

As Introduced

**134th General Assembly
Regular Session
2021-2022**

S. C. R. No. 7

Senator Romanchuk

A CONCURRENT RESOLUTION

To memorialize PJM Interconnection, L.L.C. and the Federal 1
Energy Regulatory Commission to urge the preservation of 2
the Minimum Offer Price Rule for the PJM capacity market. 3

BE IT RESOLVED BY THE SENATE OF THE STATE OF OHIO (THE HOUSE OF REPRESENTATIVES CONCURRING):

WHEREAS, The State of Ohio has pursued deregulation of 4
electricity to increase consumer choice and encourage the 5
development of a competitive electricity marketplace, beginning 6
with the passage of S.B. 3 of the 123rd General Assembly; and 7

WHEREAS, There have been billions of dollars of investment 8
in new generation resources in Ohio since deregulation began in 9
1999; and 10

WHEREAS, The State of Ohio has rejected state subsidization 11
of various generation resources in favor of encouraging 12
competition; and 13

WHEREAS, The main purpose of the PJM Interconnection, L.L.C 14
capacity market is to secure long-term generation commitments 15
from resources that are capable of performing consistently, even 16
in extreme conditions, to ensure there is always an adequate 17
supply of generation resources to meet the needs of consumers 18
within PJM's region; and 19

WHEREAS, The Minimum Offer Price Rule was established by 20

PJM to prevent state-subsidized generation resources from 21
exercising market power by offering those resources into the PJM 22
capacity market at artificially low prices and to ensure that 23
new resources are competitively offered into PJM's capacity 24
market by establishing a specific minimum dollar amount that a 25
generation resource can offer into the capacity market; and 26

WHEREAS, PJM is now proposing to eliminate the Minimum 27
Offer Price Rule and replace it with an alternative model that 28
would allow state policies to influence the PJM capacity market 29
and decrease competition; 30

WHEREAS, The elimination of the Minimum Offer Price Rule 31
would increase the risk of a critical reliability problem within 32
the PJM states and would force Ohioans to bear costs associated 33
with other states' generation resource preferences; now 34
therefore be it 35

RESOLVED, That we, the members of the 134th General 36
Assembly of the State of Ohio, call upon PJM and the Federal 37
Energy Regulatory Commission to evaluate whether state- 38
subsidized generation resources have a material impact on price 39
formation in PJM's capacity market and whether such 40
subsidization will result in states that have rejected such 41
subsidization being forced to bear increased costs and adversely 42
impact the market's ability to attract and retain commitments 43
from the generation resources necessary to ensure regional 44
reliability; and be it further 45

RESOLVED, That we, the members of the 134th General 46
Assembly of the State of Ohio, call upon PJM and the Federal 47
Energy Regulatory Commission to retain the Minimum Offer Price 48
Rule and reject all efforts to eliminate or replace it; and be 49
it further 50

RESOLVED, That the Clerk of the Senate transmit duly 51

authenticated copies of this resolution to each member of the	52
PJM Board of Managers and the PJM Members Committee, each of the	53
commissioners of the Federal Energy Regulatory Commission, and	54
the news media of Ohio.	55