

Stakeholder Response to Poll Questions Two and Three

Question Two: Please let us know if there are any other issues you would want to add in to the discussion during phase one.

Comment
MOPR Only
We submit that the goal of this effort should be to satisfy the direction from FERC Chair Glick. PJM stakeholders will likely be better off with a PJM-driven solution. We support a narrow focus around Extended MOPR repeal/reform. While all parties have more issues in mind, it will be very difficult to have an organized discussion without narrowing the topic to identify ways.
We need to understand how/whether to address the Market Seller Offer Cap, which seems very tied into some issues around the obligations of capacity resources that should be discussed but are unlikely to be resolvable by July.
Given the predictions that renewable resources will be able to clear the upcoming BRAs despite the current MOPR rule, [we don't] see the need for a quickly- devised MOPR fix. More time should be taken to consider options to MOPR and to flesh out details of how they might work. Most options presented in the workshops were primarily conceptual.
business models cannot be subject to MOPR (preserve self-supply). Also, since elimination of MOPR may reduce energy and capacity prices, there needs to be a commitment for the timeline to resolve what has been called "reliability attributes" - should be a higher priority, resolved sooner than PJM suggested in the proposed timeline shared with stakeholders. Given the forward commitment, we could lose resources that we may need to support the transition to a grid of increased penetration of intermittent resources. Incentivizing/valuing those that provide what the grid needs in this transition is essential . Without acknowledging this and prioritizing this, we may not be fully embracing lessons from TX and CA.
Please consider alignment with Order 2222 by defining grid services that may be bought/sold by DER in a capacity market through an aggregator. Change the BRA process to acquire specific grid services needed for reliability, as determined by PJM after factoring in BTM-PV and capacity acquired to meet State Energy Goals across the region, using a capacity exchange for price discovery for each grid service being acquired. All resources acquired by States would have to identify the specific grid service being offered in the BRA.
Support for CIFP is predicated on it being a MOPR removal/mitigation discussion only with ALL other issues to be more fully addressed in the traditional CBIR process.
No- address only MOPR during the discussion
Phase 1 should be limited solely to addressing MOPR reform.

Let's not sacrifice the efficacy of markets to accommodate state resource preferences; let's work to find the win-win that preserves markets that support Reliability for all.
Phase 1 should be extended to include (at a minimum) discussion of enhanced Capacity Resource definition/qualification and performance requirements, including implications for the ELCC process for counting the capacity/reliability contributions of different resource types, to be implemented coincident with any reversal of the state subsidy MOPR and/or modifications to the buyer side market power mitigation MOPR. If necessary, the timing of Phase 1 should be extended to accommodate the additional scope. The urgent need for a reversal of the state subsidy MOPR is premised on the concern that state subsidized resources will not clear the 22/23 BRA and/or the 23/24 BRA as a result of the application of the MOPR; however, evidence to this point (default MOPR levels, and, per the IMM's statements at the FERC technical conference, unit specific MOPR levels) indicates that those resources will in all likelihood clear both of these auctions. It is extremely important that PJM establish appropriate standards for capacity resources based on engineering principles coincident with any MOPR reform to ensure state resource selection is informed by the true capacity/reliability value of the resources those states might select.
Protections for states and self-supply entities forced to make significant business decisions on the expanded MOPR construct. In particular, PJM should consider whether the 5-year minimum stay requirement for FRR should be enforced if market participants are forced to elect FRR due to MPR and then the application of the MOPR to state subsidies is removed. It should also consider short term changes that would afford flexibility that market participants make based on the expanded MOPR construct.
Lets keep this to MOPR issues.
A couple of things. CIFP must be initiated by the Board. I can be requested by MC, but still requires Board authorization. PJM needs to be very very clear with PS/IC. What specific problem are you trying to solve in Phase 1? Phase2?
In the CIFP process for the July filing, PJM should address updating the reference unit, improving forecasting, the shape of the VRR Curve and the E&AS offset issues. However, these items should be addressed in the July filing only if they do not delay implementing the pre-2019 MOPR for the December 2022 BRA.
MOPR Reform should be the ONLY issue discussed during Phase 1.
Repricing, capacity performance, definition of capacity
None. We want PJM stakeholders and staff to prioritize reforming or eliminating the MOPR in the first phase of discussions so the changes can go in effect for the DY23/24 Base Residual Auction.
Expand definition of what constitutes a CP Event Firm on-site fuel supply for reliability resources (dispatchable) Change CP Penalty Rate to reflect actual expected PAHs Address MSOC
Limit scope to MOPR only to expedite resolution before 23/24 BRA.
Yes; while in pursuit of proposed reforms to the current MOPR, there may be additional issues that should be considered as part of the Phase 1 process and PJM should allow for this. We would underscore that MOPR cannot be removed in a vacuum and without taking any actions to address the impact of out of market subsidies on market pricing or on unsubsidized units participating in the market.

A PJM administered Clean Capacity Market
No need to repeat education. Assert and affirm that any changes to MOPR will include a holistic review of RPM including: <ul style="list-style-type: none"> • Need to recognize reliability all hours of the year, not just the single peak hour •Mandatory reliability requirements with flexibility to comply •Protect against supply-side market power •Timely transition • Allowance for multi-year clearing •Review timing for auction (<36 months forward)
During the Capacity Workshop #4, a stakeholder raised the interest of changing the FRR Alternative. We don't necessarily support addressing the FRR Alternative in this phase 1 effort, however, if changes to the FRR Alternative is a part of the phase 1 effort then we have additional changes to FRR that we would like to see incorporated.

Question Three: Please let us know if you have any other feedback you wish to provide at this point.

Comment
Our preference between the 2 faster processes came down to a preference to see a more thoroughly presented PJM proposal in a white paper. That said, we also appreciate that the CIFP explicitly includes an MC vote, but we took PJM's presentation to indicate that they would pursue a MC vote in the ELC process as well. On our overall preference for the CBIR process, we struggle with the notion of employing a fast process when it is not clear to us that FERC will be able to act in the way the leadership wants under the current Commission makeup. While that Commission makeup may change sometime this year, it is not guaranteed to change as quickly as or in the direction that some may anticipate.
Make every effort to minimize the effort required to obtain unit specific exemptions for 2023-2024 auction.
The stakeholder process should address only the MOPR issue.
Our company remains open to a range of possible replacement policies. As we consider approaches to MOPR reform, if there is some form of buyer side mitigation in place after, it will be vital to create bright lines on application of MOPR, such as... <ul style="list-style-type: none"> • What resources are subject to MOPR and what are not. • What types of buyer side contracting is subject to MOPR and what is not. Replacing Extended MOPR with a new construct that leads to confusion in upcoming condensed auction schedule will be unproductive. Thank you for taking this feedback.
[We] believe that with a focused effort and quick agreement on an issue charge to address the MOPR and possibly other issues that might find common ground, we can use the same timeline for discussions as is proposed under ELC or CFIP to get to a consensus proposal, recognizing that the Board would need to act if stakeholders cannot reach agreement.
PJM should seek to avoid, to the greatest extent possible, the creation of increased costs and inefficiencies associated with a parallel path compliance requirement for the 23/24 BRA

<p>Today session was very insightful. NEPOOL is also considering the AOCE market concept, which prioritizes a reliability first approach in the solution design, as a pathway forward, Look for AOCE under the Other Approaches section at this NEPOOL link: https://nepool.com/future-grid-initiative/reference-library/</p>
<p>I am new to PJM process so I do not have a strong preference but I would support any process that allows PJM to continue with its proposed timeline. I think participation from the states is very necessary so the committee rules might need to be modified to facilitate their participation,</p>
<p>PJM and stakeholders must choose to focus either specifically on the MOPR in phase 1 or consider all outstanding market issues including over procurement, reference resource, universal ELCC, interaction with energy market, demand-side issues, etc. PJM and stakeholders cannot cherry pick a few preferred issues. Additionally, if PJM and stakeholders decide to employ the more comprehensive route right away regular CBIR should be employed, and PJM should preemptively push back the December auctions at least 3 months to give stakeholders time to conduct a comprehensive process. If the process is split into two phases not only must there be a phase 2, but any work in phase 1 must be considered provisional in nature and should be open to modification in phase 2 which is focused on developing more comprehensive solutions.</p>
<p>Minimize level of effort required by participants to get unit-specific exemptions for 23/34 Auction</p>
<p>Standard CBIR is inappropriate for the expedited consideration of MOPR reform that is required.</p>
<p>We believe addressing capacity issues in smaller manageable chunks is appropriate and it is appropriate to address MOPR first.</p>
<p>Any reforms to the capacity market construct should accommodate self-supply entities, including vertically integrated utilities, to ensure that they can continually participate in the wholesale electricity markets in the future.</p>
<p>Phase I should be focused on MOPR. Remaining issues should be addressed in a Phase II full process.</p>
<p>PJM should make the necessary room on the stakeholder calendar to ensure sufficient time for capacity market discussions</p>
<p>After the workshops, it is clear that there are many different views on what problem or problems are to be solved. PJM must be crystal clear on the issue(s) to be resolved for the stakeholder process to be successful.</p>
<p>PJM should outline a timely and concrete Phase 2 process that will address any remaining issues, including how to allow for state policies and include varying environmental attributes in the markets, through mechanisms like the CCOA or the ICCM or other alternatives.</p>
<p>Simply removing the MOPR is an unacceptable solution and does nothing to protect against price suppression that PJM and FERC previously determined to be a real issue that needs to be addressed.</p>
<p>PJM should avoid an issue charge that is too narrowly defined. Eliminating MOPR without complimentary changes to ensure reliability (including via proper competitive resource price signal) is unjust and unreasonable.</p>
<p>In supporting the CBIR stakeholder process, based on feedback received, we believe this process could be accelerated ("Accelerated CBIR") to allow for an expedited Phase 1 timeline. For example, the just completed</p>

very comprehensive Capacity Market Workshops would serve as the Education phase of the typical CBIR process.

Be mindful that if PJM elects CIFP or ELC process there is a very real and quite likely probability that consensus may not be achieved to allow for a stakeholder support 2/3 SWV Section 205 filing given that ½ the room (either supply or demand) may have no reason to compromise with the other half. The timeline we most likely will be operating under does not allow for protracted FERC litigation. Need to foster consensus and compromise not just race to get a filing in to FERC. Also, consider a more holistic review of RPM than just a narrow focus on MOPR.

We seek to ensure that any process is open and transparent to all stakeholders, including states, market monitor, and press. Question whether action by June serves the best interest of the PJM market and customers.