



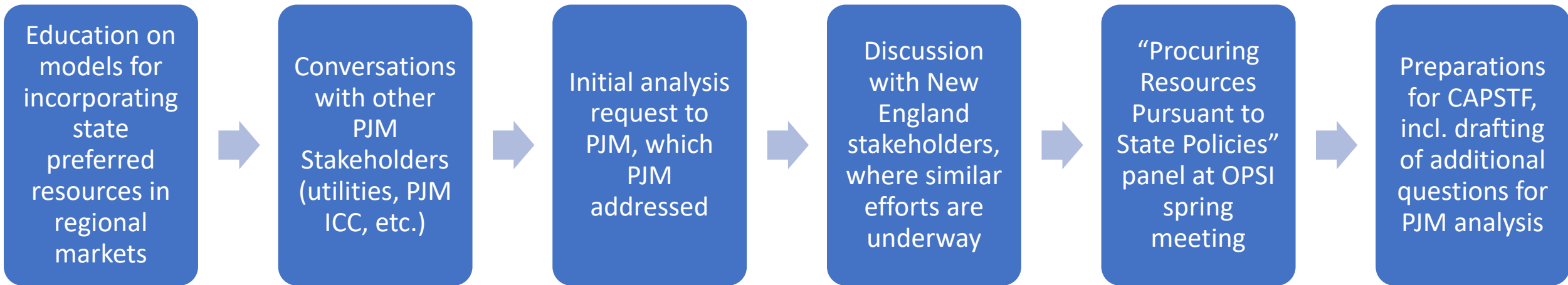
Update from OPSI's Competitive Policy Achievement Working Group

CAPSTF Presentation
June 3, 2022

Competitive Policy Achievement Working Group (CPAWG) Overview

- Charter approved by the OPSI Board on October 20, 2021
- Objectives of the working group:
 - Develop a proposal for a potential voluntary, market-based procurement option that enables states and willing buyers to access competitive energy resources in line with their policy goals.
 - Communicate to PJM about implementation of such procurement option.
 - Continue constructive engagement between OPSI Board and Staff, PJM Staff, and Stakeholders.

CPAWWG Activities to Date



CPAWG Principles for Clean Procurement Market Development

PJM should consider allowing States and other buyers the option to **voluntarily purchase energy that meets State policy specifications**, including the ability to preference capacity from certain resource types, purchase energy attributes which satisfy State objectives, or advance other State policies, in a manner that collectively meets these preferences on a competitive, least-cost basis, consistent with reliability.

Purchases in any expanded PJM market must be **voluntary** for States and other buyers, and **respect existing jurisdictional boundaries**.

Any voluntary market for these products must **respect and accommodate State procurements**, competitive solicitations or policy choices and must allow States to continue to meet their energy policies/preferences without change to existing policies.

Any reformed construct should enable a **wide variety of voluntary buyers and regulatory models** represented across the PJM States and continue to allow States the option of meeting resource adequacy through a mechanism independently such as the Fixed Resource Requirement.

Effective and appropriate **market power mitigation** is imperative for a properly functioning market design, and for enabling additional **transparency** to States and consumers regarding the cost and resources contained in their supply mix.

Educational Topics and Resources for CAPSTF

- What are the market structures that have been presented to address the procurement of state preferred resources? ([Brattle](#) and [RMI](#) resources available) What are the options for product definition?
- What are [GATS](#) functions and capabilities?
- Discussion of the jurisdictional issues associated with reflecting state resource preferences in regional capacity, energy, or attribute markets, including the need for Section 205 filing, FERC response, states' ability to share in governance, etc.
- What are the financial requirements for participating in PJM's energy, capacity and attributes markets?
- PJM: share capabilities of energy information system including how to use to track carbon emissions
- What modeling (through BRA Clearing Software or other methods) can be done to estimate the impact of market structures for attribute or capacity procurement, including the impact on non-participants?
- Monitor activities and progress on market-based state policy procurement structures in New England (NEPOOL [Pathways](#) process, NE state [visioning sessions](#), NESCOE [response](#) to Pathways study)

Questions for Discussion with other Stakeholders in CAPSTF

- What features of new regional products are most desired by voluntary buyers? Capacity or energy attributes?
- What resource types should be eligible? Should each buyer be able to select eligible types?
- Do buyers wish to be able to stipulate commitments from new resources? Will voluntary buyers be willing (or wish to) commit to multi-year delivery terms?
- How can this product be aligned with prevailing ESG accounting standards? What additional data are needed to fully support states' and market participants' reporting requirements?

CPAWWG and States' Engagement with CAPSTF

