Market Efficiency Update

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2022/23 Market Efficiency Cycle

2022/2023 RTEP Window Overview

- Updated Market Efficiency Assumptions whitepaper posted with the October TEAC materials.
  - Summarizes Market Efficiency input assumptions presented at TEAC meetings March through August.
  - Whitepaper included for consideration by the PJM board at the October meeting.

- Posted Preliminary Market Efficiency Base Case (PROMOD 11.4 XML format)
  - On the Market Efficiency Secure Page

- Final Market Efficiency Base Case and Congestion Drivers to be posted before the start of 2022/23 Long-Term Window.

Schedule

Step	Target Date
Posted Preliminary ME Base Case (to be used for Acceleration and Reevaluation analyses)	September 2022
Update Interregional Data	September – October 2022
Identify and Validate Congestion Drivers	October – December 2022
2022 Reevaluation Analysis	October – December 2022
2022 Acceleration Analysis	September – November 2022
Post Final ME Base Case and Congestion Drivers	January 2023
Open Long Term Proposal Window	January 2023

2022 Multi-Driver Proposal Window 1

- Multi -Driver Window opened on 6/7/2022 and closed on 8/8/2022

FG#	Constraint	FROM AREA	TO AREA
MDW1-ME-01	Dumont to Stillwell 345 kV	AEP	NIPSCO
MDW1-ME-02	Olive to University Park North 345 kV	AEP	CE
MDW1-ME-03,MDW1-ME-04	E Frankfort to Crete to St John 345 kV	CE	NIPSCO

- Current Status
  - Market Efficiency analysis coordinated with PJM Transmission Planning.
  - Analysis will use the latest Market Efficiency Base Case.
  - Completed reviewing the modeling information for the proposals received
    - 14 total proposals submitted by 3 different entities (cost range $215K – 127M).
  - Currently building the PROMOD models.
- Analysis expected to complete by end of the year.

2022 Acceleration Analysis of RTEP Reliability Projects

Acceleration Analysis of Reliability Upgrades

- Scope
  - Determine which Reliability upgrades, if any, have an economic benefit if accelerated or modified.
- Study Years
  - 2023 and 2027 set of economic input assumptions used to study impacts of approved RTEP projects.
- Process
  - Compare market congestion for near term vs. future topology.
  - Estimate economic impact of accelerating planned reliability upgrades.

Acceleration Analysis Status and Next Steps

- Finalized PROMOD modeling work for 2023 and 2027 (AS-IS topology) cases
- Completed PROMOD simulations
  - 2023 and 2027 study years with 2023 Topology (AS-IS Topology)
  - 2023 and 2027 study years with 2027 Topology (RTEP Topology)
- Currently comparing the board approved reliability upgrades with the congestion reductions between the AS-IS and the RTEP Base cases
- Analysis to be completed before the end of the year.

2022 Annual Reevaluation of RTEP Market Efficiency Projects

Reevaluation Overview

- Using the most recent Market Efficiency case available.
- Applies to Market Efficiency projects approved during previous RTEP Windows.
- Projects already in-service, under construction, or with a near in-service date are not subject to reevaluation.
- Projects evaluated to confirm meeting the B/C threshold of 1.25.
- Reevaluation process to be completed by December 2022.

Revision History

- V1 – 9/29/2022 – Original slides posted

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