

Fuel Security Update

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Markets and Reliability Committee
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- Review of Highlights and Summary from Fuel Security Analysis
- Review objectives for Phase 2, Fuel Security Study
- Discuss Proposed Timeline
- Vote on Problem Statement and Issue Charge



There is NO immediate threat to the reliability of the PJM RTO.



- PJM is reliable in the announced retirements and escalated retirements cases under all typical winter load scenarios.
- PJM is reliable in the announced retirements cases under all extreme winter load scenarios.



- Scenarios to identify points at which an assumption or combination of assumptions begin to impact the ability to reliably serve customers.
- The stressed scenarios resulted in a loss of load under extreme but plausible conditions.

Contributing factors:

- The level of retirements and replacements
- The level of non-firm gas availability
- The ability to replenish oil supplies
- The location, magnitude and duration of pipeline disruption
- Pipeline configuration

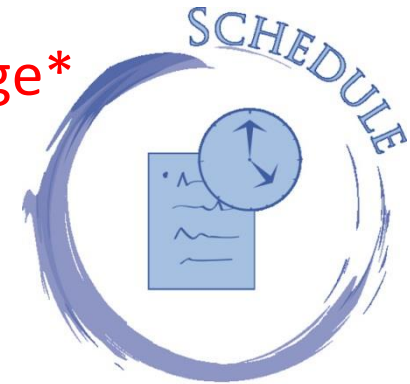
Objectives of Further Fuel Security Discussion

- Phase 2: While there is **NO** imminent threat, Fuel Security is an important component of ensuring reliability – especially if multiple risks come to fruition. The findings underscore the importance of PJM exploring proactive measures to value fuel security, and PJM believes this is best done through competitive wholesale markets.
- Phase 3: PJM will continue to work with key agencies within the federal government and impacted industries to further define fuel security assumptions and scenarios defined by the Department of Energy.

1. Determination of, and presentation of, additional education, as needed
2. Determine any additional sensitivities that would inform the discussion
3. Determine what it means from a PJM system and/or resource level, to be fuel secure.
4. Determine whether there is a quantifiable and/or locational requirement for fuel security
5. Discuss market and operational mechanisms that have the potential to ensure Fuel Security



January MRC:	Introduction; solicit additional objectives, education topics and sensitivities
February MRC:	First read of Problem Statement and Issue Charge
March MRC :	Stakeholder vote Problem Statement and Issue Charge*
April thru August:	Pursue Key Work Activities
September:	Task Force recommendation
October:	MC endorsement vote
December:	FERC filing



**Recommend assignment to a new Senior Task Force reporting to the MRC*

- March MRC
 - Stakeholder vote on proposed Problem Statement and Issue Charge
- April
 - First meeting of new task force (if approved)
 - Education

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