



PUBLIC SERVICE COMMISSION

District of Columbia

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DCPSC Advisory

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DCPSC receives report on PJM Capacity Market versus Fixed Resource Requirement Capacity Option

(Washington, D.C.) The Public Service Commission of the District of Columbia (Commission) requested and received [a report](#) (GD-2021-02-M) from [The Independent Market Monitor for PJM Interconnection, LLC](#) on the implications of satisfying the District's capacity obligations through the Fixed Resource Requirement (FRR) option versus the current PJM Market Capacity option. The Federal Energy Regulatory Commission's (FERC) December 2019 Order expanded the Minimum Offer Price Rule (MOPR) creating price floors for many clean energy resources receiving state support. Renewable resources subject to the MOPR may be unable to clear as PJM capacity resources thus potentially subjecting customers to increased prices. Concerned about the potential cost impact to customers, the Commission requested the analysis and recommendations in a letter to the PJM Market Monitor on April 23, 2020.

The FRR option is an alternative to continued participation in PJM's Capacity Market. The FRR requires electric utilities and load-serving entities to develop a plan to procure enough electric capacity to meet the forecasted peak demand for power for all customers primarily within the designated FRR zone. Many states within the PJM region are evaluating whether the FRR represents a viable alternative that allows greater control over the resources that are procured and built to meet both consumer energy needs and states' clean energy policy goals. The report analyzes the impacts of the creation of FRR entities in the District of Columbia that elect to not participate in the PJM Capacity Market and to use the FRR option to satisfy their capacity obligations. The Commission continues to monitor FERC's MOPR reform efforts and will take appropriate action to protect District ratepayers.

For more information about the Commission's clean energy efforts, visit <https://dcpsc.org/CleanEnergy>

The Public Service Commission of the District of Columbia is an independent agency established by Congress in 1913 to regulate electric, natural gas, and telecommunications companies in the District of Columbia.

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