

Capacity Market Enhancements – Data Transparency

Issue Source

This Issue Charge is presented by LS Power

Issue Content

After the FERC approved the new marginal ELCC capacity accreditation methodology for all resources in Docket ER24-99, PJM provided significant additional detail related to the calculation methodology in response to Stakeholder request. Based on that information, certain assumptions used in that methodology should be reexamined. Given the large adjustments recently announced to near-term load growth expectations and continued retirement declarations, it has become increasingly important to determine whether and how the accreditation approach as currently implemented will incent needed investment in new and existing resources to maintain resource adequacy.

The complexity of the marginal ELCC methodology remains an important determining factor in the ability of PJM's Capacity Market to send transparent price signals and attract investment where needed.

To make that determination, significantly more data and analytical transparency is needed, such that the following conditions can be met:

1. Resource owners can validate the capacity accreditations assigned to their resources, with consideration of existing, and potential changes to, data confidentiality rules and the interests of other stakeholders in such validation
2. Resource owners and other stakeholders can estimate changes in accreditation based on changes to key assumptions
3. Resource owners, ~~and~~ investors and other stakeholders have the information to understand the underlying assumptions for the indicative 10-year preliminary ELCC class ratings provided by PJM, subject to data confidentiality rules
4. PJM has established a set date within the tariff and/or manuals after which auction planning parameters will no longer be updated due to changes in underlying assumptions

Key Work Activities and Scope

1. Education/overview of current data confidentiality requirements
2. Explore methods of providing resource owners with data pertinent to their specific resources
- ~~3.~~ 3. Explore methods of providing the underlying assumptions to the ELCC Class Ratings.
- ~~3.4.~~ 3.4. Explore methods to support stakeholders understanding of ELCC mechanics to facilitate stakeholder engagement
- ~~4.5.~~ 4.5. Explore development of an ELCC “model” or other methodology to allow resource owners and other stakeholders to estimate the accreditation of their specific resources or representative resources, as applicable, and for resource owners and other stakeholders to perform sensitivities of the accreditation by changing certain assumptions.
- ~~5.6.~~ 5.6. Explore the possibility of including a date certain prior to the conduct of an RPM Auction in which auction planning parameters will no longer be updated due to changes in ELCC underlying assumptions

Out of Scope

- Changes to capacity accreditation that do not fit within the marginal ELCC framework recently approved by the Commission in Docket No. ER24-99 (i.e. proposals for accreditation methodologies alternative to marginal ELCC are not within the scope of this issue charge).
- Changes that require a sub-annual market.

Expected Deliverables

1. Education and analysis as needed concerning items identified in the scope of work.
2. Proposed solution(s) and corresponding revisions to PJM's governing documents and manuals, as appropriate.

Decision-Making Method

Tier 1, consensus (unanimity) on a single proposal (preferred default option).

Stakeholder Group Assignment

This issue will be considered in a newly formed ELCC Senior Task Force

Expected Duration of Work Timeline

This effort should be completed to support any necessary FERC filing by the end of Q1, 2025.

Start Date	Priority Level	Timing	Meeting Frequency
Click here to enter a date.	<input checked="" type="checkbox"/> High <input type="checkbox"/> Medium <input type="checkbox"/> Low	<input checked="" type="checkbox"/> Immediate <input type="checkbox"/> Near Term <input type="checkbox"/> Far Term	<input type="checkbox"/> Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly

Charter

(check one box)

<input checked="" type="checkbox"/>	This document will serve as the Charter for a new group created by its approval.
<input type="checkbox"/>	This work will be handled in an existing group with its own Charter (and applicable amendments).