



Energy Price Formation Senior Task Force: Final Report & Recommendation to Sunset

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Markets & Reliability Committee

November 15, 2023

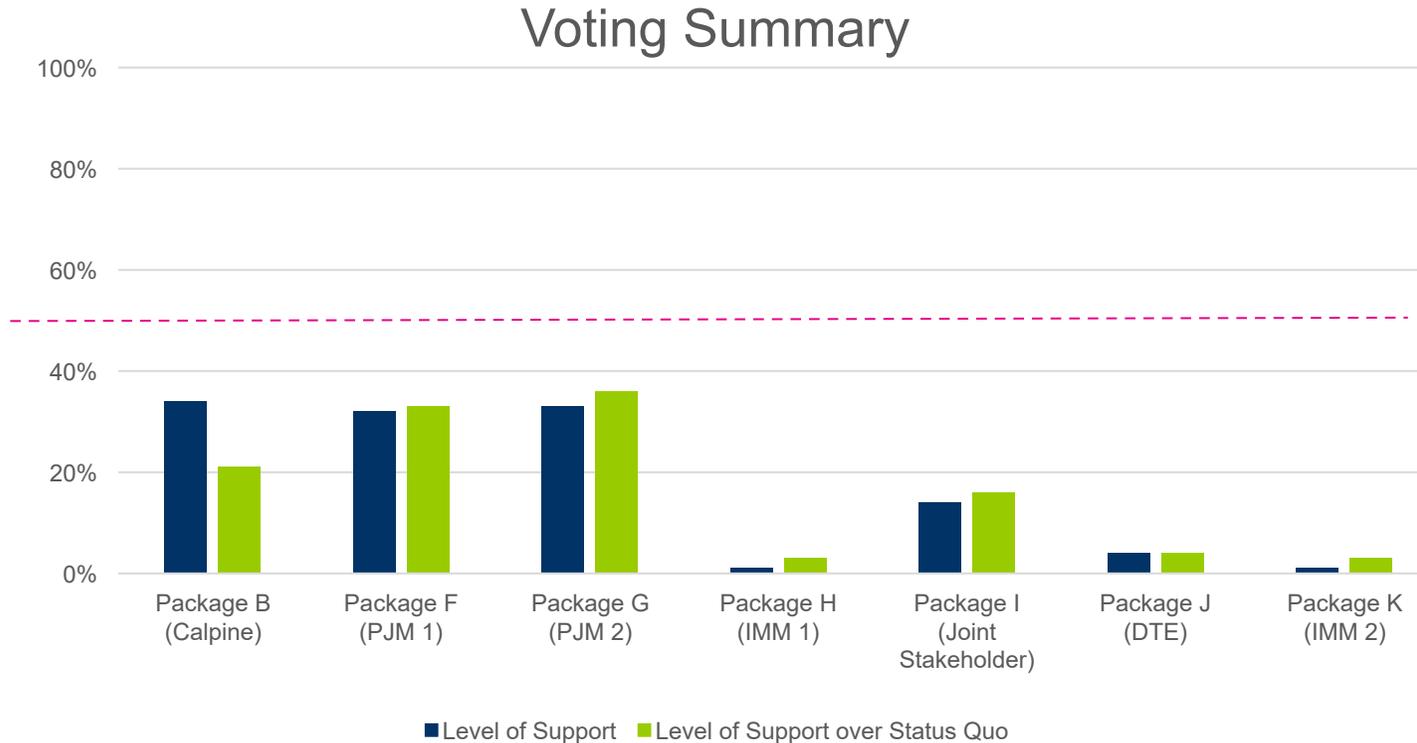
Purpose:

- Circuit Breaker Discussions were initiated to limit the duration of extreme pricing whose cost likely far exceeds the value of any contribution to preserving grid reliability.

Timeline:

- Problem Statement and Issue Charge approved at the June 2021 MRC.
- Nineteen (19) EPFSTF meetings were held between August 2021 and November 2022.
- PJM provided lengthy education regarding price formation and presented analysis to simulate various pricing outcomes.

- The stakeholder process produced seven (7) packages for consideration ([Matrix](#)).
- No packages received 50% simple majority support or greater than 50% preference over status quo.



- Despite packages failing to get majority support at the EPFSTF, two packages were brought to the October 2022 MRC
 - Package I was moved and seconded as a Main Motion for a proposed circuit breaker solution
 - Package B was moved and seconded an Alternative Motion for a proposed circuit breaker solution
- At the December 2022 MRC the Main Motion (package I) failed in a sector-weighted vote with 2.88 in favor. The Alternate Motion (package B) also failed in a sector-weighted vote with 1.049 in favor

Purpose:

Discussions were initiated to address PJM's need for additional flexibility for TCPF adjustments, as highlighted from the January 2022 conditions in the Northern Neck peninsula.

Timeline:

- Parallel EPFSTF discussions dedicated to TCPF started in April 2022.
- Education was provided on the driving factors of the Northern Neck pricing outcomes and the mechanics of the TCPF
- The stakeholder process produced two (2) packages for consideration.
- TCPF rules are dependent on FERC approval.

Question		Count			Tally	Pass/Fail
		Yes	No	Abstentions		
Do you support:	Package A (PJM)?	172	17	4	91%	PASS
	Package B (IMM)?	2	187	4	1%	FAIL
Do you Support over Status Quo?	Package A (PJM)?	119	51	23	70%	PASS
	Package B (IMM)?	3	186	4	2%	FAIL

- Package A endorsed at December 2022 MRC
- Filed with FERC on January 20, 2023
- Approved by FERC on March 21, 2023
- Effective March 22, 2023

- Lack of consensus on Circuit Breaker packages despite additional discussion at October and December 2022 MRC.
- The PJM Board engaged frequently and substantively with the PJM stakeholder community and with PJM management on the issue of whether to incorporate a circuit breaker into PJM market rules; however, the Board decided not to move forward with a circuit breaker proposal at this time.
 - August 3, 2023 Letter from the PJM Board ([link](#))
- Recommend to Sunset the EPFSTF at this time.

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EPFSTF Sunset



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