



Market Efficiency Process Enhancement Task Force

This Charter describes the objectives (mission) and responsibilities of this stakeholder group to complete the specific scope of work assigned by the Planning Committee (PC).

Mission

This stakeholder group is chartered with completing a stakeholder process to review, evaluate and recommend any necessary solution(s) for the Market Efficiency Process.

Responsibilities

The Problem Statement was brought forward by PJM and approved by the PC on January 11, 2018. This group is chartered with completing the stakeholder process to review, evaluate and recommend any necessary solution(s) for the following issues related to the Market Efficiency Process:

1. Benefit-to-Cost Calculation
2. Facility Service Agreement (FSA) Modeling
3. Market Efficiency Window
4. Interregional Market Efficiency Project (IMEP) Selection Process
5. Market Efficiency Reevaluation Process
6. Regional Targeted Market Efficiency Project (TMEP)
7. Market Efficiency Mid-Cycle Assumption Update

Key Work Activities

The Key Work Activities will occur in two phases.

Phase 1

1. Provide education material for the identified challenges
2. Evaluate the Benefit-to-Cost calculation, FSA modeling, IMEP selection, Market Efficiency Reevaluation Process and Regional TMEP and explore any necessary alternatives
3. Review and endorse necessary governing document language and manual language to effectuate any alternatives

Phase 2

1. Provide education material for the identified challenges
2. Evaluate the Market Efficiency Window and Market Efficiency Mid-Cycle Assumption Update and explore any necessary alternatives
3. Review and endorse necessary governing document language and manual language to effectuate any alternatives



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Phase 3

1. Address concerns with benefit cost calculations using summation of energy and capacity benefits
2. Regional TMEP and explore any necessary alternatives
3. Evaluate the Benefit-to-Cost calculation for the two items specified below
 - a. When calculating the market benefits, evaluate whether the current benefit/cost analysis for a project should include the zones with both positive and negative benefit/cost (i.e. production costs and load costs).
 - b. Explore whether the current benefit/cost analysis includes a method to evaluate risk in both cost and benefit estimates and to compare the project with different cost guarantees and cost risks.

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Out of Scope Work Activities

- Cost containment

Expected Deliverables

- Recommendations to the PC on any necessary changes and respective governing document and manual revisions to address the challenges discussed in the problem statement

Expected Duration of Work

Phase 1

- The goal is to complete the work and make recommendations to the PC by July 1, 2018, so PJM can implement the changes prior to the 2018/2019 Market Efficiency window.

Phase 2

- The goal is to complete the work and make recommendations to the PC by March 1, 2019

Phase 3

- The goal is to complete the work and make recommendations to the PC by December 12, 2019.

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Administration

- Group name: Market Efficiency Process Enhancement Task Force (MEPETF)
- Parent committee: Planning Committee (PC)
- Facilitator/Chair: ~~Brian Chmielewski~~ Fran Barrett
- Secretary: Jack Thomas
- Webpage: <http://pjm.com/committees-and-groups/task-forces/mepetf.aspx>
- Meeting frequency: Approximately twice a month
- The Market Efficiency Process Enhancement Task Force (MEPETF) shall base its activities by the rules and protocols found in the PJM Stakeholder Process Manual (M- 34).
- The group will accomplish the scope of work identified above, and only that work.



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- Approval from the parent Standing Committee will be sought before engaging in any activity outside this scope.
- The group will periodically report progress on its chartered scope of work to its parent committee, the PC.
- Meeting minutes and all meeting materials will be published on the PJM web site.
- The group will prepare a final report (the Consensus Proposal Report or Proposal Alternatives Report, whichever is applicable). This report will constitute its recommendation to the parent Standing Committee to resolve the issue.
- Membership in the group is open and will be identified by volunteerism. Group members are not required to sign a confidentiality agreement or non-disclosure agreement.