



Organization of PJM States, Inc. (OPSI)

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July 25, 2023

Mr. Mark Takahashi, Chair, PJM Board of Managers
Mr. Manu Asthana, PJM President and CEO
PJM Interconnection, L.L.C.
2750 Monroe Boulevard
Audubon, Pennsylvania 19403

Dear Mr. Asthana and Mr. Takahashi:

OPSI appreciates PJM's continued support in dedicating resources to "comprehensive discussion[s] of market enhancements to enable states and other willing buyers to procure clean resource attributes on a voluntary basis, through a regional and centralized procurement or market,"¹ through the Clean Attribute Procurement Senior Task Force ("CAPSTF"). OPSI likewise thanks PJM Staff for their long-standing engagement with OPSI's Competitive Policy Achievement Working Group ("CPAWG").

For the past two years, CPAWG has thoroughly investigated various potential market designs options, worked with PJM Staff, other market experts, and stakeholders to understand how to best accommodate the diversity of state policy goals within PJM. Specifically, CPAWG has sought to develop markets that allow states with resource-specific public policy preferences to efficiently identify and procure the policy attributes. As of March 23, 2023, by making its recommendation that PJM discuss and develop both the Forward Energy Attribute Market ("FEAM") and the Integrated Attribute Capacity Market ("IACM") concepts in the CAPSTF, the CPAWG had officially fulfilled its Charter and concluded its efforts. However, due to the deep interest among certain states and the time and resources OPSI invested in the CPAWG, these discussion among OPSI Staff have continued.

At the June 22, 2023 Markets and Reliability Committee ("MRC") it was announced that CAPSTF discussions are postponed until September and allow the stakeholders to decide in the Fall whether the CAPSTF will resume and fulfill its charter. That being said, currently there is no stakeholder majority for the currently proposed CAPSTF design packages, but OPSI is pleased that multiple stakeholders spoke up in favor of continuing CAPSTF efforts in the fall, expressed interest in further developing design packages, and would likely partner with states and PJM to support further efforts.² OPSI reiterates

¹ CAPSTF Issue Charge

² CAPSTF Poll & Voting Results Conceptual Design Solution Packages, June 9, 2023.

its previous comments “that PJM should support efforts to develop market solutions to better accommodate state public policy goals” and that “a market structure that can facilitate state public policy goals may be preferable to the status quo.”³

Establishing a Forward Energy Attribute Market (“FEAM”) to enable states to more efficiently meet public policy objectives remains a high priority to certain OPSI members. Therefore, OPSI is both appreciative and supportive of PJM Staff’s willingness to continue engagement and development of such concepts with OPSI members. OPSI hopes its members are able to continue working with PJM, and other PJM stakeholders, to turn such concepts into a fully developed, implementable market design. As such, OPSI requests the PJM Board to direct PJM staff to work with all interested OPSI members and their staff to help develop a mutually agreed upon work plan for such engagement, recognizing how valuable each of our Staff’s resources are given other ongoing efforts at PJM, especially the Critical Issue Fast Path.

OPSI is grateful for PJM’s expertise and assistance in developing such a market and looks forward to the establishment of a Forward Energy Attribute Market Working Group. Further development and a precise definition of the Working Group’s proposed market will engender greater stakeholder support after the CAPSTF’s hiatus. To this end, should a market design emerge from the Work Group, OPSI anticipates taking that design under consideration for adoption, recommendation, or further action by the OPSI Board.⁴

Sincerely,

A handwritten signature in blue ink, appearing to read "C. Mitchell".

Charlotte A. Mitchell, President
Organization of PJM States, Inc.

³ OPSI Letter to the PJM Board dated March 23, 2023 at 2.

⁴ Approved by the OPSI Board with the following states in support: Delaware PSC, PSC of District of Columbia, Illinois CC, Indiana URC, Kentucky PSC, Maryland PSC, Michigan PSC, New Jersey BPU, North Carolina UC, Pennsylvania PUC, Tennessee PUC, Virginia SCC, PSC of West Virginia; Abstain PUC of Ohio.