



FERC's MOPR Order and Voluntary Corporate Purchases of Renewables and Other Advanced Energy Technologies

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About AEE and AEBG

- **Advanced Energy Economy (AEE)** is a national organization of businesses making the energy we use secure, clean, and, affordable. AEE represents more than 100 companies and organizations that span the advanced energy industry and its value chains. Technologies represented include energy efficiency, demand response, solar, wind, storage, electric vehicles, advanced metering infrastructure, transmission and distribution efficiency, fuel cells, hydro power, nuclear power, combined heat and power, and enabling software.
- The **Advanced Energy Buyers Group (AEBG)** is a coalition within AEE of leading advanced energy purchasers, united by a mission to engage on policies that make it possible for non-residential energy users to meet their own energy needs with advanced energy through simple, flexible, market-based solutions; and to support policies that facilitate the transition to an electricity system that is secure, clean, resilient, smart, and affordable.



Three rulings in FERC's order are relevant to voluntary corporate purchases

- Paragraph 70
 - “[W]e find that the record in this proceeding does not demonstrate a need to subject **voluntary, arm’s length bilateral transactions to the MOPR at this time**” (emphasis added).
- Paragraph 176
 - “As to voluntary REC arrangements, meaning those which are not associated with a state-mandated or state-sponsored procurement process, based on the record in this proceeding, **we agree with intervenors that it is not possible, at this time, to distinguish resources receiving privately funded voluntary RECs from state-funded or state-mandated RECs** because resources typically do not know at the time of the auction qualification process how the REC will be eventually used” (emphasis added).
- Paragraphs 161-162
 - FERC directs PJM to include a “competitive exemption” for resources that can certify that they will “forego any State Subsidies”



What do voluntary corporate purchases look like?

- Voluntary corporate purchases of renewables and other advanced energy supplies can take a variety of forms, including:
 - Direct acquisition of energy (and associated RECs), capacity, and ancillary services
 - “Virtual PPAs” (with or without capacity rights)
 - Acquisition through a load-serving entity tariff
 - Acquisition of RECs only
- These all can be described as “voluntary arms-length bi-lateral transactions,” which FERC clearly intends to exempt from the MOPR (see P 70)
 - In the case of renewable energy, though, note that every renewable energy project is capable of generating a REC, and FERC appears to treat voluntary and compliance RECs as identical for purposes of MOPR (see P 176)



Additional clarity is needed to avoid chilling the market for voluntary corporate purchases

- PJM and stakeholders should explore mechanisms that allow voluntary corporate transactions to efficiently obtain assurance that they will not be subject to MOPR
- Reconciling FERC's three relevant rulings, and developing transparent guidance that ensures MOPR will not be incorrectly applied to purely voluntary transactions, is critical to ensuring that the market for voluntary corporate purchases of renewables and other advanced energy technologies is not harmed
- Clarification from FERC may be necessary



Thank you!

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