



**AVANGRID
RENEWABLES**

January 8, 2020 PJM MIC

**Concerns
Regarding
Dec 19, 2019
FERC MOPR
Order Compliance**

Clarity and Workability is Crucial in the Eventual Compliance Language

- Specificity is required to allow for market implementation within bilateral-transactions for (1) PJM products (energy, capacity, ancillaries) and (2) non-PJM products (voluntary RECs, state-RPS RECs, etc.)
- Examples of potential areas in which (a) ambiguity or (b) language that doesn't account for the bilateral-transaction realities could cause significant market uncertainty:
 - What is a subsidy? Given FERC's broad definition of a subsidy, what isn't, or what units don't receive, a subsidy?
 - For instance, given that RGGI costs are included in unit cost curves, and those units could be marginal, would any units in PJM being paid the LMP set by the RGGI unit be receiving an "indirect payment...or other financial benefit" as "a result of any action..."? What is the line of demarcation PJM is considering?
 - Subsidy-Forgoing Certification Process
 - Many renewable attribute transactions are sold to C&I end-users seeking to fulfill self-imposed sustainability requirements and may or may not be retired in GATS by the end-user.
 - The Competitive Exemption Certification language and process must account for the generator's non state-related sale and subsequent disconnect between (i) the control of those attributes by the end-user and (ii) any benefit to the generator.
 - Minimum Offer Price Determination
 - Given FERC's clarity on federal programs not being considered subsidies, would all such programs, including the PTC/ITC, be accounted for in the MOP calculation?
 - FERC asked for clarity around PJM's calculations for the default floor prices but specificity as to what cost items can or can't be included in the Unit-Specific Exemption calculation is required.