



Market Implementation Committee Special Session - Capacity Market Capability of Energy Storage Resources Monthly Progress Report

February 6, 2020

1. Capacity market capability of Energy Storage Resources

Issue Status

Emerging

Target Completion

March 11, 2020

Progress Update

The first meeting of this group was held on January 30, 2020, as reported in [Inside Lines](#). In that meeting, PJM reviewed:

- The procedural history and work plan for this topic
- The status quo in PJM as well as comparable rules in NYISO, ISO New England, MISO, and SPP
- The status of energy storage resources in the PJM queue
- Stakeholders' proposals for alternatives to the status quo

The group then discussed the stakeholders' proposed alternatives, especially ones for use of an Effective Load Carrying Capability (ELCC) method for establishing the capability of energy storage resources in the capacity market.

The [Inside Lines](#) article describes ELCC this way: "ELCC is an established method used to evaluate the capability of resources that cannot run at their full output around the clock. The method simulates load and generation for each hour of a hypothetical year. It assesses whether or not generation or storage resources are able to meet the needs of consumers in a particular hour. It then compares a resource mix scenario of duration-limited resources with one of unlimited resources. The result reflects the reliability value of a limited resource compared with a similarly sized unlimited resource. This takes into account the reality that load-carrying capability tends to decrease as more limited-duration resources are deployed."

Staff stated that PJM could potentially file a brief with FERC stating that it is engaging stakeholders in the development of an ELCC method, will work on the details with stakeholders and will return with a final proposal at a specified time.

A brief update on the above was provided to the Feb. 5 Market Implementation Committee.