

Resource Adequacy Market Design Principles

PRESENTED TO:

PJM Capacity Market Workshop – Session 2

PRESENTED BY:



March 4, 2021

Necessary Market Design Principles



Competitive Markets Providing Transparent Prices for Reliability and Clean Energy Goals

- Provide transparent price signals that value the PJM region's reliability and clean energy needs and that accurately quantify and equitably compensate every resource type's contribution toward meeting PJM's reliability
- Respect and accommodate, rather than interfere with, state, self-supply, and end-use customer procurements or competitive solicitations, desired emission levels, policy choices, or clean energy goals while still respecting the resource adequacy value of each resource
- Effectively mitigate market power to ensure a properly functioning and competitive market but must not impede state or federal policies that support supply-side resources (including demand response and energy efficiency) in a generally applicable, competitive manner
- Durable and adaptable design given expected changes to PJM's resource mix, the regulatory environment, and changes to federal and state policies

We Look Forward to Continuing This Constructive Dialogue



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