

# A RESOLUTION

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

*Be it resolved by the Senate of the State of Ohio:*

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

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

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

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

WHEREAS, The Minimum Offer Price Rule 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; and

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

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

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

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

RESOLVED, That the Clerk of the Senate transmit duly authenticated copies of this resolution to

each member of the PJM Board of Managers and the PJM Members Committee, each of the commissioners of the Federal Energy Regulatory Commission, and the news media of Ohio.

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*President \_\_\_\_\_ of the Senate.*

Adopted \_\_\_\_\_, 20\_\_\_\_