Market Efficiency Process Enhancement Task Force

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Planning Committee
Market Efficiency Process Enhancement Background

• **Market Efficiency Process Enhancement** approved in January 2018
  – Address challenges and opportunities for improvements to the Market Efficiency process since implementing Order 1000 processes in two phases

• Phase 1 key discussion areas:
  – Benefits-to-Cost Calculation (Energy & Capacity)
  – Regional Targeted Market Efficiency Projects
  – Modeling of Facility Service Agreement (FSA) Generators
  – Market Efficiency Reevaluation Process
Non-binding Polling Results

- **Poll responses** are non-binding and intended to solicit feedback on potential support for key design components (open 5/21-5/25)
- 10 individuals representing 71 companies and affiliates participated
- Further areas for discussion:
  - Benefits calculation: simulation year(s) & post-simulation calculation
  - Capacity projects: consider procurement-style approach
  - FSA modeling: further clarity on commercial probability
  - Reevaluation criteria: $50 million or more capital cost to study
• Continue discussions on potential modifications to phase 1 items

• Provide first read of proposal(s) at the July PC
  – Solution package to implement for November 1st window

• Continue MEPETF discussions for phase two
  – Market Efficiency Mid-Cycle Assumption and Model Update
  – Market Efficiency Window
Next Steps

• Next meeting scheduled for June 15th
  – Discuss proposal development

• Report back to the PC July 12th

• Work plan is scheduled through the Q1 of next year