



Sent Via Email

June 3, 2021

Jennifer Tribulski
PJM Interconnection, L.L.C.
2750 Monroe Boulevard
Audubon, Pennsylvania 19408

**Re: PJM Capacity Market Workshop – Session 6
Support For A Holistic Approach On Phase II (“Beyond MOPR”) Reforms**

Dear Ms. Tribulski:

The Electric Power Supply Association (“EPSA”) is the national trade association representing leading independent power producers and marketers.¹ Our mission is to bring the benefits of competition to all power customers. EPSA members operating in the PJM footprint provide more than 50,000 MW of generation capacity to the region. Many of these companies develop, own, and invest in all resources and technologies including natural gas, coal, wind, solar, hydropower, geothermal, nuclear, biomass, and storage. EPSA members have invested billions of dollars in PJM with the expectation of robust, transparent, fuel-neutral competitive wholesale energy and capacity markets. Competitive power suppliers are industry leaders in efficient, cost-effective clean energy investment and emissions reductions while providing least-cost, reliable electricity. EPSA and its members are working to provide meaningful solutions to the evolving challenges that are facing PJM.

Accordingly, EPSA appreciates the opportunity to provide further input to the PJM Interconnection, LLC (“PJM”) Capacity Market Workshop sessions as PJM and stakeholders consider issue scoping and the timing and sequencing of possible capacity market reforms in a Phase II process.² EPSA agrees with other stakeholders who have urged a holistic approach regarding consideration of targeted capacity (and other) market enhancements that may be needed.

EPSA has consistently advocated for a comprehensive approach to evaluate any necessary reforms across the markets, given the interrelated nature and importance of each to the overall functioning of the competitive wholesale markets. Further, PJM and stakeholders should begin consideration of these possible changes immediately following submittal of the MOPR reform filing to FERC. EPSA encourages PJM to specify in the MOPR reform filing their absolute

¹ These comments represent the position of EPSA as an organization, but not necessarily the views of any particular member with respect to any issue.

² EPSA submitted written comments following Capacity Market Workshop – Session 2 (March 16, 2021).

commitment to and meaningful consideration of the Phase II market- and reliability-based updates and changes within a specified timeframe by October 2022.

In support of the importance of a holistic approach in evaluating possible market enhancements, EPSA offers for consideration the recently issued report of Energy + Environmental Economics (“E3”), [“Scalable Markets for the Energy Transition: A Blueprint for Wholesale Electricity Market Reform.”](#) E3’s Arne Olson participated during the PJM Capacity Market Workshop – Session 3 and outlined various recommendations reflected in the report.³ While EPSA does not endorse the E3 study explicitly, we do recognize that challenging issues and difficult choices will have to be made as all stakeholders work to address the many challenges facing the PJM market today and novel concepts like those presented in this paper warrant discussion.

What is critically important in E3’s analysis and a point that EPSA does explicitly endorse and support is that today’s existing wholesale electricity market structure (i.e., capacity, energy, and ancillary services markets) provides a strong foundation for the transition to a lower carbon grid, and should be retained. Wise and prudent reforms, such as those proposed in the analysis, will help ensure that the market design that has so far brought substantial benefits to consumers and the environment continues to advance progress. The report underscores that reliability is job number one for grid operators and must continue to be a fundamental focus for electricity markets – a goal that can in part be accomplished by utilizing capacity markets to help ensure resource adequacy.

EPSA believes this is valuable new analysis and adds to the set of recommendations from E3 previously shared with PJM and its stakeholders to evaluate as part of the PJM stakeholder discussion.

EPSA will remain engaged as the PJM stakeholder process moves forward and appreciates PJM initiating this important and timely dialogue. We look forward to working with other stakeholders to find creative, durable market solutions that bring the benefits of competition to customers and achieve sustainable environmental progress.

Sincerely,

/s/Todd Snitchler

Todd Snitchler
President & CEO
Electric Power Supply Association
1401 New York Avenue, NW, Suite 950
Washington, DC 20005
p: 202.628.8200 | e: tsnitchler@epsa.org | <https://epsa.org>

Attachment

³ Arne Olson, Energy + Environmental Economics, Agenda Item 2K, Capacity Market Workshop – Session 3, March 12, 2021, Meeting information available here: <https://www.pjm.com/committees-and-groups/committees/mic>.