



CCPPSTF Poll - March 2017

Contact Information

* Contact Information

Name

Email Address

Phone Number



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Companies A-J

Please select the companies you are eligible to vote for (A-J). Companies K-Z are available on the next page.



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Companies K-Z



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Objectives - Resource Adequacy

In support of Key Work Activity #1 as identified in the Capacity Construct/Public Policy Senior Task Force (CCPPSTF) Issue Charge, please indicate whether or not you can support these objectives.

Answering "Yes" indicates that you do support the stated objective, while a response of "No" means that you do not support this objective.

Ensure resource adequacy

- Yes
- No

Ensure resource adequacy cost effectively (as measured by average \$/MWh over a year, not just \$/MW which would not capture oversupply)

- Yes
- No

Ensure resource adequacy at lowest possible cost

- Yes
- No

An objective of the capacity market is to obtain adequate resources at least cost, recognizing that there are new, existing, and exiting resources. A capacity market should not favor new or existing resources, so the objective and characteristics of the market should be to retain adequate resources at least cost in light of existing, exiting, or new resources. Retirement decisions are often at the heart of state actions (to preserve jobs and local tax bases and communities), so the effect of the market on retirement decisions is a key factor.

- Yes
- No

Secures the right type of resources

Yes

No



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Characteristics - Resource Adequacy

In support of Key Work Activity #1 as identified in the Capacity Construct/Public Policy Senior Task Force (CCPPSTF) Issue Charge, please indicate whether or not you can support these characteristics.

Answering "Yes" indicates that you do support the stated characteristic, while a response of "No" means that you do not support this characteristic.

Meet RTO & LDA Reliability Requirements through competitive procurement

- Yes
- No

Produces a competitive average \$/MWh over a year compared to other RTOs; Accounts for all capacity providing energy, including uncleared capacity that will be predictably delivering energy; Ensure capacity procured in market is not larger than needed for system reliability targets

- Yes
- No

A construct that is flexible enough to accommodate current and future resource types

- Yes
- No

A construct that is flexible enough to accommodate current and future resource types and consumer needs

- Yes
- No

A construct that produces a planned mix of resources

- Yes
- No

Resource adequacy construct should support long-term objectives

Yes

No



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Objectives - Price Signals

In support of Key Work Activity #1 as identified in the Capacity Construct/Public Policy Senior Task Force (CCPPSTF) Issue Charge, please indicate whether or not you can support these objectives.

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Provide transparent price signals

Yes

No

Ensure the strength of price signals that result from the capacity market (provide proper price signals for resources to stay or enter)

Yes

No



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Characteristics - Price Signals

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Forward for actionable response

Yes

No

Forward for actionable response for entry, exit or maintenance

Yes

No

Locational to incent investment where needed

Yes

No

Year-over-year stability to reduce investment risk and cost

Yes

No

Any construct would produce efficient market entry and exit

Yes

No

The capacity market only provides short term capacity price signals (i.e. the third planning year out) that in conjunction with other market revenue sources and individual market assumptions, aid the participants in making investment decisions.

Yes

No

Because retirements are driven by both energy and capacity revenues, considering capacity markets effects on resource adequacy without regard to energy markets and other revenues can be incomplete and potentially skewed.

Yes

No



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Objectives - Competitive Markets

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Provide fair competition between resource alternatives

- Yes
- No

Provide fair competition between resource alternatives and enable all resources capable of providing capacity to compete

- Yes
- No

Ensure competitive market outcomes

- Yes
- No

Produce just and reasonable rates for capacity, recognizing the costs being paid by customers for any state programs regarding resource adequacy, fuel diversity, and public and environmental policy

- Yes
- No

Facilitate trade to include bilateral contracting and not have market rules that restrict the use of the capacity

- Yes
- No

Competitive - avoiding exercise of seller market power in the residual market

Yes

No

Integrate/harmonize pricing for environmental attributes with market design

Yes

No

Integrate/harmonize carbon pricing with market design

Yes

No

RPM Pricing signals, per fuel mix, that eliminates least efficient resources from an emissions and heat rate perspective prior to efficient resources within that fuel mix.

Yes

No

Capacity market should recognize the benefits provided to customers from capacity with different characteristics

Yes

No



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Characteristics - Competitive Markets

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Constructs produce competitive results accounting for the life of the asset

- Yes
 No

A construct that sufficiently precludes the need to constantly pursue reactive changes

- Yes
 No

Facilitate and provide efficient incentives for LSE's and merchant generators to contract long term

- Yes
 No

Base capacity, i.e. capacity factor >70%, should have available option of revenue stream of 5 to 7 years
Intermediate capacity, i.e. capacity factor >30% <70%, should have available option of revenue stream of 3 to 5 years

Peaking capacity, i.e. capacity factor <30%, should have available option of revenue stream of 1 to 3 years

- Yes
 No

No barriers to entry

- Yes
 No

A capacity construct should be able to accommodate retail customers' resource preferences in accordance with the RTO's load and installed reserve requirements

Yes

No

Short term capacity pricing should not be utilized by PJM or other regulatory bodies to determine if capacity offers are uneconomic (and therefore subject to mitigation) given the life cycles of these investments.

Yes

No

Stable and reasonable prices over time

Yes

No

Simple but flexible design

Yes

No

Nothing is "out of market"

Yes

No

Should accommodate securing types of resources that are relatively minimal in amounts compared to the balance of the market

Yes

No

Should identify an exclusion threshold level for when a resource need not be reflected in the construct

Yes

No

The capacity market design should have the objective of averaging the net cost of new entry, for an appropriate reference unit, over time

Yes

No

The capacity market design should allow for locational differentiation of the capacity products

Yes

No

The capacity market design should allow for appropriate mitigation of both buyers and sellers

Yes

No

The capacity market design should reflect maximizing social welfare as an objective function.

Yes

No



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Objectives - Performance Requirements

In support of Key Work Activity #1 as identified in the Capacity Construct/Public Policy Senior Task Force (CCPPSTF) Issue Charge, please indicate whether or not you can support these objectives.

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Provide adequate incentives for resource performance

Yes

No

Equal obligations and risks for all cleared capacity resources

Yes

No

Satisfying performance expectations

Yes

No



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Characteristics - Performance Requirements

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Delivery Year performance assessments and related charges

Yes

No

Charges for non-performance if failure to perform when needed by PJM

Yes

No

Non-performance change strict enough to incent investment in resource to improve availability

Yes

No



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Objectives - Resilient to/Harmonizing with external influences

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Ensure that the market rules accept state jurisdiction and accommodate them

- Yes
 No

Markets should respect state environmental programs and policy objectives

- Yes
 No

The capacity market should provide stability and certainty for resources regardless of where the investment comes from

- Yes
 No

Recognize that the capacity construct will not necessarily accommodate all state actions and determine whether there is alternate PJM construct that could better advance state policy objectives

- Yes
 No

To the extent possible, it would be great if the things that the states were collectively interested could be brought into market

- Yes
 No

A capacity construct that can both withstand and or reap the benefit from external factors impacting the cost/availability of certain resources (e.g. a construct that can withstand very low to very high natural gas prices)

Yes

No

Allow the resource buyer to decide what level of diversity in resource types and fuel sources

Yes

No

Capacity construct not heavily reliant on a single or limited fuel or technology sources so to ensure fuel diversity and fuel/energy security and operating characteristics. [The objective ultimately leads to mitigating volatility, scarcity, increases reliability and also translates into reasonable rates for load/customers.]

Yes

No

Balance numerous goals:

Safety

Resource Adequacy

Affordability

Environmental sustainability

Financial stability

Yes

No

A construct that is resilient to exogenous influences

Yes

No

Enable LSE's to create, maintain and adjust their portfolios as needed to meet ever changing and evolving regulatory requirements and other exogenous influences (in accordance with RTO reliability requirements) in a non-discriminatory fashion

Yes

No

Capacity construct that accommodates the needs of wholesale customers and consumer preferences as expressed through the political process:

- Enable LSE's to acquire resources they need to more efficiently than they could do on their own.
- Tool to enable utilities and LSE's to meet their varied consumer, business, and policy goals most efficiently

Yes

No

Internalize externalities of power production unaccounted for in current market design

Yes

No



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Characteristics - Resilient to/Harmonizing with external influences

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Markets should be consistent with and operate within the constraints of all applicable state and federal regulations

- Yes
- No

Ensure auction outcomes including clearing prices and resources that clear remain unaffected by initiatives to pick winners and losers

- Yes
- No

Clear procedures for dealing with out-of-market or subsidized payments (including a clear definition of what constitutes a subsidized resource)

- Yes
- No

Clear procedures for dealing with out-of-market or subsidized payments with material impact (including a clear definition of what constitutes a subsidized resource and material impact). "Material impact" could be relative to other drivers affecting the objectives that are not mitigated"; "Ensure all state subsidies applicable to variable and fixed costs are accurately measured and accounted for, e.g., any exemptions from property taxes, etc."

- Yes
- No

Minimization of effects of subsidization in capacity market outcomes

Yes

No

Minimization, to the extent practicable and consistent with other drivers, of effects of subsidization in capacity market outcomes

Yes

No

Responds to and accommodates policy maker's decisions

Yes

No

Facilitate and enable long term contracts and state incentives required to promote investment in new resources as the capacity mix evolves

Yes

No

Ties to the transmission planning process to accommodate long term state resource goals

Yes

No

The cost of a state's (or states') pursuit of public policies regarding capacity resources should not impose cost on other states without specific agreement

Yes

No



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Closing Instructions

If you wish to respond differently for additional companies, please access the same survey link using a different IP address. For instance, if you first completed this poll using your laptop, please use your phone, iPad, or desktop to complete it again.

Note: you are able to edit your responses until the poll closes using the same access link.