

# Gas Electric Coordination Issues

EGCSTF

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IMM



Monitoring Analytics

# Scope and Focus

- **Important to focus on issues related to gas electric coordination.**
- **Reflect pipeline restrictions in unit availability.**
  - **Enforce accurate outage and/or derating reporting if nominations not possible or limited.**
  - **Will ensure PJM's reserve estimates are accurate.**
  - **Appropriately values resources across technologies.**
- **Customers not responsible for economic decisions to not procure firm transportation.**
  - **Generators should bear the risk for these decisions.**
  - **Fundamental principle of a market based construct.**

# Scope and Focus

- **PJM's market design objective is not to insure gas generators against fuel procurement risk.**
- **Efficiency and reliability of fuel procurement is one of the elements that generators compete on.**
  - **Decisions to add dual fuel capability and manage its security are some of the solutions to operate reliably.**
  - **Compensating for unused gas damages competition.**
  - **Multiday commitments prior to day-ahead damage competition.**
- **Resource accreditation, capacity market issues being discussed at Planning Committee, RASTF.**

# Practical Considerations

- **The matrix has a number of items that are not valid design components.**
  - **Certain components are statements of opinion of a particular entity, do not apply to all gas generators.**
- **A particular participant's (or a group of participants') desired outcomes are solution options, not design components.**
- **Scope of certain items is beyond gas electric coordination, or PJM's authority, for example:**
  - **19: Long term viability of peaking units (or any units).**
  - **21: Use of intermittent generation forecast error in reserve demand curves (FERC reversed ORDC order).**
  - **17: Identifying gas capacity needed to meet power demand.**

## Other Issues

- **Market design appropriately assigns risk of decisions on how to operate generation to market sellers.**
  - **This includes siting, fuel procurement, decisions to add dual fuel capability, subscribe to transportation service.**
- **ERCOT events do not demonstrate the flaws of PJM market design.**
  - **Gas market power issues should not drive power market design changes.**
- **Lack of flexibility in gas market should not be transferred to power market.**
- **Power market should incent developing gas supply flexibility.**
- **Power market should incent increased gas market transparency.**

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