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## Sunrise Proposal

MOPR Elimination in PJM CIFP Stage 4 Process

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June 30<sup>th</sup>, 2021

# Sunrise Proposal

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- Current approved MOPR mechanism remains in tariff
- MOPR rules suspended and inapplicable through DY 24/25 (BRAs run in December 2021 and June 2022)
  - This suspension would be incorporated in tariff
- Anticipated future, broader RPM rules will replace current approved MOPR in tariff before DY 25-26
  - Absent new RPM rules filed in a timely fashion and approved, the current approved MOPR mechanism would become active again (sunrise) in DY 25-26

# Why Sunrise?

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- Allow time for more comprehensive proposal to deal with reliability and revenue adequacy concerns resulting from removal of MOPR as more intermittent renewable penetration occurs
  - Would also allow PJM and FERC to address concerns about just and reasonable pricing as a result of eliminating Expanded MOPR without an adequate replacement rate, as noted by Commissioner Danly in his recent White Papers
- Ensures market participants remain engaged to reach consensus on a more comprehensive proposal that addresses the market impact resulting from eliminating Expanded MOPR

# What is needed in longer term solution?

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- Restrict MOPR to instances of buyer side market power
- Dispatchable resources must have 16 hours of guaranteed run time for 3 days through onsite, backup fuel or contracted LNG
- Expand the definition of Performance Assessment Hours (PAH) to increase instances of events
- Increase CP penalties
- Ability to offer up to Net CONE \* B
- No excuses (except possibly due to transmission outages that are totally out of control of the generator)
- Increase annual stop-loss to 3 times Net CONE
- Intermittent and storage resource counting capped at their ELCC and exposed to same performance penalties as other resources
- Resources increased/improved for more frequent outlier events