



# Minimum Offer Price Rule Rehearing Update

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# Highlights of FERC Order on Requests for Rehearing and Clarification

The April 16 FERC order on requests for rehearing and clarification in the MOPR docket largely affirmed the December 2019 order.

## Impact

No	It clarified that voluntary transactions for RECs are not considered State Subsidies.
No	It affirmed that participation in RGGI is not categorized as a State Subsidy, but payment of RGGI revenue to specific generation units is a subsidy and subject to MOPR.
Yes	It denied rehearing requests seeking to exempt state default service procurements from the definition of State Subsidy.

For brevity, this presentation contains only what PJM believes to be the principal issues from the rehearing order.

Impact	
Potential	<p><b>Energy Efficiency:</b> Establish MOPR floor price based on Net CONE / Net ACR rather than verifiable level of savings. (P197)</p>
Yes	<p><b>Default Net ACR:</b> Use resource-specific net revenues rather than zonal net revenues in the net E&amp;AS offset. (P171)</p>
Yes	<p><b>MOPR for New-Entry Natural Gas Resources:</b> PJM’s compliance filing should not contain any substantive changes to the existing MOPR rules that are unrelated to the replacement rate. (P397)</p> <p>Creates two different MOPR floor levels: New-entry natural gas MOPR versus expanded MOPR for State-Subsidized Resources</p>

## Transition From New to Existing

### Impact

**Yes** Only the cleared portion of a resource's megawatts will be treated as existing (P398)

**Yes** Demand resources increasing the number of MW they offer year-to-year must explain why the increased quantity they intend to offer is not connected to any increased costs or State Subsidies that make the uprate possible. (P172)

## Transition From Existing to New

### Impact

**Yes** Resources that are not subject to the Capacity Performance must-offer requirement will be treated as new resources if they seek to re-enter the capacity market after choosing not to participate in a particular auction, including intermittent renewable resources and demand resources. (P60)

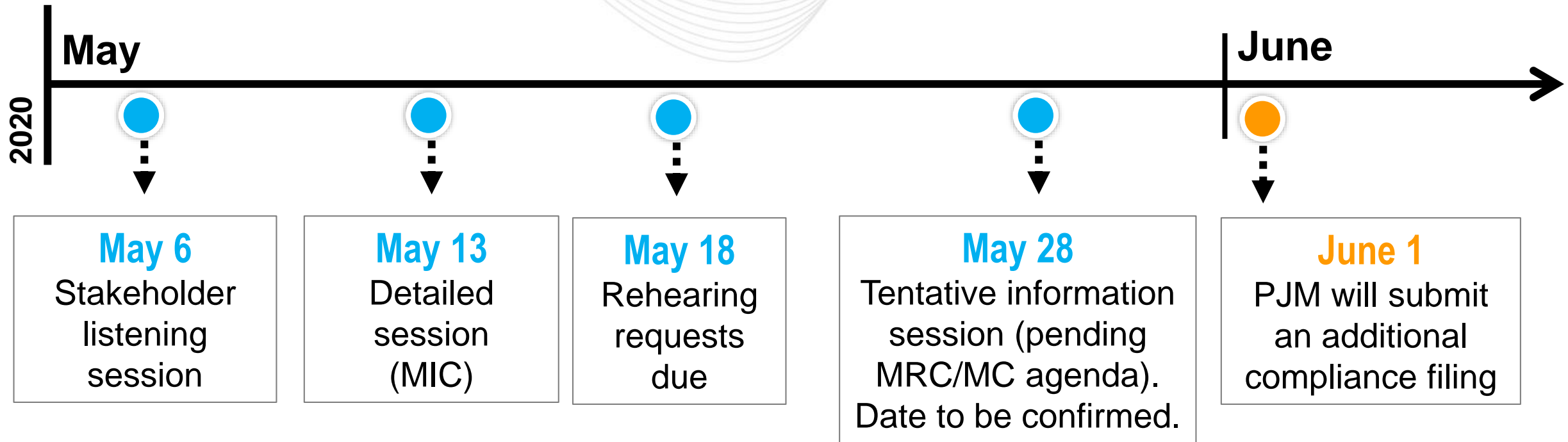
## Impact

### Yes

Bilaterally procured capacity from a State-Subsidized Resource cannot serve as replacement capacity for unsubsidized capacity resources. (P400)

### Potential

Public power self-supply entities cannot engage in voluntary, arms-length bilateral contracts with unaffiliated third parties without triggering the MOPR. (P243)



PJM is currently assessing the impacts to its March 17 compliance filing.

Questions may be directed to [RPM\\_Hotline@pjm.com](mailto:RPM_Hotline@pjm.com).