



Monitor”), submits this second request for clarification of certain matters included in the order issued in this proceeding December 19, 2020 (“December 19<sup>th</sup> Order”).<sup>3</sup>

On January 17, 2020, the Market Monitor submitted a request for clarification of nine issues in the December 19<sup>th</sup> Order. The Market Monitor has identified five additional specific clarification items that have arisen in discussions with market participants.

The goal is not to obtain rehearing, but rather to obtain explicit guidance from the Commission to ensure clarity for PJM, the Market Monitor and market participants in implementing the Order prior to clearing the first RPM auctions under the new rules. Such guidance may avoid unnecessary and costly litigation. To extent the Commission believes it cannot act directly on this motion for any reason, it would be helpful if these issues could be addressed on the Commission’s own initiative.<sup>4</sup>

## I. REQUEST FOR CLARIFICATION

10. Treatment of Price Responsive Demand (PRD). The Market Monitor requests that the Commission clarify that price responsive demand would be subject to an offer price floor if it receives or is entitled to receive a State Subsidy.

11. MOPR Applicability and Process. The December 19<sup>th</sup> Order states (at P 2):

Similarly, new resources that certify to PJM that they will not receive out-of-market payments will generally be exempt from review through the Competitive Exemption, with the exception of new gas-fired resources, which were already subject to review under the current MOPR [footnote omitted] and will remain so under the replacement rate. [footnote omitted]

The Market Monitor requests that the Commission clarify that the Competitive Exemption would be narrowly used in the case where a resource receiving or entitled to receive a State Subsidy certifies that it will forgo the State Subsidy.

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<sup>3</sup> *PJM Interconnection, L.L.C. et al.*, 169 FERC ¶ 61,239.

<sup>4</sup> See 18 CFR § 385.212(a) (“A motion may be filed .... [a]t any time,”).

Resources not receiving or entitled to receive a State Subsidy and existing natural gas fired resources would not be subject to an offer price floor and would not be required to request a Competitive Exemption. This approach would require a process for certifying whether or not a resource is receiving or entitled to receive a State Subsidy.

12. Location of Natural Gas Fired Resources. The Market Monitor requests that the Commission clarify that all new natural gas fired resources, regardless of location, would be subject to an offer price floor. That is, new natural gas fired resources located in either modeled Locational Deliverability Areas (LDAs) or the rest of RTO would be subject to an offer price floor.
13. Default Offer Price Floors. The Market Monitor requests that the Commission clarify that the default offer price floor for all resources, including new natural gas fired resources, subject to an offer price floor would be equal to 100 percent of the default net CONE or net ACR offer price floor.
14. Replacement Transactions. The Market Monitor requests that the Commission clarify that subsidized capacity resources cannot serve as replacement capacity for nonsubsidized capacity resources.

## II. CONCLUSION

For the reasons provided above, the Market Monitor respectfully requests that the Commission provide the requested clarification.

Respectfully submitted,



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Dated: February 18, 2020

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Eagleville, Pennsylvania,  
this 18<sup>th</sup> day of February, 2020.



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