CCPPSTF Package Poll – Comments

9/26/2017

1. Recognizing that this is a non-binding preliminary indication of interest, please rate your level of agreement for the following statements with respect to each proposal. A response of 0 indicates a proposal does not meet this statement whereas a response of 5 indicates that the proposal definitely achieves the aforementioned statement:

- Markets should not interfere with states' rights to implement policy objectives. In addition, Status Quo should have been part of this poll.
- Unfortunately even some of the statements here are open to interpretation -- does "drives a competitive outcome" mean for the overall market, for the residual market, or only for the non-subsidized market?
- Only the IMM proposal fully drives a competitive outcome by fully removing the price and quantity impact of subsidies, and fully insulates the rest of the market from the actions of a single state, and is easy to understand.
- Fostering a healthy competitive market is a clear state policy, particularly in jurisdictions with restructured energy markets. The two-tiered solutions promote negative state policies like ZEC subsidies and discourage a robust competitive landscape which erodes the market for competitive suppliers. IMM's proposal most strongly supports competitive markets.
- My preference for all of these proposals is the status quo. I am troubled that we are engaging in this exercise based solely upon generalized economic theory rather than trying to determine whether there is a real problem. The pushback received for any analysis based on the latest market results using the Illinois ZEC methodology is very disheartening. Consequently, I am not persuaded there is a materiality or reliability problem to be fixed.
- The questions are not appropriate for a number ranking. Should be a Yes or No structure.
- Only the IMM proposal fully drives a competitive outcome by fully removing the price and quantity impact of subsidies, and fully insulates the rest of the market from the actions of a single state, and is easy to understand. The IMM proposal is only surpassed by the other proposals in the area of accommodation, because it causes states to raise the issue of double payment/excess procurement. The two stage repricing proposals fall short of IMM with regard to driving a competitive outcome, but they better accommodate state initiatives by addressing the double payment/excess procurement issue. PJM – accommodates state initiatives, but does not excel at driving a competitive outcome because competitively priced resources do not clear. It does try to remove the impact of subsidies but falls short of IMM (strong MOPR). More complex than IMM (strong MOPR). LS Power – accommodates state initiatives, but does not excel at driving a competitive outcome at large levels of subsidized resources, and does not discourage subsidies. Easy to understand because one price is paid to all resources that clear. NRG – accommodates state initiatives. Slightly better than LS as discouraging subsidies as price paid to subsidized resources decreases as amount of subsidized resources increases. Harder to understand than LS because one price is paid to competitive

resources, another is paid to subsidized resources.   AMP – accommodates state initiatives, but completely guts existing construct removing VRR curve which introduces anti-competitive issues of its own. Extremely complex. Not sure it is fully understood by the proposers.   IMM - not as accommodating to state initiatives as the repricing proposals, but does accommodate state initiatives if cost competitive. Drives a fully competitive outcome and insulates the market from all impact of subsidies. Very easy to understand.   ODEC –accommodates state initiatives. Does a poor job driving a competitive outcome because it creates a fictitious competitive offer price that is likely lower than the true cost of a subsidized resource, and thus makes a poor effort to remove the impact of subsidies from price. Reasonably simple to understand.   Sustainable FERC – Not only accommodates state initiatives, but encourages them. A complete failure on all other criteria.   Capacity Choice – accommodates state initiatives, but does not do a good job of driving competitive outcome because demand is met by subsidized resources, not competitive resources suppressing price in the capacity market. Removes price impact of subsidies, but not quantity impact. Difficult to understand, especially the details of application to retail markets.   Exelon – accommodates state initiatives. Fails on other criteria. Only mitigates (promotes a competitive outcome) when system short of reliability requirement.   NOVEC –Accommodates state initiatives, but does poorly driving a competitive outcome and mitigating the impact of subsidies when subsidies are much less than the clearing price. Easy to understand.

- Status Quo is preferable to all other options on all criteria. Proposals here will likely over-compensate for state subsidies and increase prices to an unnecessary degree.
- Many of these proposals make an effort to remove subsidies from prices but end actually increasing prices.
- All proposals, except for the IMM's proposal, results in revenue shrinkage. Several proposals, including PJM's, encourage resources to offer at $0.
- The question about removing the impact to price from subsidies is somewhat confusing. The effort is there but we think many of the proposals overshoot the mark and will create substantially more impact – higher prices – than is reasonably expected.
- All of these proposals are still too undeveloped to make a complete analysis of (see 0s in question 4).
- We did not answer for three of the questions in this section. For the "accommodate" and "impact" questions, we disagree with the premise that accommodation is needed or that there will be an impact. For the "straightforward" question, we disagree that it should be a driver for selection in this case because RPM itself and all packages are complicated.
- Only the Sustainable FERC Project proposal enables continued competitive participation by all market participants and accommodates state initiatives, and is thus the only one that is easily understood.
- We have stated 3 for many proposals in the first column because it is unclear what the definition of a subsidy will be. The proposals that will accommodate state initiatives less than the current status quo were scored less than 3
- The responses about NOVEC rely on the parameters in the original NOVEC proposal. This is consistent with the later classification of NOVEC as a non-repricing proposal.

- My entity does not support moving forward with any of the “Repricing” solutions or any other bilateral/FRR options for implementation in time for the 2018 BRA. Rather, my entity believes a more holistic and concurrent evaluation of all alternative solutions should proceed in a more deliberate, and careful manner. These other solutions include, but are not limited to, energy market price reforms, carbon price options, capacity market reforms as envisioned in the Quadrennial Review of the VRR - marginal technology assumptions, review of RPM products and structure [seasonal summer or winter only CPP products, and/or seasonal PRD products, market power mitigation in capacity markets {given inaccurate assumptions as to the “B” parameter}; and reinstatement of the “holdback” to respond to continued forecast uncertainty-. This more holistic process is appropriate because there is no resource/reliability inadequacy. Rather, PJM is awash in capacity. Efforts to “reprice” capacity markets will only result in higher prices, which will retain even more capacity, thus further suppressing energy market revenues which many baseload merchant plants rely on to maintain profitability. My entity <u>does</u> support the Sustainable FERC solution, as this reinstates the seasonal products needed to procure additional summer resources consistent with PJM’s current load profile, at least cost, and enhances overall market efficiency for baseload generation. Furthermore, to the extent the NOVEC solution maintains the status quo in the short term, my entity supports that proposal

2. How should resources not cleared in Stage 1 but cleared in Stage 2 be treated in the re-pricing proposals? -- Comments:

- None of these are good choices
- Two-stage clearing creates inherent challenges for the in-between resources, which may be the ones that we want to keep in the market.
- They should be neither pro-rated nor price adjusted. (We don't like the choices and only enter one here to complete this survey.)
- The repricing proposals are fundamentally flawed. No option solves the concerns with repricing in general. Is "pro-rated" = NRG and "Price-Adjusted" = LS Power and ODEC?
- Not in favor of a price differential, but lesser of evils.
- We offer an answer of "not cleared" with reticence. We are not sure that will be considered a just and reasonable outcome, or that clearing auctions using prices of resources that don't receive a commitment aligns with auction fundamentals. However, both the other options create some odd incentives and opportunities for complicated and undesirable bidding behavior.
- At a minimum, competitive units (in-between units in the two-tier constructs) should be allowed to clear, such as in LS Power & NRG proposals. However, ideally, Extended MOPR would be used.
- The IMM's package is the preferred solution as it is most supportive of competitive markets. All of the two-tiered capacity proposals degrade the competitive landscape and therefore are not preferred. With that said, LS Power's proposal is the best of these distant secondary options.
- Could support PJM proposal if subsidized resources were NOT paid the higher clearing price; trying to discourage subsidies

- Repricing proposals are not the optimal approach. We decline to opine further.
- Pro-rated is what NRG does and NRG is our preferred repricing.
- Stage 2 clearing should be based on competitive auctions where resources clearing in Stage 1 have the option to sell some or all of their capacity position to re-priced resources that did not clear.
- Prefer not cleared, but voted price adjusted. Not cleared with an adequate floor mechanism to prevent gaming bid behavior is desired.
- None of the above. Two-stage approaches are inappropriate and ineffective.
- We do not support repricing, so no changes.
- Not cleared is "least worse answer".
- As stated in the response to Question 1, my entity does not support any Capacity Re-pricing proposals at this time. As such, the question is not applicable at this time.
- There should only be a single stage.

3. Should all cleared resources, subsidized or not, be paid the same clearing price?

- It would seem that if the resource with the actionable subsidy is paid less (i.e., clearing price-subsidy), the overall cost impact on customers would be "more" just and reasonable.
- Cannot support different clearing prices.
- All resources should get same clearing price. However, subsidized units should ONLY be paid completely outside RPM even if counted as capacity in a two-tier construct. Allows states transparency into exactly how much a subsidized resource is costing customers.
- In a perfect world the subsidized resources would be paid a lower clearing price, but we have not seen a good methodology yet on any of the proposals out there on how to properly address this, while maintaining a competitive outcome.
- Subsidized resources should only be paid capacity revenues if the mitigated offer clears in the auction.
- Depends. If they were appropriately mitigated, yes
- Paying all resources the same price does nothing to discourage additional subsidies.
- See comment in #2.
- Capacity with megawatts can be worth more than basic capacity. So subsidized megawatts are actually worth more. This question is trying to get at the opposite response -- whether subsidized units should be paid less, which we would object to
- We desire for the capacity market to remain as competitive and market-driven as possible. We do not desire increased administrative interaction from PJM.
- For capacity purposes in the same LDA only, yes.
- To depart from this basic principle is to invite more elements into the RPM construct to 'tweak and adjust'. Keep as is (same price for a MW in a location).
- We are answering yes with the assumption that the two step process has adjusted the offer price of the subsidized resources after Stage 1 to adjust their Stage 2 offer price to account for the impact of the subsidy. Only then should all resources receive the same clearing price

- Subsidized resources should be paid less through RPM
- As stated in the response to Question 1, my entity does not support any Capacity Re-pricing proposals at this time. As such, the question is not applicable at this time. It is important for affected states to have input over whether or not "subsidized" resources receive compensation in capacity markets.
- It is highly unlikely that a state that authorized subsidies will also authorize repricing if that were the state's option. If the RTO mandates repricing, future subsidy designers will likely attempt to get around the effect of the repricing in the subsidy design.

4. What reference price should be used, for subsidized resources? OTHER, Please specify:

- We do not support changing the offer prices of subsidized resources, except to the extent that the subsidy is added to the competitive offer as shown in the NOVEC proposal.
- My organization does not believe in re-pricing - they artificially increase costs to consumers.
- If a subsidy is a known value: offer + subsidy. Otherwise, if the subsidy is not known the price is the offer.
- Net CONE * B drives the price up to levels not even realized in the most recent BRA where there were no subsidized bidders.
- Can support NOVEC proposal; MOPR is ok but it is true that resources do not bid to their reference price so could be overly punitive
- As Determined by owner
- This is a leading question which presumes a repricing approach.
- This is the current status quo, and is reasonable.
- Not Net CONE*B, which works to raise prices above a competitive level
- Unit-specific ACR + subsidy (restated in $ per MW-day)
- Add subsidy amount
- Not applicable. Repricing distorts the offer prices. We don't support repricing
- Net CONE * B is not reasonable and a clear effort to simply raise prices in the market.
- Resources should be as-offered. It is important to maintain the linkage between what a resource offers and whether or not it will clear.
- PJM has no legal basis to decide whether or not a resource is "subsidized" other than whether or not the program is legal under the Federal Power Act.
- Use NOVEC approach to back out the value of each individual subsidy
- As stated in the response to Question 1, my entity does not support any Capacity Re-pricing proposals at this time. As such, the question is not applicable at this time. My entity would have concerns if efforts were taken that frustrated resource developed under its AEPS Act, or Act 129.
- CONE or Net CONE*B should not be used, particularly when the market or bid prices are significantly below that level, indicating that the market price does not reflect net CONE costs.

5. Is a reliability trigger preferred, in addition to the materiality trigger, for the determination of 'actionable' or 'non-actionable' subsidies?

- How would the reliability trigger be defined?
- Don't understand what a reliability trigger is. We haven't discussed nor defined such topics in the CCPPSTF. (We don't like the choices and only enter one here to complete this survey.)
- As to materiality, no one was raising a concern until ZECs, so anything less than ZECs...less than the value of an existing subsidy shouldn't be mitigated.
- All subsidies that are not procured through an open, transparent and non-discriminatory process must be mitigated.
- A reliability trigger based upon the reserve margin.
- Don't understand but if you are saying supply is needed for reliability we already have construct called RMR
- At the end of the day, reliability and resource adequacy is the main consideration.
- No – the market should be competitive at all levels of capacity, so a subsidy does not become non-actionable because the market price is below net CONE. This would pit subsidized resources against funding possible capital improvements in existing resources that are less than Net CONE but cheaper than the subsidized resources.
- All non-competitive subsidies should be mitigated
- I'd have preferred to leave this blank
- I have deep reservations about materiality triggers. One's convenient assumption is not a thoroughly vetted materiality trigger.
- We don't support any triggers. Repricing distorts the offer prices
- Do not believe that it has been established that there is a problem to solve.
- We do not support triggers.
- As stated in the response to Question 1, my entity does not support any Capacity Re-pricing proposals at this time. However, a reliability trigger is consistent with my entity position that no reliability risk is present at this time. Thus, conceptually, when combined with the consideration of other concurrent solutions, this approach has merit.
- A reliability trigger should not depend on whether there is a materiality trigger, and is a better indicator of need to adjust the market (i.e. if a unit is not needed for reliability, prices should not be driven up through administrative action).

6. If the proposal involves adjusting the auction clearing price (like LS Power's) or quantity, which should be adjusted?

- Would you prefer electrocution or lethal injection?
- Neither. (We don't like the choices and only enter one here to complete this survey.)
- Adjusting everyone's quantity is much more confusing to all participants than just the confusion caused to a few participants in the "infra-marginal" range.
- Could live with adjusting Price or Quantity in order to allow in-between units (which are competitive by definition) to rightly clear.

- Quantity creates volume risk in addition to the clearing price risk that exists today, which is unpalatable.
- Problem with NRG proposal is load is now paying for mws it is not getting
- Prefer no adjustment
- No Preference
- The question assume support for a repricing proposal, however, price adjustments might be less complicated.
- Neither should be adjusted, to do so allows for gaming. Quantity changes will likely result in fewer opportunities for gaming.
- It doesn't matter. Revenue shrinkage is the disease and either price or quantity causes it. I prefer a mechanism that identifies the true clearing price.
- We do not does not like either option but that choice was not provided.
- Neither. We don't support LS Power's or any repricing proposal and neither should be adjusted. We only select an option here because there's no way to bypass questions
- Neither should be adjusted – both will create opportunities for gaming. The quantity adjustment will probably permit less gaming.
- Don't like either to be administratively adjusted.
- We do not support adjusting either.
- Changing MW (i.e., quantity) invites a series of settlement issues, and an additional set of books to track, so price is better adjustment mechanism, to extent an LS-power type proposal is adopted.
- I do not like either option. The complexity and ability to game the situation raises concerns.
- As stated in the response to Question 1, my entity does not support any Capacity Re-pricing proposals at this time.
- Neither should be adjusted because it creates opportunities for gaming the market, particularly when the generator owns several units. Adjusting price has a more widespread effect on the market and on consumer prices, so adjusting quantity is preferred.

7. Should generators be able to opt-out of the iterative processes, like in the LS Power proposal, when they submit their offers for the applicable auction?

- Creates gaming opportunity for the largest portfolios.
- Concern about ability to skirt must offer requirement.
- We're a little confused by this question, as only LS Power includes an iterative process, and without an iterative process, they have no proposal.
- In for a penny, in for a pound.
- I didn't have alternative button to say may be
- This question presumes support for a repricing proposal; however, if the proposal chosen allows for such an option then the answer is yes.
- Opt-out opportunities introduce risk of gaming.

- Neither. We don't support LS Power's or any repricing proposal. We only select an option here because there's no way to bypass questions
- Opt-out opportunities can potentially permit more gaming opportunities
- We do not support such a process at all.
- As stated in the response to Question 1, my entity does not support any Capacity Re-pricing proposals at this time.
- This creates opportunities for gaming the market, particularly when the generator owns several units.

8. If no reference price is used for subsidized resources, should there be an attempt to recreate a competitive supply stack?

- I have no idea how this could be accomplished
- The stack should remain as per the status quo
- We think there should be a reference price used.
- Saying no because I don't know how it would be done without reference prices.
- The stack should remain as per the status quo, except under the NOVEC proposal which calls for addition of the subsidized value.
- Subsidized resources must be included in RPM and placed in supply stack at proper price absent the subsidy. Needed for proper price formation.
- We do not prefer having market prices set by administrative, reference levels or artificially constructed "competitive" supply curves.
- We believe that supplies that are derived from non-competitive processes should be mitigated which   However, we are not fully clear on the methodology and our support would be contingent on a more full understanding of the process for
- Depends on how the supply stack is reconfigured.
- NO - This is the ODEC proposal which creates a made-up price based on competitive offers. This is wrong, because when a competitive resource offers, it is relying on the competitive market only. Subsidized resources are receiving a guarantee from outside the market, thus they will always have an advantage to competitive resources, and will be enriched relative to competitive resources if the reference price is based on a contrived competitive supply stack.
- Competitive as the IMM defines it.
- It is unclear what this question is asking. We do not support repricing. If utilized, a competitive stack is preferred.
- "Subsidies" do not imply that the supply stack is not competitive.
- No; we do want to make the supply stack one more component to 'tweak'; if a reference price is used for the subsidized resource; that should be a sufficient adjustment to the supply stack.
- It depends on the method used to recreate a competitive supply stack.
- As stated in the response to Question 1, my entity does not support any Capacity Re-pricing proposals at this time. However, my entity has expressed concern about the reliance on one theoretical unit Net CONE value in establishing capacity prices and penalties

- In recreating the supply stack, the effect should not be to significantly increase the clearing price.

9. Should all subsidized resources be required to be removed from the supply stack used in the capacity auctions?

- Consistent with AMP and Capacity Choice.
- Again, anything less than ZECs has been fine until now. If we go for subsidies smaller than ZECs, that would open review up to a very large group that may exclude enough generators to cause reliability concerns.
- Impacts of subsidized units on price suppression must be corrected and therefore, subsidized units must be in supply stack at MOPR type price.
- If a subsidized resource is required to offer at a reference price that reflects its true cost with no help from subsidies and clears the market, the market remains competitive.
- Unless the subsidized resources are offered in at a competitive price that is no less than Net CONE * B
- Should be in the stack but at an unsubsidized price
- Those secured through a competitive, non-discriminatory process are acceptable. All others should be mitigated.
- Unless, the offer price is deemed competitive
- Not if a reference price or other mitigation is used
- Existing resources should not be included in the definition of subsidized resources.
- No – IF a subsidized resource is required to offer at a reference price that reflects its true cost with no help from subsidies AND it clears the market, that's OK.
- Those resources procured thought competitive processes should be left alone.
- The subsidized resources should be re-priced and re-inserted into the supply stack for the Stage 1 clear. They should be re-priced at ACR + subsidy.
- If their reference level is within the clearing range, they should be allowed to participate and set price at that level.
- They're all subsidized, so they'd all be removed under this rule
- Removing a subsidized resource has a supply-stack impact that raises prices, so removal is not a cure-all.
- Subsidized resources can go into the stack at a reference price, or with the subsidy negated (NOVEC approach)
- As stated in the response to Question 1, my entity does not support any bilateral/RFF proposals at this time.

10. The AMP bilateral market proposal addresses price transparency via a Backstop Residual Auction, PJM/IMM calculated CONE and Net CONE, masked reporting of bilateral transactions, and an expectation of development of independent third party data reporting, similar to that which developed around the energy market. Load meets its capacity obligation via bilateral transactions (including self-

supply and potentially via a secondary exchange) or a backstop residual auction. Should PJM develop a secondary exchange or let someone else do it (e.g., Nodal Exchange)?

- The ability to do this already exists. The failure is that the supply and demand forward curves are far apart.
- PJM has the reliability mandate.
- We don't support the AMP proposal.
- If it is needed, brokers will develop it. They are very efficient. But this would require a very fungible capacity product...like UCCs. Remember those?
- Do not support this proposal
- We don't have a strong preference on this, but it seems that having PJM facilitate would streamline the process.
- PJM is not an expert in developing an exchange and should not try to be. If RPM in its current form were allowed to reach equilibrium and the prices became more predictable, a liquid bilateral market, and it would follow an exchange, may develop on its own. PJM should focus on protecting the integrity of RPM by mitigating the impact of subsidies, and perhaps do what can be done to make RPM more transparent, so that it can become more stable and allow a bilateral market to develop
- PJM already has the Billboard where parties can transact bilaterally.
- Neither, we are not in support of a secondary exchange, if it had to be created we would want PJM to run it but in no way are we in support of creating a secondary exchange.
- Bilateral market functions properly and should remain an over-the-counter supplemental market and RPM should be the primary market.
- PJM could continue its role in managing all of the markets related to the competitive wholesale market under scenario posited.
- This question is leading. It presumes support for a return to bilateral market structure. Disagree with an expanded bilateral market.
- Other – PJM is not an expert in developing an exchange and should not try to be. If RPM in its current form were allowed to reach equilibrium, and the prices became more predictable, a liquid bilateral market, and it would follow an exchange, may develop on its own. PJM should focus on protecting the integrity of RPM by mitigating the impact of subsidies, and perhaps do what can be done to make RPM more transparent, so that it can become more stable and allow a bilateral market to develop.
- Bilateral Markets are a suitable mechanism.
- Neither
- Abandon the proposal.
- Neither
- No secondary exchange.
- Both. It is acceptable for markets to develop - whether administered by PJM, other, or both.

- The secondary market is not a PJM market, so another party should administer it. If it is a PJM market, then PJM should run the program and under no circumstances should a 3rd party be the administrator.
- The creation of a backstop residual auction we don't agree with. However, if one was required, our preference would be for PJM to run it.
- We do not support this option. However, we are required to submit an answer so we prefer PJM.
- We strongly oppose a bilateral approach. However, if one is adopted, PJM should develop a secondary or alternate exchange.
- As stated in the response to Question 1, my entity does not support any bilateral/RFF proposals at this time.

11. Do you believe capacity should be primarily procured through an auction or via bilateral transactions?

- A mix is preferable.
- Real answer is both. Each market participant should get to choose appropriate combination as only offered with Capacity Choice
- Current construct does not preclude bilaterals.
- We are not convinced that the status quo needs to be changed, and thus prefer that capacity continue to be procured through auction with the existing MOPR rules.
- Auction should be residual. Isn't that what the "R" in BRA represents?
- While we can support proposals that include bilateral transactions, we are not convinced that the status quo needs to be changed, and thus prefer that capacity continue to be procured through auction with the existing MOPR rules.
- PJM needs to run the very best auction it can insulated from subsidies, and with as much transparency as possible, ,and stable price signal will be revealed which could form the basis for a liquid bilateral market to develop.
- Bilateral markets should supplement RPM, which is the primary market.
- Yes for reasons of transparency and enhancing reasonable but lower prices.
- Only because we have three year forward. If it were like NYISO where there is bilateral market would have different answer
- Auction - PJM needs to run the very best auction it can, insulated from subsidies, and with as much transparency as possible, and a stable price signal will be revealed which could form the basis for a liquid bilateral market to develop.
- Bilateral markets should supplement the PJM markets.
- But market participants should be encouraged to hedge via bilateral transactions.
- My company's selection of bilateral transactions applies to the AMP proposal only. We prefers status quo.
- Customers should be able to decide between both options. We'd leave this blank but there is no option to do so
- Both

- PJM's RPM auctions are one of the great developments in FERC-regulated market in the last 2 decades; the transparent
- Bilateral transactions provide no transparency and should not be used for capacity procurement.
- Bilateral process is only beneficial for a few entities in PJM. We believe that the open market approach of RPM works best for most suppliers and buyers.
- As stated in the response to Question 1, my entity does not support any bilateral/RFF proposals at this time. However, my entity does not regulate wholesale transactions of LSEs active in the Pennsylvania market, and recognizes that there are no limitations in Pennsylvania as to the rights of LSEs to bilaterally contract in PJM markets to support their retail customers.

12. Does the bilateral market proposal impose barriers for DR participation?

- Allow customers to elect to purchase only the capacity they need (i.e., firm requirements).
- DR must find counterparty, similar to any other resource should the capacity market cease to exist.
- We don't see a way to fix the problem.
- But no more than any other components of the market.
- It seems that participating through a one-year-forward auction isn't so different from what DR is able to do today, through a combination of BRA and IA activity that allows it to set its actual commitment level just before the delivery year.
- Centralized, forward capacity market for all adequacy requirements.
- No, DR can participate in a bilateral transaction currently
- We do not understand the question but were forced to answer.
- Far more administration for DR providers, no price transparency
- The current market has drawn robust DR and CSP participation. A major change will create regulatory uncertainty.
- Primarily, transparency is a grave concern with a bilateral market.
- There are a lot of granular questions for the AMP proposal where others did not receive same attention.
- Bilateral-only capacity market creates new barriers to entry, results in loss of economies of scale, and impedes transparent outcomes.
- Zonal considerations could establish buyer market power due to limited buyers. Relatively small DR volumes can reduce DR's competitive leverage. One solution that could be explored is to require that LSEs procure 20% (or more) of supply from a BRA.
- It adds complexity, risk (regulatory and otherwise), and therefore ultimately cost to have to negotiate with every LSE on the system as opposed to offering in to one centralized market. It is also unclear how it would impact the ability to aggregate, which is one of the major benefits of DR and CSPs.
- No opportunity to remove the barrier is apparent.
- No ideas.

- It imposes a barrier to all resources that depend on price discovery and price transparency.
- Cannot think of a way to remove the barrier
- No bilateral market.
- Bilateral market (as opposed to a centrally cleared market), would frustrate widespread DR participation since 7-10 GW of DR would be need to be sold bilaterally vs. the easier route of clearing into RPM auction. Overall: Yes
- DR resources are decentralized and at a disadvantage in any bilateral procurement.
- There is a lack of transparency.
- Treat this response as N/A. Since we are not DR providers, we are not sure.
- As stated in the response to Question 1, my entity does not support any bilateral/RFF proposals at this time. This question should be answered by the appropriate entities [DR providers, including EDCs, CSPs, and LSEs].
- Bilateral contracts between C & I and suppliers or between utilities and suppliers could include DR provisions as part of a commitment to a specific capacity need.

13. Does the bilateral market proposal impose barriers for Competitive Service Providers?

- No viable options come to mind.
- CSPs must find a willing buyer. Price guarantees are less certain, riskier.
- We don't see a way to fix the problem.
- See answer to #12.
- Yes, competitive retail markets require competitive wholesale markets rather than parochial supply.
- Competitive retail will be difficult because right now with RPM being a forward commitment, the forward years are settled and can be passed through in any competitive retail proposal. Movement of customers between suppliers is facilitated by the existing structure and would be hard and plagued by market power concerns in a bilateral regime with no VRR curve.
- Retail suppliers will have unknown capacity positions due to having to estimate how many customers they will have in a specific zone.
- The current market has drawn robust DR and CSP participation. A major change will create regulatory uncertainty.
- Again, it is a transparency concern.
- Collateral, lack of transparency, ability to account for switching suppliers, three year forward adds "hair" as they don't know what their load will be
- There are a lot of granular questions for the AMP proposal where others did not receive same attention.
- Yes – Competitive Retail will be difficult because right now with RPM being a forward commitment, the forward years are settled and can be passed through in any competitive retail proposal. Movement of customers between suppliers is facilitated by existing structure, would be hard and plagued by market power concerns in a bilateral regime with no VRR curve.

- Bilateral-only capacity market creates new barriers to entry, results in loss of economies and efficiencies of scale, and impedes transparent outcomes.
- In addition the concerns with DR in Q12, CSPs would have to develop robust a trading function to sell their DR. This would have been able to implement transactions with myriad LSEs in every zone, adding to existing administrative costs. Bilateral trading places smaller resources at a competitive disadvantage. MISO, for example does most transactions via non-transparent bilaterals at prices well above auction prices. For solution, see Q12.
- It adds complexity, risk (regulatory and otherwise), and therefore ultimately cost to have to negotiate with every LSE on the system as opposed to offering in to one centralized market. It is also unclear how it would impact the ability to aggregate, which is one of the major benefits of DR and CSPs.
- No opportunity to remove the barrier is apparent.
- No ideas
- See #12.
- Cannot think of a way to remove the barrier
- No bilateral market.
- There might be additional contracting obligations but not a barrier.
- Yes, see response to 12.
- Bilateral procurement lacks necessary transparency.
- There is a lack of transparency.
- Treat this response as N/A. Since we are not competitive service providers, we are not sure.
- As stated in the response to Question 1, my entity does not support any bilateral/RFF proposals at this time. This question should be answered by the appropriate entity [CSPs].

14. Do you support an exemption for legacy programs that would otherwise be considered a subsidy program?

- Prior to last auction.
- Pre-date Illinois ZEC legislation.
- Not by date but by significance. Everything was fine until ZECs so anything less "significant" than ZECs should stay.
- 2015
- Legacy programs do not have material impact on the market and can be considered baked in. New programs should not be exempted because RPM offers to date considered a future revenue stream without those resources.
- 2016
- All subsidies that are not derived from a non-discriminatory process should be mitigated.
- Depends on how a subsidy program is defined. For example, I do not consider RIGGI a subsidy program.
- Last cleared auction

- Subsidies are embedded in many resource and technology types. What legacy programs are in question?
- Only if IMM package passes.
- The first delivery year of the new construct.
- June 1 2017
- Uncertain of proper date.
- There should be a rolling time for establishing what is an actionable to restrict it to actions with insufficient notice.
- Not sure
- Minimum of 5 years previous.
- Abstain. But, in order to enter a comment the "yes" is automatically selected. This is NOT a yes response. It depends on the proposal.
- All programs should be exempted.
- Yes, a minimum for generation owned by vertically integrated load (G&T cooperative generation, Muni generation; IOU generation); such supply has pre-dated existence of PJM's markets and go back 10 decades.
- This question requires more specifics about the legacy program(s) and is very generic given all the possible scenarios, thus we respond no
- 2018. Exemptions for legislative action should be based on the year the legislation was enacted.
- As stated in the response to Question 1, my entity does not support any bilateral/RFF proposals at this time. My entity would have concerns if efforts were taken that frustrated resource developed under its AEPS Act, or Act 129.
- January 1, 2016 or the date the capacity performance took effect. Changes to existing programs, particularly renewable portfolio standards that may be subject to ongoing legislative or regulatory change that do not change the fundamental goals of the programs, should be considered to be legacy programs

15. Should MOPR be eliminated entirely if the BRA were held 1 year ahead of the start of delivery year instead of 3 years ahead?

- Concept is important, but it is worthless in practice as PJM always grants exemption requests.
- This question is not clear: existing MOPR or proposed MPR - please clarify.
- MOPR would not be necessary for conventional resources (CCGT and CT) as their lead time is >1 year
- For new or existing units?
- Under the proposal that would change the BRA timing, it is unlikely that new entry covered by MOPR would be able to offer through the BRA, and would be more likely to enter through bilateral agreements.
- 1 year is not forward enough to support new-build and thereby maintain reliability.
- No, MOPR is still needed if BRA is held 1 or 3 years prior to delivery period.

- MOPR should protect the competitive market from price distortion regardless of the period between the BRA and delivery year. NYISO currently has a MOPR for its prompt auction construct.
- Yes, assuming this refers to the existing MOPR
- MOPR will still be needed to protect market against buyer side market power as a result of the entry of new resources.
- No answer. We do not agree with the concept.
- NCEMC's response assumes that units currently subject to MOPR would participate in the bilateral market.
- Do not agree with the concept
- MOPR should be eliminated regardless.
- No opportunity to build on a prompt basis.
- Answering this to mean the existing MOPR.
- Generally oppose proposals with BRA less than three years in advance of delivery year.
- As stated in the response to Question 1, my entity does not support any bilateral/RFF proposals at this time.

18. Recognizing that this is a non-binding preliminary indication of interest, please rate your level of preference for the individual proposals. A response of 0 indicates that you do not support a proposal whereas a response of 5 indicates that you strongly prefer a proposal:

- Questions 16 and 17 are too broad by lumping all the proposals together.
- We prefer status quo
- On the prior questions (16 & 17) the grouping of non-pricing proposals is inconsistent. They are not similar and should be broken down further. That grouping does not make sense. Also - Q14 does not allow a comment with a "NO" answer. Q14 comment = "My company believes that all resources should be treated the same."
- We prefer the status quo over all of the options on the table currently. We can increase our level of support for the PJM proposal if they pay all resources the same price for providing resource adequacy. We can increase our level of support for the ODEC package if they clarify their definition of actionable/non-actionable subsidy to note that payments for environmental attributes at or below the social cost of carbon are not considered actionable per the positions they've laid out at the CCPPSTF meetings.
- Among these, we would rate Status Quo the highest, and are disappointed we we not able to include it in the rankings; accordingly, all our other responses are scaled against the status quo receiving a '5'.
- Questions 16 & 17 had proposals grouped horribly and our company accordingly could not vote on them. IMM Extended MOPR proposal optimally handles state subsidization issues. Two-tier proposals could be acceptable, subject to many caveats. Only view PJM, LS, and NRG as true two-tier proposals.

- The best option is the IMM proposal because it is a strong application of MOPR that insulates the competitive market from subsidies and insulates the rest of the market from the actions of a single state.
- Status Quo is generally our best path, though capacity market reforms to better accommodate seasonal resources would be a positive change.
- IMM's package is most supportive of competitive markets and is the preferred solution. LS Power offers the most preferable of the two-tiered options, but is far less desirable than the IMM's package as it encourages state subsidies
- My first choice is Status Quo for the reasons I have stated previously. My next choice is the original NOVEC proposal. My third choice is the amended NOVEC or the ODEC proposals.
- NOVEC does have a repricing component so this is misleading
- Due to a last minute change to the NOVEC proposal, in essence making it a repricing proposal, our new ranking reflects NOVEC as our second preferred approach instead of first.
- The very best option is the IMM proposal because it is a strong application of MOPR that insulates the competitive market from subsidies and insulates the rest of the market from the actions of a single state. The only issue (if in fact it is an issue all) is the issue of double payment/excess capacity procurement raised by the states. To the extent it is agreed that the issue of double payment/excess capacity should be addressed, then the next best things are the NRG, LS and PJM repricing proposals in that order. PJM is not quite as good as the LS and NRG repricing proposals because it has the problem of infra-marginally priced resources not clearing a capacity obligation, or the race to the bottom problem as it has been called. LS is better and NRG is best because the separate price it pays to subsidized resources discourages subsidies to some extent. NOVEC is a poor substitute for IMM because it encourages subsidies that are high enough so that the subsidy + the projected market revenues cover the costs of a project, but low enough that the subsidy allows offers below the projected clearing price, allowing the resource to receive the subsidy and be a price taker. ODEC is a poor substitute for repricing because the price is contrived, and does not represent the true cost of the subsidized resource (what it would need to get from the market without the subsidy).
- Status Quo is preferable to all options in all regards. NOVEC's original proposal that did not include repricing and would be ranked as a 5 from the choices available, which do not include Status Quo.
- This is assuming the original NOVEC proposal.
- Re: #16 & #17 - I disagree that IMM's proposal is non re-pricing. MOPR is a form of re-pricing.
- Although not listed, my organization would have given status quo a 5 rating.
- This poll is extremely confusing and is NOT what was discussed by the CCPPSTF. The group conducted breakout sessions and suggested the poll design. There have been plenty of meetings to review questions. The status quo was not included in the poll and that was repeatedly requested. Also, the packages were not voted as yes, no, abstain. I don't know whether a 0-5 is support or opposition. Additionally, in order to provide comments on questions the poll decided the response and forced certain answers - those are not our opinions they are the survey's shortcomings.

- Both PJM's and IMM's proposal (as well as others that use the exemptions) are fraught with risk since the status of the MOPR criteria exemptions is up in the air, so this response assumes that those exemptions are retained (even if they are expanded to existing gen).
- Answering this question relying on the parameters in the original NOVEC proposal.
- Note: responses to Q17 may be muddled, since NOVEC was adjusted to be a repricing proposal after wording for that question had been set.
- Assumes original NOVEC proposal without repricing.
- My organization does support the Sustainable FERC solution, as this reinstates the seasonal products needed to procure additional summer resources consistent with PJM’s current load profile, at least cost, and enhances overall market efficiency for baseload generation. Furthermore, to the extent the NOVEC solution largely maintains the status quo in the short term, my organization supports that proposal.