



# Summary of January 2021 MOPR Compliance Order

Chen Lu

Markets and Reliability Committee

Jan. 27, 2021

- FERC accepted the following compliance revisions:
  - Extension of ability to elect competitive exemption to certain market sellers involved in bilateral transactions
  - Broaden scope of existing exemption for those ISAs signed by interconnection customer prior to Dec. 19, 2019.
  - Default MOPR floor values for generation-backed DR based on corresponding resource type
  - Only existing end-use locations will qualify for DR exemption (including mass-market residential customers)
  - Self-supply entities can elect competitive exemption for ring-fenced resources
  - Resource that clear an RPM Auction before receiving or becoming eligible to receive a State Subsidy still deemed a New Capacity Resource with State Subsidy

- FERC “reject[ed] the additional sentence PJM propose[d] to add to Attachment DD, section 5.14(h-1)(2) regarding the resource-specific offer price floor and the market seller offer cap because it exceeds the directives of the Compliance Order[.]”
- In these circumstances, the Capacity Market Seller of such resource must submit a Sell Offer based on the resource-specific MOPR Floor Offer Price.
- Pursuant to Tariff, Attachment DD, section 6.5(a), if such resource-specific MOPR Floor Offer Price is higher than the applicable offer cap, PJM may subsequently set the Sell Offer equal to the Market Seller Offer Cap if mitigation is required.

- Accepted MOPR Rule (Attachment DD, section 5.14(h-1))

“Any Sell Offer for a New Entry Capacity Resource with State Subsidy or a Cleared Capacity Resource with State Subsidy that does not qualify for any of the exemptions . . . **shall have an offer price no lower than the applicable MOPR Floor Offer Price, unless the applicable MOPR Floor Offer Price is higher than the applicable Market Seller Offer Cap, in which circumstance the Capacity Resource with State Subsidy must seek a resource-specific value determined in accordance with the resource-specific MOPR Floor Offer Price process to participate in an RPM Auction.**”

- Existing MSOC Rule (Attachment DD, section 6.5(a))”

“Mitigation will be applied on a unit-specific basis and only if the Sell Offer of Unforced Capacity from an Existing Generation Capacity Resource: (1) is greater than the Market Seller Offer Cap applicable to such resource; and (2) would, absent mitigation, increase the Capacity Resource Clearing Price in the relevant auction. If such conditions are met, **such Sell Offer shall be set equal to the Market Seller Offer Cap.**”

- PJM will file additional compliance filing by Feb. 3, 2021 to remove the rejected sentence from Attachment DD, section 5.14(h-1) in accordance with FERC order:  
  
“~~In the event the resource-specific MOPR Floor Offer Price is greater than the applicable Market Seller Offer Cap, the Capacity Market Seller of such Capacity Resource may only submit an offer for such resource equal to the resource-specific MOPR Floor Offer Price into the relevant RPM Auction notwithstanding the provisions in Tariff, Attachment DD, section 6.4(a) or Tariff, Attachment DD, section 6.5(a).~~”
- Capacity Auctions for the 2022/2023 Delivery Year will commence on May 19, 2021.

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