

# MMU Position on Clarified Must Offer Provisions

MRC

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# Market Power Determinations

- **Consistent with 719, the proposal clarifies that PJM has ultimate responsibility for administering the market rules, with a process for the IMM to make initial determinations**
- **However, because the must offer rule has a close relationship to market power issues, the same rules should clarify that when PJM administers the market rules, PJM does not make determinations about market power**



## Market Power Determinations

- **This change is consistent with PJM’s position on 719 compliance:**
  - **““PJM reiterates that it is not seeking to substitute its market power decisions for those of the IMM or exercise control over the IMM’s determinations. Any decision PJM may make to reject an input proposed by the IMM will not be based on PJM rendering opinions on questions of market power. Rather, and as previously noted, such decisions will rest on whether PJM believes it and the relevant market participants are acting in a manner consistent with PJM’s Tariff and related business rules”** (Motion for Leave to Answer and Answer of PJM Interconnection, L.L.C. to Protests and Comments in Docket No. ER09-1063-000 at 7–8 (July 28, 2009)).



# Proposed Tariff Language

- **The IMM has proposed language for inclusion in Attachment DD § 6.6, but PJM does not agree:**
  - **Approval of an exception by the Office of the Interconnection shall not constitute a determination of whether the withholding from the market of capacity covered by an exception involves an exercise of market power.**



# Tariff Language Not Final

- **The purpose of all the proposed changes on must offer requirements is to streamline the tariff language and clarify how the must offer rule operates and is administered**
- **There remain areas where the language is vague, imprecise or contradictory.**
- **PJM and the IMM have been discussing language that addresses these issues.**



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