

The language and sections below are intended to provide stakeholders with PJM’s currently contemplated draft compliance language that corresponds with the applicable directives contained in the December 19, 2019 order. The following language is not inclusive of all compliance requirements as additional language for other sections are still being developed. PJM welcomes any feedback on the contemplated language below.

Ordering Paragraph	Associated Footnote (as applicable)	FERC Directive	Contemplated Draft Compliance Language
75		MOPR should apply to resources that receive or are "entitled to" receive a State Subsidy	Any Sell Offer based on a Capacity Resource with a State Subsidy submitted in any RPM Auction shall have an offer price no lower than the MOPR Floor Offer Price, unless the Capacity Market Seller qualifies for an exemption with respect to such Capacity Resource with a State Subsidy prior to the submission of such offer.
75		Seller shall be considered "entitled to" a State Subsidy if the seller has a legal right or a legal claim to the subsidy, regardless of whether the seller has yet to actually receive the subsidy	“Capacity Resource with State Subsidy” shall mean a Capacity Resource mean a Capacity Resource that receives or is entitled to receive one or more State Subsidies for the applicable Delivery Year, but shall not include a gas powered combined cycle or combustion turbine resource that has never cleared an RPM Auction.
75		Resource will continue to be "Entitled" to a State Subsidy if the resource previously received a State Subsidy, and has not cleared a capacity auction since that time	A Capacity Resource that has not cleared an RPM Auction since the resource received a State Subsidy shall be subject to the MOPR Floor Offer Price upon the expiration of such State Subsidy until the resource clears an RPM Auction.

82		<p>Exclude generic industrial development and local siting support.</p> <p>PJM also adds a clarification that taxes/costs such as RGGI are not deemed state subsidies.</p>	<p>Notwithstanding, State Subsidy shall not include (a) any generic industrial development or local siting support that is available to all businesses and is not directed at the new entry or continued operation of a generating facility or (b) any tax or other cost imposed on certain resources that is imposed by a state or group of states that that indirectly benefits unaffected resources shall not be deemed a State Subsidy.</p>
89		Federal Subsidy not included	<p>“State Subsidy” shall mean a direct or indirect payment, concession, rebate, subsidy, non-bypassable consumer charge, or other financial benefit that is as a result of any action, mandated process, or sponsored process of a state government, a political subdivision or agency of a state, or an electric cooperative formed pursuant to state law, and that</p> <p>(1) is derived from or connected to the procurement of (a) electricity or electric generation capacity sold at wholesale in interstate commerce, or (b) an attribute of the generation process for electricity or electric generation capacity sold at wholesale in interstate commerce; or</p> <p>(2) will support the construction, development, or operation of a new or existing capacity resource; or (3) could have the effect of allowing the unit to clear in any PJM capacity auction.</p>
161		<p>Include a Competitive Exemption for both new and existing, other than new CT/CC, that certify to PJM that they will forego any State Subsidies</p>	<p>Competitive Exemption. A Capacity Resource with State Subsidy (other than a resource owned by a self-supply entity or a new gas powered combined cycle or combustion turbine regardless of whether it receives a State Subsidy) may be exempt from the Minimum Offer Price in any RPM Auction for any Delivery Year if the Capacity Market Seller certifies to the Office of Interconnection, in accordance with the PJM Manuals, that the Capacity Market Seller of such Capacity Resource elects to forego receiving any State Subsidy for the applicable Delivery Year no later than thirty (30) days</p>

			prior to the commencement of the offer period for the relevant RPM Auction.
162		Provision stating that if an existing resource claims the competitive exemption in an auction for a DY and subsequently elects to accept a State Subsidy for any part of the DY, then the resource may not receive capacity revenues for any part of that DY	If a Capacity Resource that previously cleared an RPM Auction (1) claims the Competitive Exemption or (2) is not identified the resource as a Capacity Resource with State Subsidy in a RPM Auction for a Delivery Year, and subsequently elects to accept a State Subsidy for any part of that Delivery Year, then that resource may not receive RPM revenues for any part of that Delivery Year, unless it can demonstrate that it would have cleared in the relevant RPM Auction under a resource-specific exception offer.
162	312	Resource described above could receive capacity payments if it can prove through a Unit-Specific Exemptions that it would have cleared in the relevant auction	see above.

173		<p>Include an RPS Exemption for resources receiving a State Subsidy through a currently existing state-mandated or state-sponsored RPS program if it meets the criteria (1) has successfully cleared an annual or incremental capacity auction prior to this order; (2) has an executed ISA/WMPA/CSA on or before the date of this order; or (3) has an unexecuted ISA/WMPA/CSA filed by PJM for the resource with the Commission on or before the date of the order</p>	<p>Intermittent Resource Exemption. A Capacity Resource with State Subsidy that is an Intermittent Resource may qualify for the Intermittent Resource Exemption in any RPM Auction if such Capacity Resource (1) receives or is entitled to receive State Subsidies through renewable energy credits or equivalent credits associated with a state-mandated or state-sponsored renewable portfolio standard (“RPS”) program or equivalent program and (2) satisfies at least one of the following criteria:</p> <ul style="list-style-type: none"> (a) has successfully cleared a RPM Auction prior to December 19, 2019; (b) is the subject of an interconnection service agreement or equivalent executed on or before prior to December 19, 2019; or (c) is the subject of an unexecuted interconnection service agreement or equivalent filed by PJM with the Commission on or before December 19, 2019.
202		<p>Include an Self-Supply Exemption for resources owned by self-supply entities that fulfill at least one of these criteria (1) has successfully cleared an annual or incremental capacity auction prior to this order; (2) has an executed ISA/WMPA/CSA on or before the date of this order; or (3) has an unexecuted ISA/WMPA/CSA filed by PJM for the resource with the Commission on or before the date of the order</p>	<p>Self-supply exemption. A Capacity Resource that is owned, or bilaterally contracted, by a self-supply LSE may be exempt from the Minimum Offer Price Rule if such Capacity Resource satisfies at least one of the criteria specified below:</p> <ul style="list-style-type: none"> (a) has successfully cleared an RPM Auction prior to December 19, 2019; (b) is the subject of an interconnection service agreement or equivalent agreement executed on or before prior to December 19, 2019; or (c) is the subject of an unexecuted interconnection service agreement or equivalent agreement filed by PJM with the Commission on or before December 19, 2019.

202	427	<p>These entities include vertically integrated utilities that receive cost of service payments for plants constructed and operated under state public utility regulation, public power, and single customer entities</p>	<p>For purposes of the self-supply exemption, “self-supply LSE” means the following types of Load Serving Entity that operate under long-standing business models: single customer entity or vertically integrated utility. “Vertically integrated utility” means a utility that owns or bilaterally contracts generation, includes such generation in its regulated rates, and earns a regulated return on its investment in such generation. “Single customer entity” means an LSE that serves at retail only customers that are under common control with such LSE, where such control means holding 51% or more of the voting securities or voting interests of the LSE and all its retail customers.</p> <p>If multiple entities have an ownership interest in the Capacity Resource, the self-supply exemption applies only to the Capacity Market Seller that is the self-supply LSE for such Capacity Resource.</p>
208		<p>Include an DR/EE Exemption for resources that fulfill at least one of these criteria (1) has successfully cleared an annual or incremental capacity auction prior to this order; (2) have completed registration on or before the date of this order; or (3) have a measurement and verification plan approved by PJM for the resource on or before the date of the order</p>	<p>Demand Resource and Energy Efficiency Resource Exemption. A Capacity Resource with State Subsidy that is Demand Resource or an Energy Efficiency Resource may qualify for the Demand Resource and Energy Efficiency Resource Exemption in any RPM Auction if such Capacity Resource satisfies at least one of the following criteria:</p> <p>(a) has successfully cleared an RPM Auction prior to December 19, 2019. For purposes of this subsection (a), Demand Resources that are composed of customer registrations submitted to PJM no later than 30 days prior to the BRA for the 2022/2023 Delivery Year may be deemed eligible for the Demand Resource and Energy Efficiency Resource Exemption.</p> <p>(b) is composed of Demand Resource customer registrations on file with PJM on or before December 19, 2019; or</p> <p>(c) is supported by a post-installation measurement and verification report for Energy Efficiency Resources approved by PJM on or before December 19, 2019.</p>

208		<p>Include an Capacity Storage Exemption for resources fulfill at least one of these criteria (1) has successfully cleared an annual or incremental capacity auction prior to this order; (2) has an executed ISA/WMPA/CSA on or before the date of this order; or (3) has an unexecuted ISA/WMPA/CSA filed by PJM for the resource with the Commission on or before the date of the order</p>	<p>Capacity Storage Resource Exemption. A Capacity Resource with State Subsidy that is a Capacity Storage Resource may qualify for the Capacity Storage Resource Exemption in any RPM Auction if such Capacity Resource satisfies at least one of the following criteria:</p> <ul style="list-style-type: none"> (a) has successfully cleared a RPM Auction prior to December 19, 2019; (b) is the subject of an interconnection service agreement or equivalent executed on or before prior to December 19, 2019; or (c) is the subject of an unexecuted interconnection service agreement or equivalent filed by PJM with the Commission on or before December 19, 2019.
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