

**State Subsidy Certification for CSPs and Energy Efficiency Providers Participation in the Upcoming  
2022/2023 Base Residual Auction**

**April 5, 2021**

## Background:

Capacity Market Seller activities required for participation in the upcoming 2022/2023 Base Residual Auction (“BRA”) are contained in the RPM Auction Schedule.<sup>1</sup> As indicated on the RPM Auction Schedule, deadlines are soon approaching for required seller activities related to the Minimum Offer Price Rule (“MOPR”) provisions of RPM. This communication is intended to provide guidance to Capacity Market Sellers regarding the State Subsidy certification process for Demand Response and Energy Efficiency Resources.

The December 19, 2019 MOPR Order<sup>2</sup> results in Demand Response and Energy Efficiency resources now being subject to the MOPR provision of RPM and is summarized in Table 1 below as they relate to the upcoming 2022/2023 BRA.

One of the most time-sensitive of the required MOPR-related activities is the requirement that each Capacity Market Seller must by no later than April 19, 2021, certify whether or not each DR or EE resource that the seller intends to offer into the BRA is a Capacity Resource with State Subsidy. PJM has updated the current DR Pre-Registration screen and released a new screen under the DR and EE Setup tabs called “State Subsidy Certification” in the Capacity Exchange system to facilitate this self-certification requirement. Instruction for navigating to the new State Subsidy Certification screens and descriptions of the data can be found below.

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<sup>1</sup> The RPM Auction Schedule is located at <https://www.pjm.com/-/media/markets-ops/rpm/rpm-auction-info/rpm-auction-schedule.ashx?la=en>

<sup>2</sup> Docket Nos. EL16-49, ER18-1314, and EL18-178

# Demand Response Pre-Registration

## Pre-Registration Screen:

Pre-Registration Confirmation | Resource Certification | Existing Resource Setup | Planned Resource Setup | Historical Data

Self-Supply LSE

PJMTST >> 2022/2023 >> BASE Row Count: 7

By submitting this data, I hereby certify that I am the Capacity Market Seller, or authorized agent of the Capacity Market Seller, of the resource(s) listed below and that all selections herein are true, accurate, and made in accordance with the rules provided in the PJM Tariff and Manuals.

Registration ID	Registration Name	Zone	LDA	MOPR Type	Type	Nominatn MW	Capacity Resource With Status Subsidy	State Subsidy Identification	Competitive Exemption	Subject to 5.14(b)-1 MOPR	ResourceName	Confirmed
Show All	Show All			Show All	Show	Show All						
1	PJM Registration 1	PECO	EIAAC	Exempt	Load	15	n/a	n/a	n/a	No	PJMTST PECO DR	Yes
2	PJM Registration 2	PECO	EIAAC	Existing	Load	10	No			No	PJMTST PECO DR	Yes
2	PJM Registration 2	PECO	EIAAC	Existing	CT	5	No			No	PJMTST PECO DR	Yes
3	PJM Registration 3	PECO	EIAAC	New	Load	3	Yes	XYZ	Yes	No	PJMTST PECO DR SUBSIDIZED LOAD	Yes
3	PJM Registration 3	PECO	EIAAC	Existing	Load	4	Yes	XYZ	Yes	No	PJMTST PECO DR SUBSIDIZED LOAD	Yes
4	PJM Registration 4	PECO	EIAAC	New	CT	2	No			No	PJMTST PECO DR	Yes
4	PJM Registration 4	PECO	EIAAC	New	Load	7	Yes	XYZ		Yes	PJMTST PECO DR	Yes

Upon navigating to the Demand Resource Setup → Pre-Registration Confirmation screen, the following information will be displayed for each registration in the Capacity Market Sellers account for the 2022/2023 BRA:

- MOPR Type:** Distinguished the applicable MOPR (Exempt, Existing or New) for the Nominated MW
  - Exempt:** MW qualify for the categorical exemption
  - Existing:** MW do not qualify for the categorical exemption, but have cleared an RPM auction
  - New:** MW do not qualify for the categorical exemption and have not cleared in an RPM auction
- Type:** Identifies whether the Nominated MW on a registration is generation backed or due to load reduction
- Nominated MW:** The reduction MW by MOPR Type and the type of reduction for each registration
- Capacity Resource with State Subsidy:** CSPs need to certify whether or not a registration with the Existing or New MOPR Type meet the definition of a Capacity Resource with State Subsidy
- State Subsidy Identification:** Registrations that elect “Yes” to Capacity Resource with State Subsidy need to specify the subsidies they are entitled to or are receiving. Common nomenclature can be used here (e.g. RECS), otherwise the applicable state legislation can be submitted
- Competitive Exemption:** A Capacity Resource with State Subsidy can certify whether or not they will forgo the subsidy

- **Subject to 5.14(h-1) MOPR (State Subsidy MOPR):** Indicates whether or not the registration is subject to MOPR as described in the PJM Tariff attachment DD Section 5.14 (h-1)
- **Resource Name:** Each registration will be linked to an RPM Resource for participation in the 22/23 BRA.
- **Confirmed:** Each registration that the CSPs reasonably expects to have in the 22/23 DY will need to be confirmed in order to be included in the 22/23 BRA

### Submitting Data:

Delivery Year: 2022/2023 Auction Type: BASE

Refresh Save

Pre-Registration Confirmation Resource Certification Existing Resource Setup Planned Resource Setup Historical Data

Self-Supply LSE

PJMSTST >> 2022/2023 >> BASE

By submitting this data, I hereby certify that I am the Capacity Market Seller, or authorized agent of the Capacity Market Seller, of the resource(s) listed below and that all selections herein are true, accurate, and made in accordance with the rules provided in the PJM Tariff and Manuals. Row Count: 7

Registration ID	Registration Name	Zone	LDA	MOPR Type	Type	Nominat MW	Capacity Resource With Status Subsidy	State Subsidy Identification	Competitive Exemption	Subject to 5, 14(h-1) MOPR	ResourceName	Confirmed
Show All	Show All			Show All	Show	Show All						
1	PJM Registration 1	PECO	EIAAAC	Exempt	Load	15	n/a	n/a	n/a	No	PJMSTST PECO DR	Yes
2	PJM Registration 2	PECO	EIAAAC	Existing	Load	10	No			No	PJMSTST PECO DR	Yes
2	PJM Registration 2	PECO	EIAAAC	Existing	CT	5	No			No	PJMSTST PECO DR	Yes
3	PJM Registration 3	PECO	EIAAAC	New	Load	3	Yes	XYZ	Yes	No	PJMSTST PECO DR SUBSIDIZED LOAD	Yes
3	PJM Registration 3	PECO	EIAAAC	Existing	Load	4	Yes	XYZ	Yes	No	PJMSTST PECO DR SUBSIDIZED LOAD	Yes
4	PJM Registration 4	PECO	EIAAAC	New	CT	2	No			No	PJMSTST PECO DR	Yes
4	PJM Registration 4	PECO	EIAAAC	New	Load	7	Yes	XYZ		Yes	PJMSTST PECO DR	Yes

Once a Market Seller has populated the fields, they can submit the data to PJM by clicking the save button in the top right corner.

# Demand Response Resource Certification

## DR State Subsidy Certification Screen

Delivery Year:  Auction Type:

Refresh Save

Pre-Registration Confirmation | **Resource Certification** | Existing Resource Setup | Planned Resource Setup | Historical Data

Self-Supply LSE  
 PJMTST >> 2022/2023 >> BASE Row Count: 2

By submitting this data, I hereby certify that I am the Capacity Market Seller, or authorized agent of the Capacity Market Seller, of the resource(s) listed below and that all selections herein are true, accurate, and made in accordance with the rules provided in the PJM Tariff and Manuals.

Resource Name	Zone Name	LDA Name	Capacity Resource with State Subsidy	State Subsidy Identification	Competitive Exemption	Subject to 5.14(h-1) MOPR
Show All	Show All	Show All				
PJMTST PECO DR	PECO	EMAAC				No
PJMTST PECO DR SUBSIDIZED LOAD	PECO	EMAAC	Yes	XYZ	No	Yes

Upon navigating to the Demand Resource Setup → Resource Certification screen, the following information will be displayed for each resource in the Capacity Market Sellers account for the 2022/2023 BRA:

- **Capacity Resource with State Subsidy:** A CSP that intends to offer Non-Exempt MW (Existing or New) must certify whether or not the resource meet the definition of a Capacity Resource with State Subsidy
- **State Subsidy Identification:** Resources that elect “Yes” to Capacity Resource with State Subsidy need to specify the subsidies they are entitled to or are receiving. Common nomenclature can be used here (e.g. RECS), otherwise the applicable state legislation can be submitted
- **Competitive Exemption:** A Capacity Resource with State Subsidy can certify whether or not they will forgo the subsidy
- **Subject to 5.14(h-1) MOPR (State Subsidy MOPR):** Indicates whether or not the resource is subject to MOPR as described in the PJM Tariff attachment DD Section 5.14 (h-1)

## Submitting Data

Delivery Year:  Auction Type:

Refresh Save

Pre-Registration Confirmation | **Resource Certification** | Existing Resource Setup | Planned Resource Setup | Historical Data

Self-Supply LSE  
 PJMTST >> 2022/2023 >> BASE Row Count: 2

By submitting this data, I hereby certify that I am the Capacity Market Seller, or authorized agent of the Capacity Market Seller, of the resource(s) listed below and that all selections herein are true, accurate, and made in accordance with the rules provided in the PJM Tariff and Manuals.

Resource Name	Zone Name	LDA Name	Capacity Resource with State Subsidy	State Subsidy Identification	Competitive Exemption	Subject to 5.14(h-1) MOPR
Show All	Show All	Show All				
PJMTST PECO DR	PECO	EMAAC				No
PJMTST PECO DR SUBSIDIZED LOAD	PECO	EMAAC	Yes	XYZ	No	Yes

# Energy Efficiency Resource Certification

## EE State Subsidy Certification Screen

Delivery Year: 2022/2023 Auction Type: BASE

Refresh Save

Resource Certification Existing Resource Setup Planned Resource Setup

Self-Supply LSE

PJMSTST >> 2022/2023 >> BASE

By submitting this data, I hereby certify that I am the Capacity Market Seller, or authorized agent of the Capacity Market Seller, of the resource(s) listed below and that all selections herein are true, accurate, and made in accordance with the rules provided in the PJM Tariff and Manuals.

Row Count: 4

Resource Name	Zone Name	LDA Name	Installation Period	Capacity Resource with State Subsidy	State Subsidy Identification	Competitive Exemption	Subject to 5.14(h-1) MOPR
Show All	Show All	Show All	Show All				
PJMSTST PECO EE J20M21	PECO	EMAAC	2020/2021	No			No
PJMSTST PECO EE J20M21 SUBSIDIZED	PECO	EMAAC	2020/2021	Yes	XYZ	No	Yes
PJMSTST PECO EE J21M22	PECO	EMAAC	2021/2022	No			No
PJMSTST PECO EE J21M22 SUBSIDIZED	PECO	EMAAC	2021/2022	Yes	XYZ	No	Yes

Upon navigating to the Energy Efficiency Setup → Resource Certification screen, the following information will be displayed for each resource in the Capacity Market Sellers account for the 2022/2023 BRA:

- Capacity Resource with State Subsidy:** An Energy Efficiency Provider that intends to offer Non-Exempt MW (Existing or New) must certify whether or not the resource meet the definition of a Capacity Resource with State Subsidy
- State Subsidy Identification:** Resources that elect “Yes” to Capacity Resource with State Subsidy need to specify the subsidies they are entitled to or are receiving. Common nomenclature can be used here (e.g. RECS), otherwise the applicable state legislation can be submitted
- Competitive Exemption:** A Capacity Resource with State Subsidy can certify whether or not they will forgo the subsidy
- Subject to 5.14(h-1) MOPR (State Subsidy MOPR):** Indicates whether or not the resource is subject to MOPR as described in the PJM Tariff attachment DD Section 5.14 (h-1)

## Submitting Data

Delivery Year: 2022/2023 Auction Type: BASE

Refresh Save

Resource Certification Existing Resource Setup Planned Resource Setup

Self-Supply LSE

PJMSTST >> 2022/2023 >> BASE

By submitting this data, I hereby certify that I am the Capacity Market Seller, or authorized agent of the Capacity Market Seller, of the resource(s) listed below and that all selections herein are true, accurate, and made in accordance with the rules provided in the PJM Tariff and Manuals.

Row Count: 4

Resource Name	Zone Name	LDA Name	Installation Period	Capacity Resource with State Subsidy	State Subsidy Identification	Competitive Exemption	Subject to 5.14(h-1) MOPR
Show All	Show All	Show All	Show All				
PJMSTST PECO EE J20M21	PECO	EMAAC	2020/2021	No			No
PJMSTST PECO EE J20M21 SUBSIDIZED	PECO	EMAAC	2020/2021	Yes	XYZ	No	Yes
PJMSTST PECO EE J21M22	PECO	EMAAC	2021/2022	No			No
PJMSTST PECO EE J21M22 SUBSIDIZED	PECO	EMAAC	2021/2022	Yes	XYZ	No	Yes

## MOPR Applicability Table for DR and EE Resources

<b>MOPR Applicable Resources</b>	<b>State Subsidy MOPR**</b> <b>Attachment DD Section 5.14(h-1)</b> (**Applicable to Capacity Resources with State Subsidy)
<b>Capacity Resources that are subject to MOPR</b>	The sell offer of any DR or EE resource that the Capacity Market Seller ("CMS") has specified to be a Capacity Resource with State Subsidy.
<b>Seller Certification of Capacity Resource with State Subsidy</b>  <b>(required by no later than 4/19/2021)</b>	Each CMS must specify whether or not each DR or EE resource that the CMS intends to offer into the 2022/2023 BRA is a Capacity Resource with State Subsidy.
<b>Definition of Capacity Resource with State Subsidy</b>	"Capacity Resource with State Subsidy" shall mean (1) a Capacity Resource that is offered into an RPM Auction or otherwise assumes an RPM commitment for which the Capacity Market Seller receives or is entitled to receive one or more State Subsidies for the applicable Delivery Year; (2) a Capacity Resource that has not cleared an RPM Auction for the Delivery Year for which the Capacity Market Seller last received a State Subsidy (or any subsequent Delivery Year) shall still be considered a Capacity Resource with State Subsidy upon the expiration of such State Subsidy until the resource clears an RPM Auction; (3) a Capacity Resource that is the subject of a bilateral transaction (including but not limited to those reported pursuant to Tariff, Attachment DD, section 4.6) shall be deemed a Capacity Resource with State Subsidy to the extent an owner of the facility supporting the Capacity Resource is entitled to a State Subsidy associated with such facility even if the Capacity Market Seller is not entitled to a State Subsidy; and (4) any Jointly Owned Cross-Subsidized Capacity Resource.

<p><b>CMS Elects the Competitive Exemption and certifies that it will forgo any State Subsidy for applicable Delivery Year</b></p> <p><b>(required by no later than 4/19/2021)</b></p>	<p>The CMS may elect the Competitive Exemption for a Capacity resource with State Subsidy and be exempt as long as they certify that they elect to forgo receiving any State Subsidy for the applicable Delivery Year.</p> <p>Capacity Resource with State Subsidy may be exempt from the MOPR in any RPM Auction if the Capacity Market Seller elects to forego receiving any State Subsidy for the applicable Delivery Year no later than thirty (30) days prior to the commencement of the offer period for the relevant RPM Auction. The Capacity Market Seller certifies to such election via the Capacity Exchange system. The competitive exemption is not available to Capacity Resources with State Subsidy that (A) are owned or offered by Self-Supply Entities unless the Self-Supply Entity certifies, subject to PJM and Market Monitor review, that the Capacity Resource will not accept a State Subsidy, including any financial benefit that is the result of being owned by a regulated utility, such that retail ratepayers are held harmless, (B) are no longer entitled to receive a State Subsidy but are still considered a Capacity Resource with State Subsidy solely because they have not cleared an RPM Auction since last receiving a State Subsidy, or (C) are Jointly Owned Cross-Subsidized Capacity Resources or is the subject of a bilateral transaction and not all Capacity Market Sellers of the supporting facility unanimously elect the competitive exemption (unless the underlying Capacity Resource that is the subject of a bilateral transaction has not received, is not receiving, and is not entitled to receive any State Subsidy except those that are assigned (i.e., renewable energy credits) to the off-takers of a bilateral transaction and the Capacity Market Seller of such Capacity Resource can demonstrate and certify that the Capacity Market Seller's rights and obligations of its share of the capacity, energy, and assignable State Subsidy associated with the underlying Capacity Resource are in pro rata shares).</p>
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