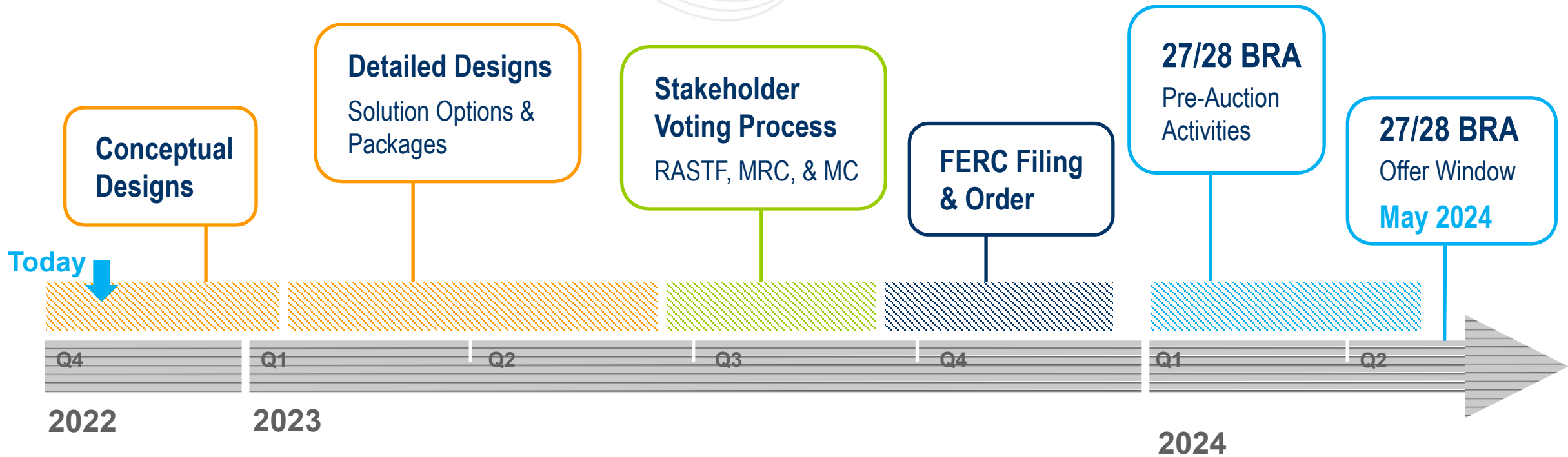


RASTF: Review of High-Level Design Concepts

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- Provide some observations on the high-level design concept templates and presentations for discussion that have been shared thus far
- Review common themes across conceptual designs; discuss some of the similarities and/or differences among the options
- Collectively use this discussion for the next iteration of solution design

RASTF Work Plan Timeline for 27/28 BRA Implementation



Different perspectives on the product definition

An obligation of a resource to perform when needed by PJM; reliability “call option” on energy with defined triggering conditions

An obligation for resources to be available consistent with performance assumed in their accreditation

New or expanded product definition(s) that may incorporate reliability attributes needed in the future, and for which only certain resource types may qualify

Common themes:

- Having a fungible or substitutable product (“UCAP” equivalent)
- Requiring capacity be a firm, physical asset
- Aiming for general alignment between the product definition and the accreditation, performance expectations, and obligations of resources

Common themes

- Improving resource adequacy models – assessing risk across all hours of the year, reviewing locational adequacy studies, etc.
- Adequately capturing correlated outages or unavailability of supply resources (weather-driven, fuel supply risks, etc.)
- Improving winter risk modeling; incorporating extreme weather scenarios
- Accounting of supply-side risks on the supply-side (e.g. in accreditation)
- Tied to a number of other KWAs, particularly the determination of procurement targets and accreditation of resources

Additional item(s) raised within this topic include consideration of reliability attributes in the procurement of capacity resources

Some observations on design for this topic

- Potential benefit in moving to an EUE metric; may be separable from other activities or design decisions
- Within a seasonal construct, having seasonal procurement targets
- Reviewing locational reliability targets

Common themes

- Umbrella: General desire to accredit resources more accurately, reflecting expected value / performance during hours of resource adequacy risk
- Capturing supply-side risks (correlated outages, etc.)
- Focusing on hours of reliability risk
- Application of ELCC or similar methodology to all resources
 - Possible move to marginal accreditation
- Impacts a number of other KWAs (e.g. procurement levels, performance, etc.)
- General emphasis on accreditation over qualification

Common themes / observations

- Support for focusing performance assessments on times of greatest system stress
- General support for having alignment between performance and accreditation
- Varying perspectives on setting the performance baseline during assessments – basing it on the UCAP value (as is done today) vs. tying it back to expected availability in the accreditation model
- Tied to other KWAs, such as accreditation

Some observations on design for this topic

- Consideration to shorten the procurement horizon
- Expanding self-supply options for LSEs (e.g. partial FRR)
- Seasonal procurement under a seasonal market design
- Some ties to other KWAs, such as seasonal procurement

Common themes / observations

- Potential value of seasonal construct in capturing seasonal risks
- Multiple possible approaches to respect seasonal and annual resource capabilities and offers
- Complexities and interdependencies with most other KWAs

Common themes / observations

- Important to consider impacts to mitigation rules and MSOC with changes to other KWAs, such as performance assessment
- Some consideration to contingent changes to the capacity must offer rules (e.g. eliminating the categorical exemption for storage and renewables if weather risk removed)
- MSOC reforms

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