

## Assess state public policy initiatives and the PJM capacity construct

### Problem Statement

See attached

### Issue Source

American Municipal Power, Inc. (AMP), Delaware Municipal Electric Corporation (DEMEC), Old Dominion Electric Cooperative (ODEC), PJM Public Power Coalition, Public Power Association of New Jersey

### Stakeholder Group Assignment

This work is assigned to the Capacity Construct/Public Policy Senior Task Force (CCPPSTF) reporting to the MRC.

### Key Work Activities

The group is expected to:

1. Identify the objectives and characteristics of a well-functioning capacity construct.
2. Identify current and potential public policy initiatives states could take regarding resource adequacy, fuel diversity, public, and environmental policies.
3. Identify areas where state actions and the current RPM capacity construct may not be aligned.
4. Given the results from Activities 1-3, brainstorm and develop modifications to RPM that could accommodate/address both capacity construct objectives and state actions. This could include, but not be limited to such things as, impacts to consumer costs, market entry and exit, reserve margins.

### Expected Deliverables

Deliverables could include changes to PJM Operating Agreement, Tariff, Reliability Assurance Agreement and manuals.

### Expected Overall Duration of Work

The duration of activities in the group are expected to be completed by the end of the fourth quarter of 2017.

### Decision-Making Method

Group will seek Tier 1, consensus (unanimity) on a single proposal for the issues identified in the group.