

EE Addback in Capacity Auction Clearing

Issue Source

The PJM Independent Market Monitor.

Issue Content

The work is intended to address the specific technical issue of the calculation of the Energy Efficiency (EE) add back defined in PJM Manual 18: PJM Capacity Market at section 2.4.5.

Key Work Activities

1. Review basics of EE in the capacity market
2. Review Manual 18, section 2.4.5.
3. Define appropriate EE add back calculation method in capacity auctions.
4. Approve draft Manual 18 language to replace section 2.4.5.

Expected Deliverables

1. Modified language to define EE add back in Manual 18, section 2.4.5.

Decision-Making Method

Decision making method is: Tier 1, consensus (unanimity) on a single proposal.

Stakeholder Group Assignment

The IMM will work the issue through the “Quick Fix” process at the Markets Implementation Committee (MIC).

Expected Duration of Work Timeline

The IMM will propose a solution during the first read of the Issue Charge and request a vote at the following meeting. Expected time is one month.

The key deadline is to ensure that this language is modified in time so that PJM can use the modified EE add back process in the December BRA for 2023/2024.

Start Date	Priority Level	Timing	Meeting Frequency
	<input type="checkbox"/> High	<input checked="" type="checkbox"/> Immediate	<input type="checkbox"/> Weekly

	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Near Term	<input checked="" type="checkbox"/> Monthly
	<input type="checkbox"/> Low	<input type="checkbox"/> Far Term	<input type="checkbox"/> Quarterly

Charter

(Check one Box)

<input type="checkbox"/>	This document will serve as the Charter for a new group created by its approval.
<input checked="" type="checkbox"/>	This work will be handled in an existing group with its own Charter (and applicable amendments).