



Senate Energy and Public Utilities Committee
Senate Resolution 175
September 14, 2021

Chairman McColley and members of the Senate Energy and Public Utilities Committee, thank you for the opportunity to provide written proponent testimony on Senate Resolution 175 (SR 175).

The Alliance for Energy Choice is an Ohio non-profit corporation that seeks to promote fairness and competition in electric utility service. The Alliance advocates for free-market solutions that will ensure an adequate and fairly priced supply of electric power to Ohio's residents, businesses, and industries. The Alliance also advocates for policies that do not favor one supplier or one form of energy over another.

The members of the Alliance support swift passage of SR 175 as it urges PJM and the Federal Energy Regulatory Commission (FERC) to preserve the Minimum Offer Price Rule (MOPR) for the PJM capacity market. The MOPR was established by PJM to prevent state-subsidized generation resources from exercising market power by offering those resources into the PJM capacity market at artificially low prices and to ensure that new resources are competitively offered into PJM's capacity market by establishing a specific minimum dollar amount that a generation resource can offer into the capacity market.

The elimination of the MOPR would increase the risk of reliability problems within the PJM states and would force Ohioans to unfairly bear costs associated with other states' generation resource preferences. Moreover, states like Ohio that have largely rejected subsidization of generation resources would be forced to bear those increased costs that will adversely impact the market's ability to attract and retain commitments from the resources necessary to ensure regional reliability.

By passing this resolution, the Ohio Senate will be sending a clear message to PJM and FERC to reject any alternative models that would allow state policies to influence the PJM capacity market, decrease competition, and negatively impact system reliability.

We appreciate this opportunity to submit written proponent testimony on SR 175. As always, please do not hesitate to contact us if you have any questions or would like further information regarding this document or the Alliance for Energy Choice.



The Alliance for Energy Choice membership currently includes Calpine, Eastern Generation, The Energy Professionals of Ohio, LS Power, NRG, and Vistra Energy.