland, Delaware, and Pennsylvania, higher carbon price scenarios for the carbon pricing region consisting of New Jersey, Maryland, Delaware, and Pennsylvania and Virginia, and an RTO-wide carbon pricing region. Several stakeholders also shared their interests and thoughts on carbon pricing program elements to help inform next steps.

Action Requested

The next CPSTF meeting is scheduled for June 30, 2020. The June agenda will provide additional time for stakeholder presentations on carbon pricing interests and thoughts on next steps and may also include an item on potential Stage 2 polling questions. Additional analysis results will likely not be available until the July meeting.