



# Fuel Security Update

Tim Horgler  
Director, Energy Market Operations  
Markets and Reliability Committee  
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- Review of Highlights and Summary from Fuel Security Analysis
- Review objectives for Phase 2, Fuel Security Study
- Discuss Proposed Timeline
- Suggested Work Activities
- Discussion of Education and Sensitivities



There is NO immediate threat to the reliability of the PJM RTO.



- PJM is reliable in the announced retirements and escalated retirements cases under all typical winter load scenarios.
- PJM is reliable in the announced retirements cases under all extreme winter load scenarios.



- Scenarios to identify points at which an assumption or combination of assumptions begin to impact the ability to reliably serve customers.
- The stressed scenarios resulted in a loss of load under extreme but plausible conditions.

## Contributing factors:

- The level of retirements and replacements
- The level of non-firm gas availability
- The ability to replenish oil supplies
- The location, magnitude and duration of pipeline disruption
- Pipeline configuration



# Objectives of Further Fuel Security Discussion

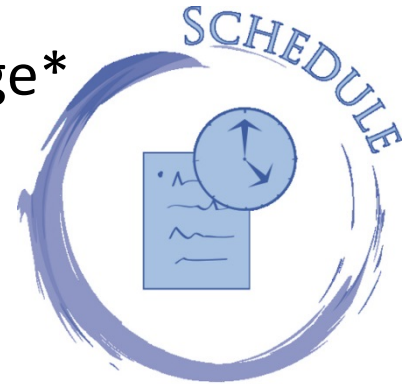
While there is **NO** imminent threat, Fuel Security is an important component of ensuring reliability – especially if multiple risks come to fruition. The findings underscore the importance of PJM exploring proactive measures to value fuel security attributes, and PJM believes this is best done through competitive wholesale markets.

To continue stakeholder engagement, PJM will:

1. Publish Scenario Templates for 324 scenarios in mid-January.
2. ***Introduce a Problem Statement and Issue Charge for stakeholder consideration in first quarter 2019 with any potential market rule changes targeted to be filed with FERC in early 2020.***

As part of Phase 3 work efforts, PJM will continue to work with key agencies within the federal government and impacted industries to further define fuel security assumptions and scenarios defined by the Department of Energy.

January MRC:	Introduction; solicit additional objectives, education topics and sensitivities
February MRC:	First read of Problem Statement and Issue Charge
March MRC :	Stakeholder vote Problem Statement and Issue Charge*
April thru August:	Pursue Key Work Activities
September:	Task Force recommendation
October:	MC endorsement vote
December:	FERC filing

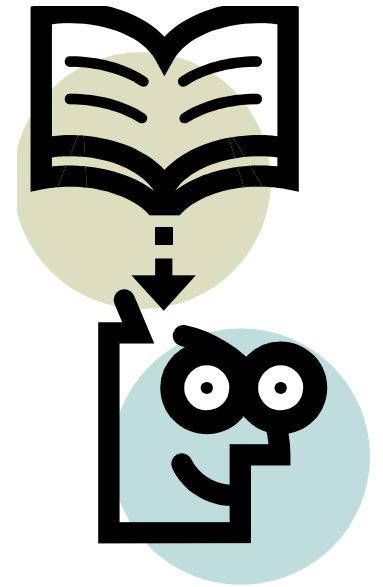


*\*Recommend assignment to a new Senior Task Force reporting to the MRC*

1. Determination of, and presentation of, additional education, as needed
2. Determine any additional sensitivities that would inform the discussion
3. Discuss potential attributes that would define a fuel secure resource
4. Discuss whether a minimum quantity of fuel secure resources is necessary, including a locational component
5. Discuss market and operational mechanisms that have the potential to ensure Fuel Security



- PJM will provide education necessary to support Key Work Activities
  - Additional education requests may be requested now
- Additional sensitivities may be requested to inform discussion
  - Since PJM has already performed over 300 scenarios, review of existing scenarios is highly recommended before requesting PJM consider additional sensitivities or scenarios





- February MRC
  - First Read of Problem Statement and Issue Charge incorporating stakeholder feedback
- March MRC
  - Stakeholder vote on proposed Problem Statement and Issue Charge
- April
  - First meeting of new task force (if approved)
  - Education



Kim Warshel ([kim.warshel@pjm.com](mailto:kim.warshel@pjm.com))

Tim Horger ([tim.horger@pjm.com](mailto:tim.horger@pjm.com))