

Capacity Market – Post-Workshop Next Steps

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April 7, 2021

The capacity market should:

- Function to help support reliability;
- Respect and accommodate state resource preferences and facilitate competitive, least-cost procurement of these policy choices;
- Be flexible in design, thus ensuring the long-term viability of the market;
- Embrace competitive principles and send appropriate price signals for efficient entry and exit;
- Ensure appropriate mitigation of market power.

Changes to capacity market design should be focused on and limited to the specific problems we are trying to solve.

- Implement changes to the Minimum Offer Price Rule to ensure the capacity market accommodates state policy choices related to resource mix as well as long established self supply business models, while adequately mitigating buyer-side market power
- Goal is for stakeholders to try and achieve stakeholder consensus that would inform a PJM Board decision on a potential filing with FERC by late July
- Use the Critical Issue Fast Path process

- The Board urges stakeholders to undertake the remaining capacity market topics once the MOPR CIFP process has concluded.
- Topics for Phase 2 discussion include:
 - Evaluating all aspects surrounding the appropriate level of capacity procurement
 - Examining the need to strengthen the qualification and performance requirements on capacity resources
 - Considering clean capacity/energy auctions as an option to allow for procurement of clean resources
 - Evaluating the need for PJMPJM's procurement of additional reliability based services, with a particular focus on reliability needs in the face of the changing resource portfolio and increased penetration of intermittent resource technologies
 - Other stakeholder-proposed items as identified through scoping discussions

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