



Market Efficiency Process Enhancement Task Force Phase 3

PC Endorsed Package C1 (Capacity Window)

Proposed language update OATT Attachment DD, Section 15

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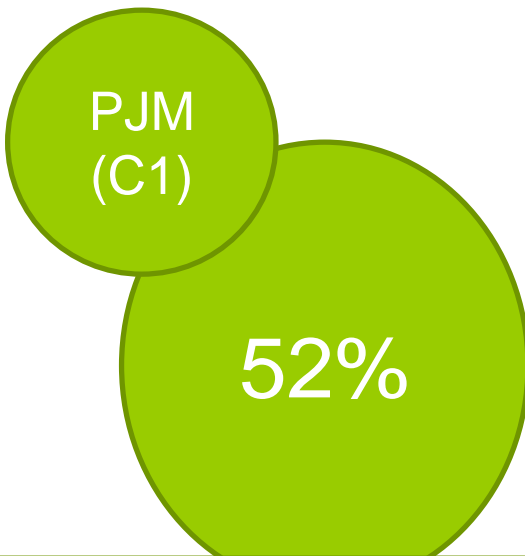
Market Simulation

July 7, 2020

Planning Committee

- Market Efficiency Process Enhancement Task Force (Jan 2018 – Jan 2020)
 - Address challenges and opportunities for improvements to Market Efficiency process since implementing FERC Order 1000 processes
 - Phase 3 package C1 endorsed at Planning Committee May 12, 2020
- PC endorsed package C1 - Window for Capacity Drivers with 52% approval
 - Separate energy and capacity windows when drivers are not the same
 - Redline language 1st read at Markets & Reliability Committee on July 23, 2020
- Proposed language to include deletion of obsolete paragraph from OATT Att. DD Section 15 (see slide 4)

- Separate energy and capacity windows when drivers are not the same
- Capacity driver posting criteria to follow OATT Att. DD, section 15



63% support over Status Quo

- Capacity driver window every 12 months following annual BRA
 - Duration = 60 days
- Energy driver window every 24 months
 - January - April of odd years
 - Duration = 120 days
- Congestion drivers identified in both will be evaluated in 24-month window
- Capacity driver criteria to follow OATT, Att. DD, Section 15 language*

*Proposed language to include deletion of obsolete paragraph from OATT Att. DD Section 15

15. COORDINATION WITH ECONOMIC PLANNING PROCESS

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The Office of the Interconnection shall include in its planning period parameters report, posted on its website in February of each year, the following information for the transmission upgrades it identifies to address easily resolvable constraints under this Section 15, if any: (1) a description of each easily resolvable constraint; (2) the limiting transmission elements responsible for each such easily resolvable constraint; (3) an explanation of why the transmission elements responsible for each such easily resolvable constraint identified are limiting; (4) a list of the easily resolvable constraint transmission upgrades undertaken as well as the cost, location, and the entity(ies) undertaking each such upgrade; and (5) the impact of these projects on that Delivery Year's planning parameters.

Following each Base Residual Auction, the Office of the Interconnection shall review each LDA that has a Locational Price Adder to determine if Planned Generation Capacity Resources, Planned Demand Resources, or Qualifying Transmission Upgrades submitted Sell Offers that cleared in such auction. If a Locational Price Adder results from the clearing of an LDA for two consecutive Base Residual Auctions, and no such planned resources or upgrades clear in such auctions for such LDA, then the Office of the Interconnection shall evaluate in the RTEP process the costs and benefits of a transmission upgrade that would reduce to zero the Locational Price Adder for such LDA. ~~Such evaluation will compare the cost of the upgrade over ten years against the value of elimination of the Locational Price Adder over such period. If such upgrade is found to be feasible and beneficial, it shall be included in the RTEP as soon as practicable. The annual costs of such upgrade shall be allocated as specified in Schedule 6 of the Operating Agreement.~~

Obsolete language proposed to be deleted due to inconsistency with Operating Agreement Schedule 6 1.5.7(d)