

Seasonal Capacity Resources Senior Task Force

This Charter describes the objectives (mission) and responsibilities of this stakeholder group to complete the specific scope of work assigned by the Markets and Reliability Committee (MRC).

Problem Statement and Issue Charge Summary

The [problem statement](#) approved at the MRC identifies potential barriers to entry for certain types of resources that have different levels of availability throughout the year (e.g. seasonal) to participate as capacity resources in the Reliability Pricing Model (RPM). This issue has been identified in light of the transition from RPM procuring a mix of non-annual capacity products, such as Limited, Extended Summer, and Base Capacity, to procuring only an annual product in the form of Capacity Performance. As part of the transition to the Capacity Performance product, rules were developed to allow non-annual resources to aggregate and submit a single Capacity Performance offer. However, the problem statement notes that no aggregate offers were submitted in the first RPM auction to allow such offers and suggests evaluating ways to more meaningfully incorporate seasonal resources into RPM.

Key Work Activities from the Problem Statement

- Evaluate the current Capacity Performance rules to assess the terms under which seasonal resources may participate as capacity resources in the 2020/2021 Delivery Year and beyond.
- Evaluate the limited experience to date with seasonal resources as CP resources.
- Analyze alternatives to requiring 100% annual Capacity Performance Resources for meeting reliability requirements such as, but not limited to, creating annual resources from combinations of sub-annual resources as part of the auction process, addressing via measurement and verification, etc.
- Evaluate proposed solution options or packages, considering, at a minimum, potential impacts on operational flexibility, reliability, and cost of capacity and energy markets.
- Determine whether barriers to entry for seasonal resources exist in the 2020/2021 Delivery Year and beyond, and identify whether any such identified barriers may be removed while maintaining the commitment of 100% CP resources for the entire Delivery Year. Develop common understanding of the term “seasonal resource”
- Enumerate barriers to entry that may exist for seasonal resources
 - Identify whether those barriers were approved by FERC and, if so, why.
 - Consider any identified FERC approved tariffs that eliminate or reduce these barriers
- For any proposed solution options or packages, compare obligations and payments of all capacity resource technologies to assure no undue discrimination
- Develop a common understanding of “meaningful incorporation” of seasonal resources. What level of incorporation is “meaningful?”
- Assess any proposed solution options or packages for its effect upon the fulfillment of federal and state public policy obligations.

Expected Deliverables

- Education and analysis on the ability for seasonal resources to participate as Capacity Performance.
- Analysis of alternatives for solutions addressing rules and requirements for seasonal resources to participate in RPM.
- Tariff (OATT) and Manual 18 (Capacity Market Operations) updates to reflect any decisions taken that would modify the status quo.

Deadlines to Consider

- If any solution options or solution packages would cause modification to the Delivery Year Planning Parameters, solution must be approved by the first week of February.
- Any solution adopted should be approved by stakeholder and FERC, if necessary, by the 2017 BRA for Delivery Year 2020/2021

Decision-Making Method

Tier 1, Consensus on a single proposal

Administration

Group name: Seasonal Capacity Resources Senior Task Force

Parent committee: Markets and Reliability Committee (MRC)

Facilitator/Chair: Scott Baker

Secretary: Joe Callis, Bhavana Keshavamurthy

Webpage: <http://www.pjm.com/committees-and-groups/task-forces/scrstf.aspx>

Meeting frequency: Approximately twice a month

Expected overall duration of work: 6 months

- The Seasonal Capacity Resources Senior Task Force (SCRSTF) shall base its activities by the rules and protocols found in the PJM Stakeholder Process Manual (M-34).
- The group will accomplish the scope of work identified above, and only that work.
- Approval from the parent Standing Committee will be sought before engaging in any activity outside this scope.
- The group will periodically report progress on its chartered scope of work to its parent Standing Committee.
- Meeting minutes and all meeting materials will be published on the PJM web site.
- The group will prepare a final report (the Consensus Proposal Report or Proposal Alternatives Report, whichever is applicable). This report will constitute its recommendation to the parent Standing Committee to resolve the issue.
- Membership in the group is open and will be identified by volunteerism. Group members are not required to sign a confidentiality agreement or non-disclosure agreement.