

Market Efficiency 18-Month Overlapping Cycle

Nicolae Dumitriu, Market Simulation
Market Efficiency Process Enhancement
Task Force (MEPETF)
Oct 26, 2018

- Eliminates the need for Mid-Cycle update
- Shorter analysis cycle means transmission enhancements can be in-service sooner
- Better synchronized Market Efficiency cycle timeline with the annual reliability window and capacity market
- Single documented annual Market Efficiency case for acceleration and window process
- Opportunity to address congestion drivers every year (as opposed to every other year)



Prospective 18-Month Overlapping ME Cycle

| Year 0 | | | | Year 1 | | | | | | | | | | | | Year 2 | | | | |
|----------------------------|-----|-----|-----|------------------------|-----|-----|--------------------|-----|-----|---------------|-----|-----|-----------------------------|-----|-----|--------|-----|--|-------------------------|--|
| Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | | | |
| Develop Assumptions | | | | | | | | | | | | | | | | | | | | |
| | | | | Draft Base Case | | | | | | | | | | | | | | | | |
| | | | | | | | ME Analysis | | | | | | | | | | | | | |
| | | | | | | | | | | Window | | | | | | | | | | |
| | | | | | | | | | | | | | ME Proposal Analysis | | | | | | | |
| | | | | | | | | | | | | | | | | | | | TEAC & Board | |

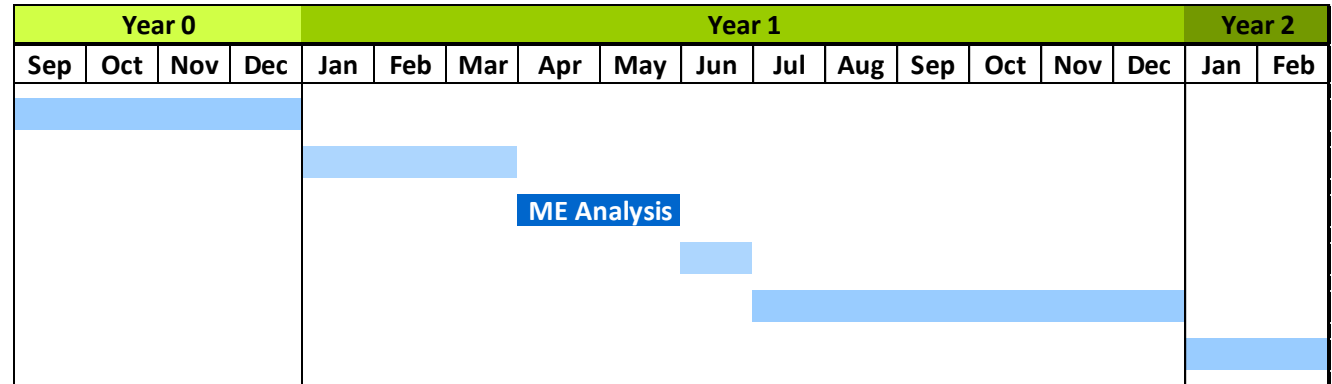
- Receive Model from ABB
- Interregional updates
- Load forecast
- Generation expansion
- Powerflow mapping
- Flowgates

| Year 0 | | | | Year 1 | | | | | | | | | | | | Year 2 | |
|----------------------------|-----|-----|-----|--------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------|-----|
| Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb |
| Develop Assumptions | | | | | | | | | | | | | | | | | |
| | | | | ■ | | | ■ | | ■ | ■ | | | | | | ■ | |

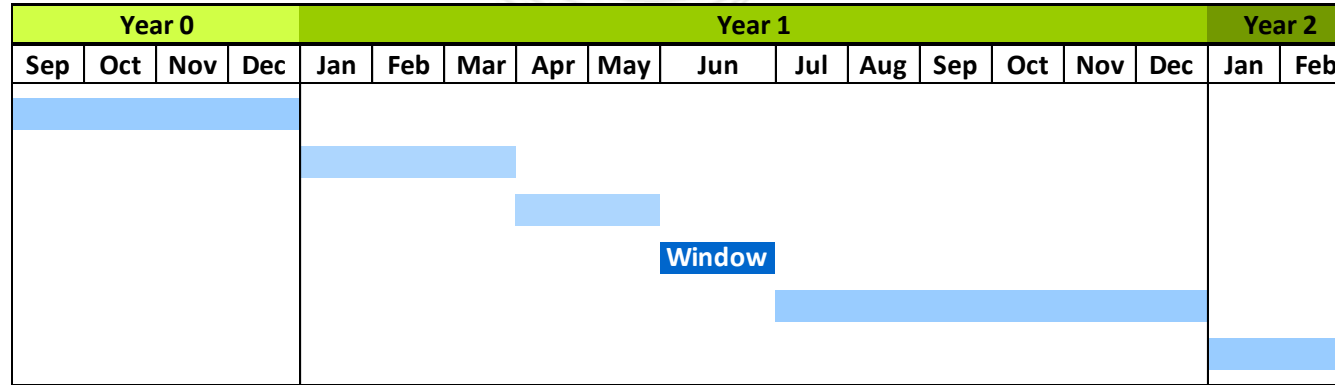
- Build draft Base Case
- End of March: Post draft Base Case

| Year 0 | | | | Year 1 | | | | | | | | | | | | Year 2 | | | | |
|--------|-----|-----|-----|-----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------|-----|--|--|--|
| Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | Draft Base Case | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |

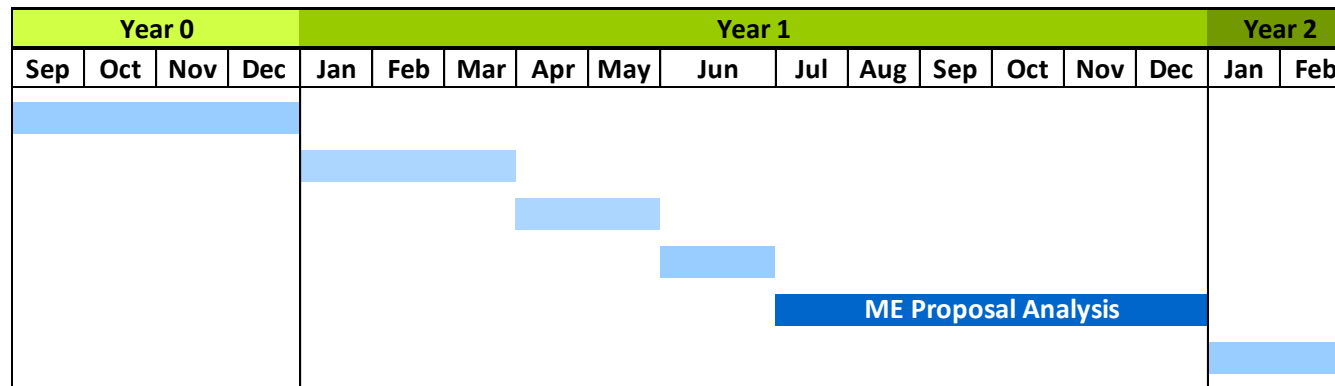
- Receive and incorporate stakeholder feedback
- Perform Market Efficiency analysis and identify congestion drivers
- End of May: Post final assumptions, Base Case, and target congestion drivers



- Jun: 30-day RTEP proposal window



- Jul - Dec: Market Efficiency proposal analysis



- Final review with TEAC
- Approval by Board

| Year 0 | | | | Year 1 | | | | | | | | | | | | Year 2 | |
|--------|-----|-----|-----|--------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------------|-----|
| Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | TEAC & Board | |