

Ensuring Energy Security

Includes Problem/Opportunity Statement

Issue Source

PJM, in response to FERC Docket AD18-7-000 (Grid Resilience in Regional Transmission Organizations and Independent System Operators)

Stakeholder Group Assignment

This work will be assigned to a new senior task force reporting to the Markets and Reliability Committee (MRC)

Key Work Activities

This group is expected to:

1. Provide education on the fuel security study recently completed by PJM, as needed, in addition to providing education on work other ISO / RTOs are doing relative to fuel security, energy security, and any other relevant topics as requested by stakeholders.
2. Provide education on demand response, demand side management, renewable resources, energy storage, and other alternative options that play a role in ensuring energy security.
3. Determine the definition of energy security. In support of the definition, necessary analysis should include:
 - A study of the aspects of fuel supply characteristics, location of the fuel supply, roles of demand response and demand side management, location and characteristics of non-fuel generation (e.g., renewable and energy storage resources), and other alternative options that can ensure energy security in the coming years.
 - An analysis of primary risks to energy security in PJM and their likely timeframe of occurrence.¹
 - An assessment of the impact and likelihood of energy security risks.²
 - An assessment (or analysis of PJM's past assessments) of the bulk power system attributes necessary for energy security.³
 - An assessment of the quantity and type of bulk power system attributes necessary for energy security.⁴

¹ See e.g. 162 FERC ¶ 61,012 (2018) at P 25 (a) ("AD18-7 Order").

² See e.g. AD18-7 Order at P 25 (b).

³ See e.g. AD18-7 Order at P25 (k).

⁴ See e.g. AD18-7 Order at P25 (l).

4. PJM has stated that its current fuel portfolio is reliable, diverse, and among the highest performing of those studied. Determine whether existing engineering, design, operational, or planning standards, or other status-quo system characteristics, address the identified energy security needs.
5. Determine if existing processes will address future energy security concerns. Such analysis should include:
 - The metrics analyzed to draw such conclusions;
 - Whether immediate changes are needed to ensure future energy security; and
 - If changes are not currently needed, determine if there is a trigger that can be used to implement any future changes needed to ensure energy security.
6. Develop a method for determining which energy security threats require mitigation.⁵
7. If determined necessary, identify criteria to guide the selection of design alternatives that should be considered to ensure maintenance of any attributes or requirements identified in #3-6 above.
8. Provide analyses evaluating the potential cost impact of proposals to maintain any identified attributes or requirements.
9. Review current requirements (e.g., Capacity Performance) and determine if changes are necessary to ensure current and future energy security.
10. Determine if additional market and/or operational mechanisms mechanism are needed to ensure energy security in PJM.
11. Any proposed solutions must demonstrate that the identified issue is not best addressed by current obligations and that any solution creates additional benefits commensurate with the costs incurred.

Expected Deliverables

As necessary, deliverables include the following:

1. A recommendation to the MRC on whether market or operational changes are needed to ensure current or future energy security.
2. If such changes are needed,
 - a. A recommendation to the MRC on proposed market or operational changes that address identified energy security concerns; and
 - b. Revisions to the Operating Agreement, Open Access Transmission Tariff, and manuals to implement the recommended changes.

⁵ See e.g. AD18-7 Order at P25 (i)

Decision-Making Method

Tier 1 decision making will be used.

Expected Duration of Work Timeline

The activities of the group are expected to begin in April 2019 and be completed by the end of 2019. This will be a high priority issue and will meet a minimum of twice per month. This timeline will be reviewed and extended as necessary.