



Market Efficiency Update

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Transmission Expansion Advisory Committee

July 7, 2020

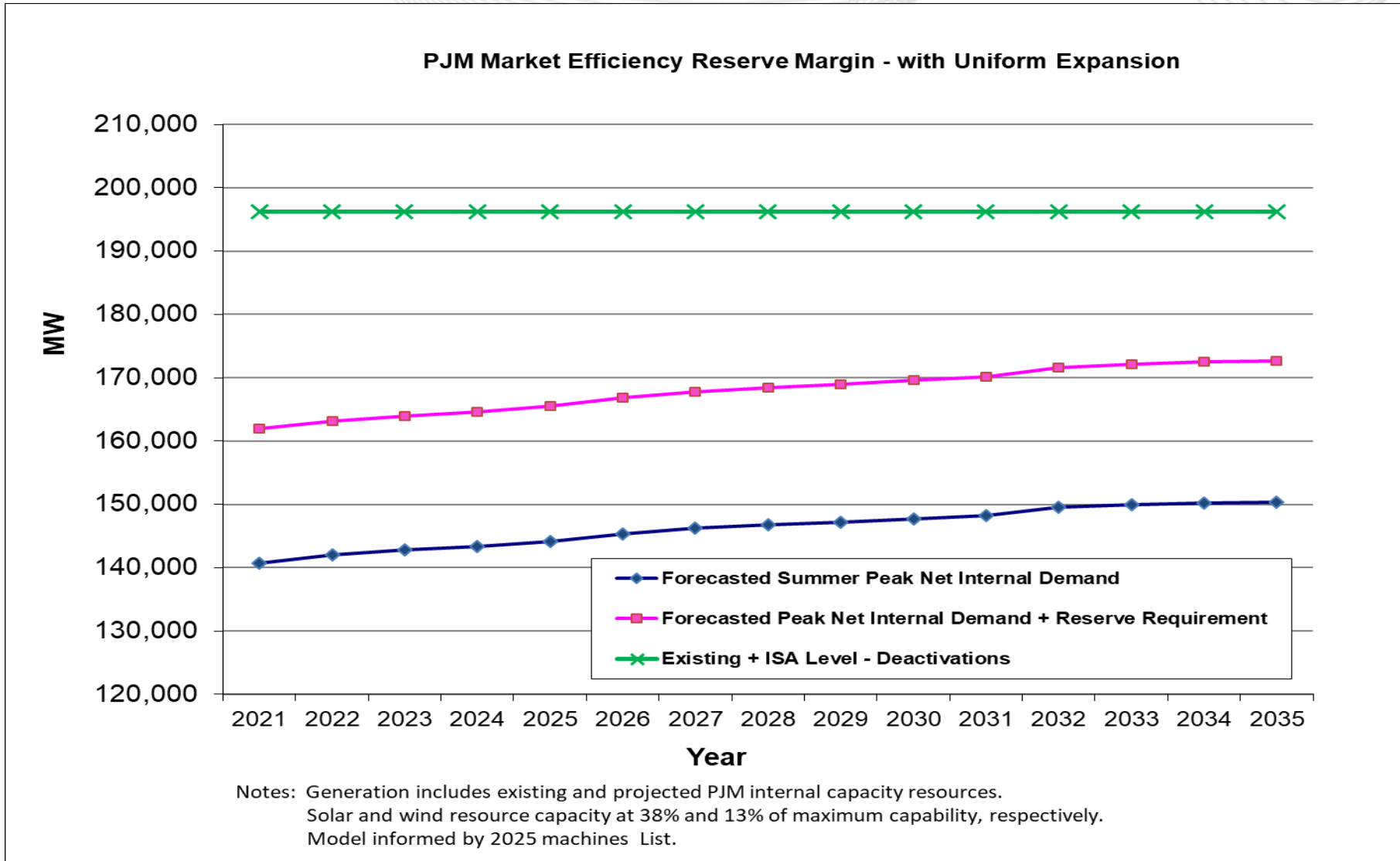
2020/2021 Long Term Window

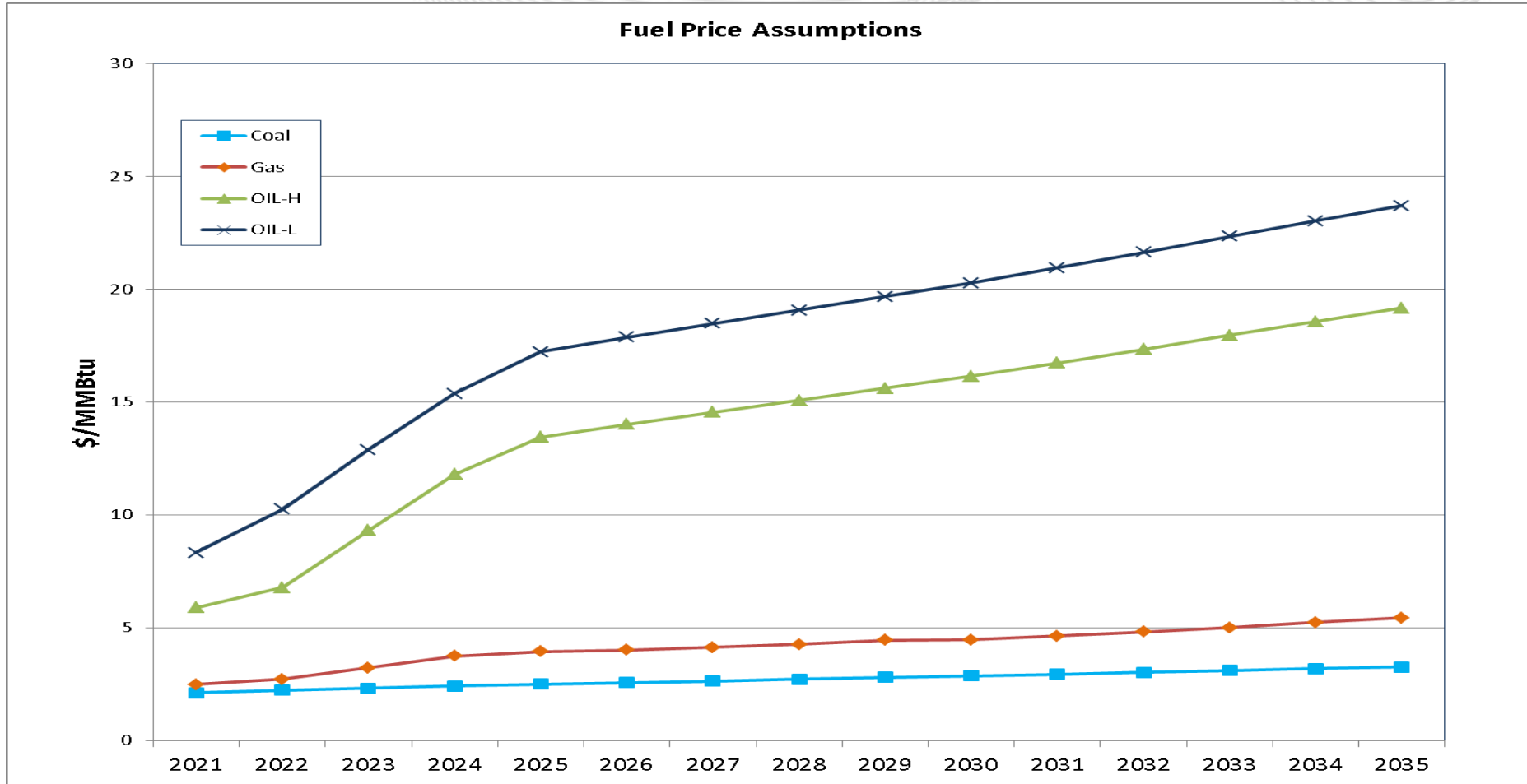
- Long-Term Window schedule 2020 - 2021 presented at the June TEAC
 - <https://www.pjm.com/-/media/committees-groups/committees/teac/2020/20200602/20200602-item-02-market-efficiency-update.ashx>
- Also presented at June TEAC an overview of following input assumptions:
 - Powerflow consistent with the 2020 RTEP Proposal Window 1
 - Load Forecast and Demand Response based on PJM 2020 Load Forecast Report
 - Generation Expansion consistent with the machine list included in the Planning 2025 RTEP Powerflow
 - Financial parameters Discount Rate and Carrying Charge, based on the Transmission Cost Information Center spreadsheet

- Preliminary Market Efficiency Base Case to be posted by end of August (XML format)
- XML files compatible with PROMOD 11.2
- Stakeholders feedback due September 31st
- Final Base Case to be posted in December, before start of 2020/21 Long-Term Window

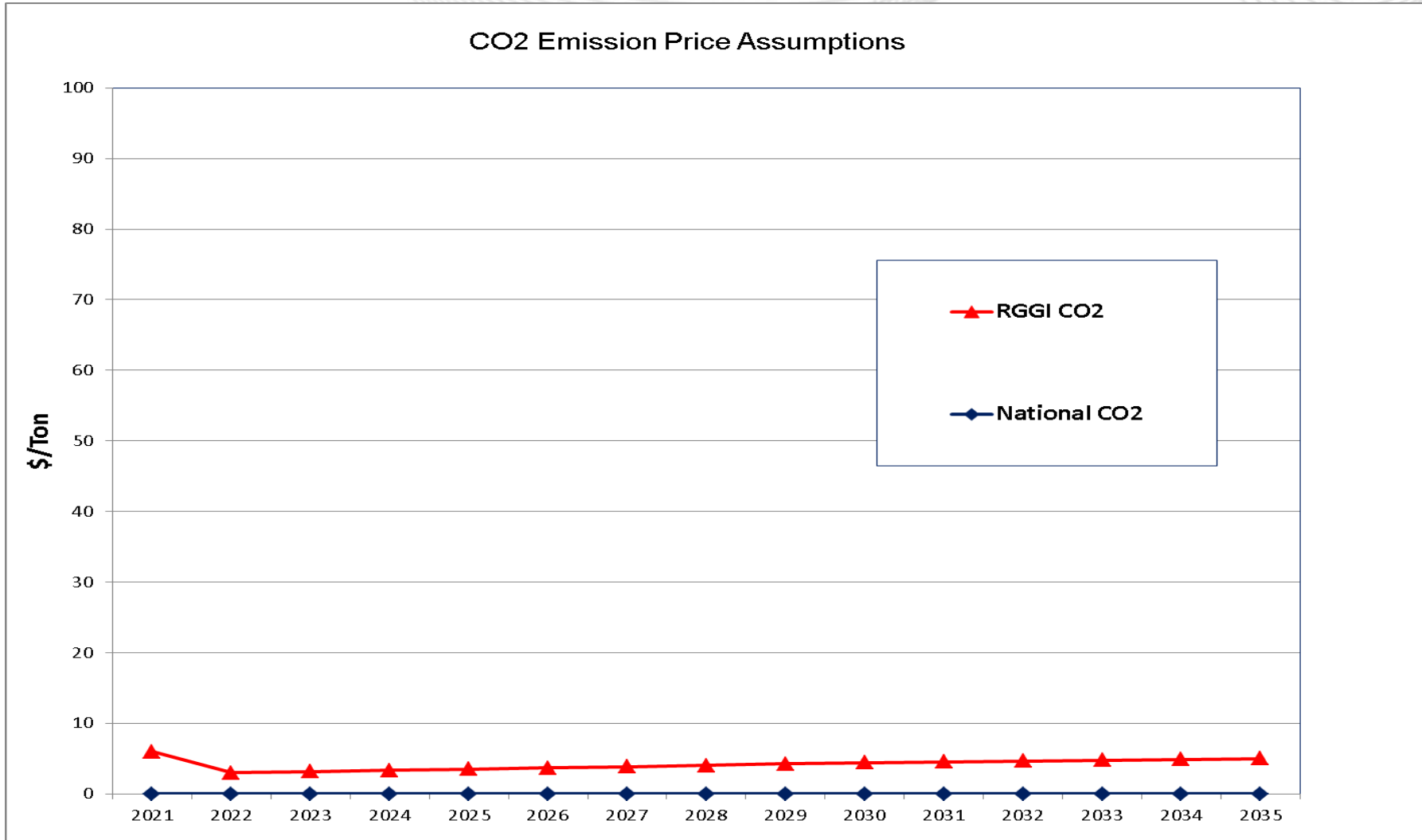
- Market Efficiency Web Page located at <http://www.pjm.com/planning/rtep-development/market-efficiency.aspx>
- During December 2020, PJM will post
 - Market Efficiency Case Files for all study years
 - Access requires CEII confirmation (PJM and MISO)
 - Access requires PROMOD vendor (ABB) confirmation
 - XML Format
 - Reference Files
 - Input Assumptions Summary
 - Updated Modeling Document will provide details of setup and modeling methods

- Market Efficiency Base Case Generation Expansion Plan includes all existing and ISA (Interconnection Service Agreement) level generators
 - Generators with Interim ISA and Suspended ISA status are not included
- Machine list posted at March TEAC
 - <https://www.pjm.com/-/media/committees-groups/committees/teac/2020/20200310/20200310-teac-info-only-2020-rtep-machine-list.ashx>
- Announced retirements are modeled

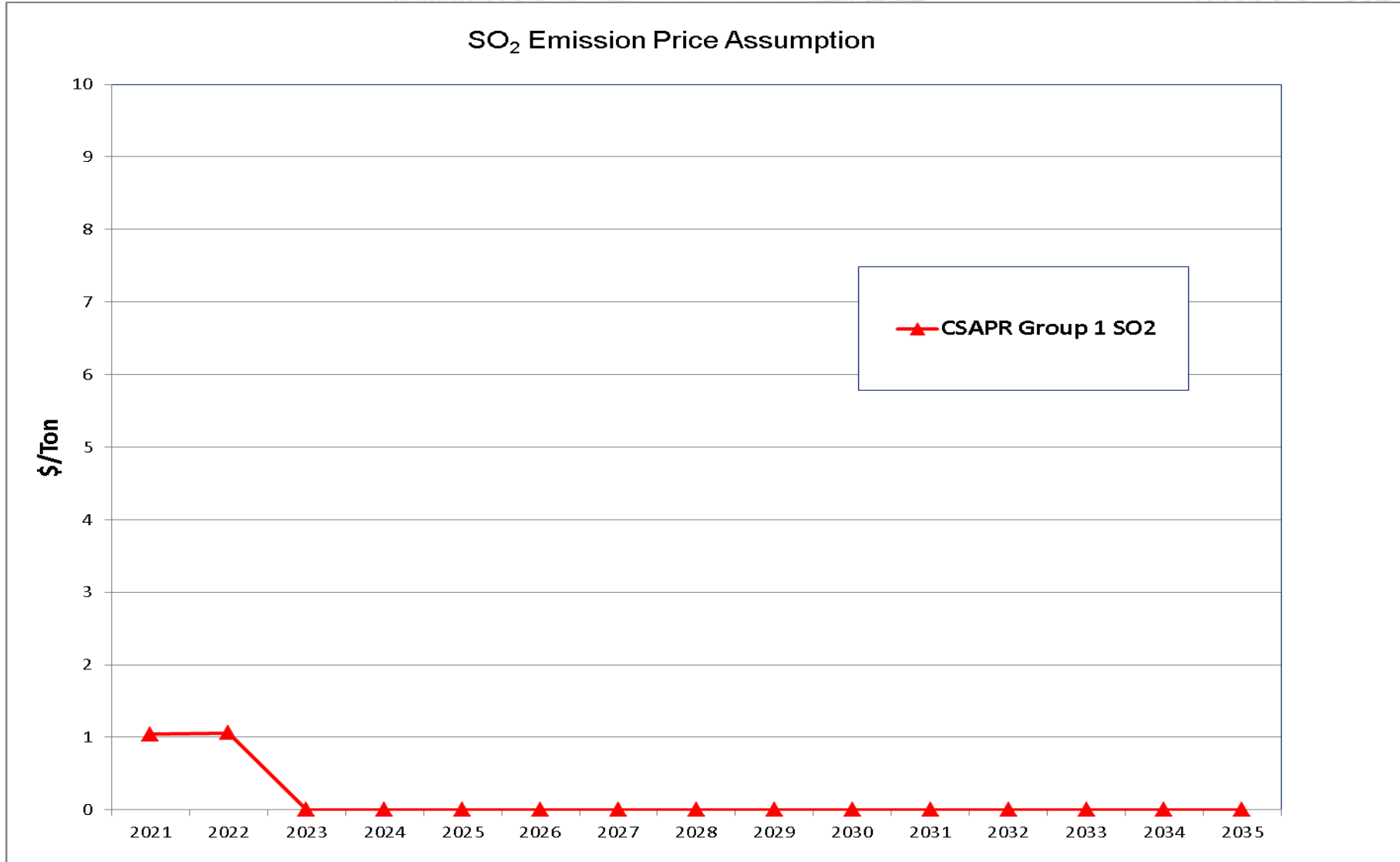


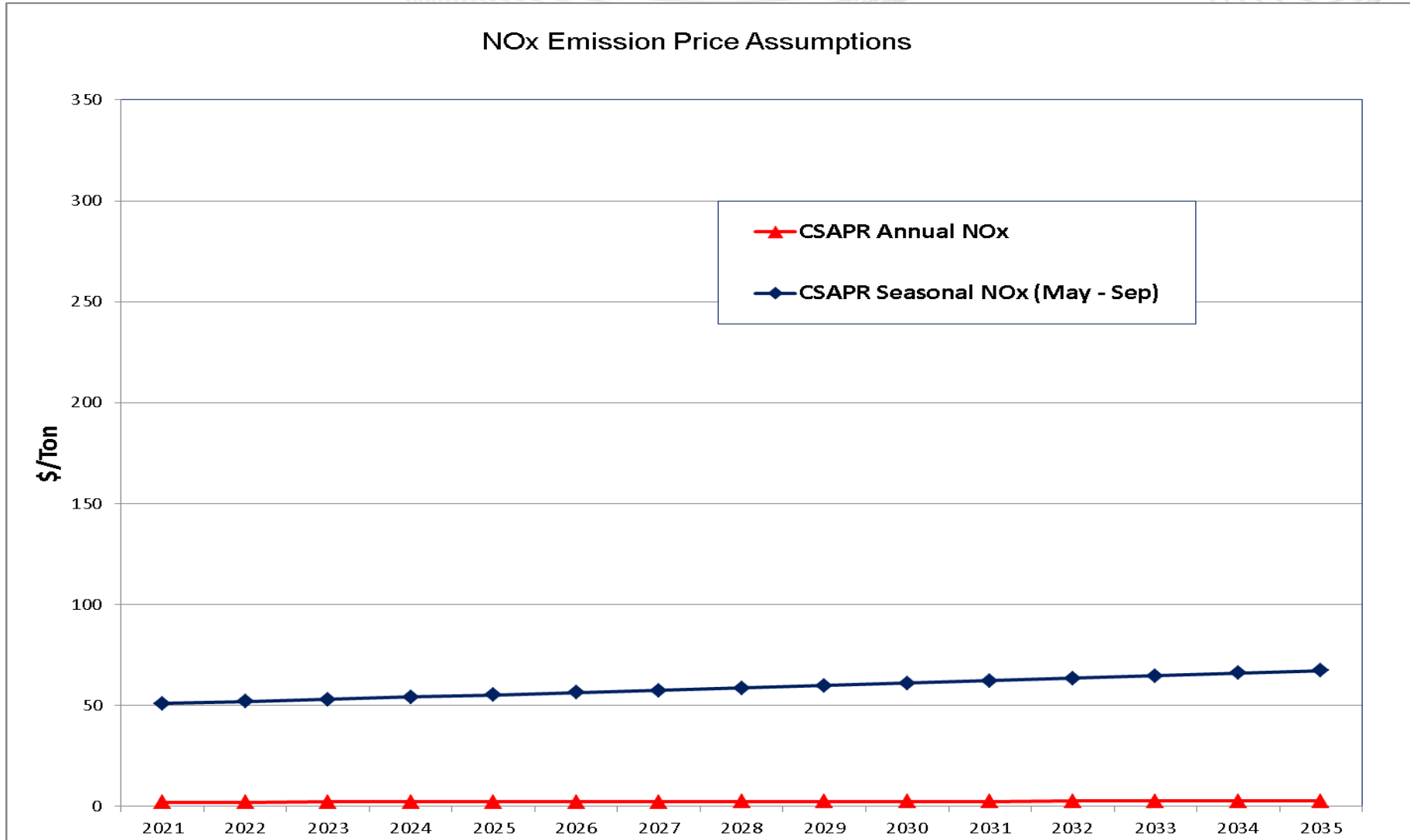


Notes:
 Coal – Annual average of PJM unit burner-tip prices
 Gas – Annual average Henry Hub price
 Oil-H, Oil-L – Annual average prices



Note: Base assumption of MD, DE, NJ and VA units assigned to RGGI price.





Step	Timeline
Post Preliminary Base Case	August 2020
Stakeholders Feedback	September 2020
Identify Congestion Drivers	October 2020
2020 Reevaluation Analysis	September – November 2020
2020 Acceleration Analysis	November – December 2020
Post Final Base Case and Target Congestion Drivers	December 2020
Long Term Proposal Window	January 2021 - April 2021
Analysis of Proposed Solutions	May – September 2021
TEAC Reviews and Board Approval	October - December 2021

- V1 – 6/30/2020 – Original slides posted