

PSEG MOPR Proposal – June 16, 2021
(Text in blue is from the June 7, 2021 PJM Proposal
Text in red has been proposed by PSEG
Deletions are not shown)

	Component	Proposal
1	Potential indicators of buyer-side market power	<p>Buyer-Side Market Power (BSMP) shall be defined as "Ability of a market participant(s) with a load interest to profitably suppress market clearing prices"</p> <p>It is the exercise of BSMP that shall be prohibited. The exercise of BSMP shall be defined as "Anti-competitive behavior of a market participant(s) with a load interest, or acting at the direction of a load interest, to deliberately lower capacity market offer(s) in order to profitably suppress market clearing prices."</p> <p>PJM will require attestation from all market sellers prior to an RPM Auction confirming that they acknowledge and understand the prohibition on the exercise of BSMP, as defined above, and attest to not offering their resource in a manner that is an exercise of BSMP or having any bilateral contracts that direct the submission of an offer to deliberately lower market clearing prices.</p> <ul style="list-style-type: none"> - If seller does not provide the attestation, the applicable resource shall be subject to MOPR - If seller provides the attestation, but the IMM or PJM determines that there was an exercise of BSMP, the applicable resource shall be subject to MOPR and/or referral to FERC for investigation of misrepresentation or fraudulent behavior <p>Notwithstanding the above, PJM or IMM may request additional documentation from market participants to conduct fact-specific, case-by-case reviews.</p>

		<p>The various types of business models (self-supply, etc.), in and of themselves, will not be an indicator of buyer-side market power.</p> <p>State Policy: MOPR should be applied to resources receiving out-of-market support payments from states or other non-federal governmental bodies that are designed to result or can be expected to result, in the entry of new capacity resources or the preservation of existing capacity resources that would not be part of the generation mix in a economically efficient competitive market outcome for electricity which took account of production costs including the social cost of carbon. Because the vast majority of state programs that support zero-carbon resources provide subsidies that are below the upper level of the current federally determined SSC, all Subsidized Zero Carbon Resources (zero carbon resources receiving subsidies from a state or non-federal governmental agency in whole or in part because of their zero-carbon output) are not subject to MOPR. The rationale for the continued application of the blanket exception for subsidies provided to Zero Carbon Resources shall be evaluated in the Quadrennial Review of RPM beginning with the 2031/2032 delivery year; if necessary, consideration will be given to implementing a program-by-program analysis of which programs for Zero Carbon Resources should be subject to MOPR.</p>
2	Resource types subject to review for potential application of the MOPR	<p>All planned and existing units regardless of resource type subject to the exceptions below.</p> <p>Demand Response, Energy Efficiency, Price Responsive Demand and Subsidized Zero-Carbon Resources are not subject to MOPR.</p>

3	State actions subject to review for potential application of the MOPR	State actions or actions by other non-federal governmental bodies to support particular resources or resource types for the purpose of promote state policy goals other than support by states or other non-federal governmental bodies for Subsidized Zero-Carbon resources.
4	Exemptions for self-supply	No specific exemptions for self-supply required for this proposal
5	Thresholds for Self-Supply Net Short/Net Long Tests (where applicable)	No short/long test
6	Other Exemptions	<p>The MOPR will not be applied if any of the following, non-exhaustive circumstances are identified in the course of a fact-specific, case by case review by PJM or the IMM.</p> <ol style="list-style-type: none"> 1. Purely merchant generation with no out-of-market support, or resources acquired through a fully competitive and non-discriminatory process open to new and existing units 2. New builds or contracts of self-supply entities that are demonstrated to be consistent with IRPs or long-term business planning 3. Support of new or existing resources that further a state policy goal that support zero carbon resources (RPS, RECs, ZECs, etc)
7	Arbiter of which state policies are mitigated	<p>All state policies are mitigated other than state policies that promote Zero-Carbon Resources. In the case of any doubt in applying this rule, PJM, with advice and input from the IMM, shall made the determination. PJM/IMM will make decisions regarding application of MOPR as soon as practicable to give maximum time for affected entities to seek relief at FERC under FPA Section 206 but MOPR applicable until FERC decides; if FERC/court reverses PJM/IMM, affected unit given option to accept commitment and to be paid at applicable zonal/RTO clearing price.</p>

8	Establishment of MOPR Floor Price	<p>Default MOPR floor prices are established for each technology type and for new and existing resources.</p> <p>Market sellers may utilize a unit-specific exception requests to establish unit-specific floor prices lower than the defaults if necessary.</p>
9	Level of MOPR Floor Price	<p>New units subject to MOPR at Net CONE (New = Has not cleared an auction)</p> <p>Existing units subject to MOPR Net ACR (Existing = cleared an auction prior to establishment of the new MOPR rules OR cleared an auction at the MOPR floor price for new units)</p> <p>Remove possibility for existing units to be set back to new status.</p>
10	Term of MOPR	<p>Units remain subject to MOPR until they have cleared in an auction in which the MOPR was applicable to the unit; provided that unit will become subject to MOPR again if entity providing subsidy that triggered MOPR initially takes steps designed to increase subsidy amount. Once MOPR criteria are no longer triggered, the resource is no longer subject to MOPR - even if it did not clear at the MOPR floor price while previously subject to MOPR.</p>
11	Modifications to the Clearing Process	None
12	Proposal Sunset Provision	None
13	Transition / Implementation	<p>Terminate effective with the 2023/2024 DY:</p> <p>Existing MOPR focused on all new natural gas resources (and associated provisions) - Tariff Attachment DD, Section 5.14(h)</p> <p>Expanded MOPR resulting from December 2019 FERC Order (and associated provisions, including penalties for violating the competitive exemption) - Tariff Attachment DD, Section 5.14(h-1)</p>
14	Accommodate State subsidy policies as well States without subsidy policies	FRR Alternative remains available