



Work Plan for Net Energy and Ancillary Services (E&AS) Revenue Offset

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June 23, 2022

- **Aug 2020:** PJM filed forward-looking E&AS offset methodology on compliance under the reserve pricing proceeding (Docket No. EL19-58)
 - Impacted the E&AS offset calculations for MOPR, MSOC, and the VRR curve
 - Implemented in the 22/23 BRA

- **Dec 2021:** The FERC issued remand order on reserve pricing that required reverting back to an historical E&AS offset approach
 - Historical approach effective for the 23/24 BRA (and currently status quo)

- **Mar 2022:** RASTF poll issued to get stakeholder feedback on if and how we might file to move to a forward-looking E&AS offset methodology again
 - Poll results split in support for filing a forward-looking E&AS offset again (46% yes / 47% no)

- **Quadrennial Review:** PJM and stakeholders are currently discussing the E&AS offset methodology used in calculating Net CONE for the VRR curve
 - Forward-looking approach recommended by Brattle; Packages currently vary in support
 - Filing to be made by Oct.1 for implementation with the 26/27 BRA

- **RASTF:** Plan to schedule time for discussion of a forward-looking E&AS offset methodology in other applications (i.e. MOPR and MSOC)
 - **Oct 2022** ➔ Begin discussion (pending outcome of Quadrennial Review stakeholder discussions and the Board's decision on a forward-looking methodology)
 - **Q4 2022 - Q1 2023** ➔ Collectively work at the RASTF on a forward-looking methodology for MOPR and MSOC applications, starting with the previously approved approach
 - **Q1 2023** ➔ Target any FERC filing for reforms by end of Q1 to implement in time for the 26/27 BRA (consistent with when a forward-looking approach, if accepted in the Quadrennial Review, would take effect)

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