Framework Considerations for a Clean Attribute Procurement Model

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PRESENTED TO:
The PJM Resource Adequacy Senior Task Force

PRESENTED BY:
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Considerations for a Clean Capacity Attribute Model

York County Solid Waste and Refuse Authority and Covanta would be in favor of a clean capacity procurement mechanism if the 'clean' attribute is valued fairly and accurately. Should the PJM stakeholder body decide to explore such a construct, the following framework items should be considered.

1. 'Clean Capacity' needs to be thoroughly defined and measurable
   - 'Clean' can be more than simply carbon abatement for each megawatt produced
     - e.g., Net carbon benefit over entire lifecycle of the resource, land consumption, other emissions considerations
   - A procurement mechanism should continue to acknowledge that 'clean' resources are not homogenous and possess attributes that contribute to reliability differently (e.g., ELCC, EFORd).
2. The procurement mechanism must properly balance incentives between the Capacity Market and any 'Clean' procurement mechanism to produce a fair and competitive market outcome, and assures positive value for 'clean' attributes
3. A clean capacity procurement model should not undermine the value of the Renewable Energy Credit (REC) markets
   - REC Markets provide states and corporations the flexibility to achieve their individual renewable energy targets through a market mechanism that appropriately values the 'renewable' attribute.