

**As Introduced**

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

**S. R. No. 175**

**Senator Romanchuk  
Cosponsor: Senator McColley**

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**A R E S O L U T I O N**

To memorialize PJM Interconnection, L.L.C. and the 1  
Federal Energy Regulatory Commission to urge the 2  
preservation of the Minimum Offer Price Rule for 3  
the PJM capacity market. 4

**BE IT RESOLVED BY THE SENATE OF THE STATE OF OHIO:**

WHEREAS, The State of Ohio has pursued deregulation of 5  
electricity to increase consumer choice and encourage the 6  
development of a competitive electricity marketplace, beginning 7  
with the passage of S.B. 3 of the 123rd General Assembly; and 8

WHEREAS, There have been billions of dollars of investment 9  
in new generation resources in Ohio since deregulation began in 10  
1999; and 11

WHEREAS, The State of Ohio has rejected state subsidization 12  
of various generation resources in favor of encouraging 13  
competition; and 14

WHEREAS, The main purpose of the PJM Interconnection, 15  
L.L.C. capacity market is to secure long-term generation 16  
commitments from resources that are capable of performing 17  
consistently, even in extreme conditions, to ensure there is 18  
always an adequate supply of generation resources to meet the 19  
needs of consumers within PJM's region; and 20

WHEREAS, The Minimum Offer Price Rule was established by 21  
PJM to prevent state-subsidized generation resources from 22  
exercising market power by offering those resources into the PJM 23  
capacity market at artificially low prices and to ensure that 24  
new resources are competitively offered into PJM's capacity 25  
market by establishing a specific minimum dollar amount that a 26  
generation resource can offer into the capacity market; and 27

WHEREAS, PJM is now proposing to eliminate the Minimum 28  
Offer Price Rule and replace it with an alternative model that 29  
would allow state policies to influence the PJM capacity market 30  
and decrease competition; and 31

WHEREAS, The elimination of the Minimum Offer Price Rule 32  
would increase the risk of a critical reliability problem within 33  
the PJM states and would force Ohioans to bear costs associated 34  
with other states' generation resource preferences; now 35  
therefore be it 36

RESOLVED, That we, the members of the Senate of the 134th 37  
General Assembly of the State of Ohio, call upon PJM and the 38  
Federal Energy Regulatory Commission to evaluate whether state- 39  
subsidized generation resources have a material impact on price 40  
formation in PJM's capacity market and whether such 41  
subsidization will result in states that have rejected such 42  
subsidization being forced to bear increased costs and adversely 43  
impact the market's ability to attract and retain commitments 44  
from the generation resources necessary to ensure regional 45  
reliability; and be it further 46

RESOLVED, That we, the members of the Senate of the 134th 47  
General Assembly of the State of Ohio, call upon PJM and the 48  
Federal Energy Regulatory Commission to retain the Minimum Offer 49  
Price Rule and reject all efforts to eliminate or replace it; 50  
and be it further 51

RESOLVED, That the Clerk of the Senate transmit duly 52

authenticated copies of this resolution to each member of the	53
PJM Board of Managers and the PJM Members Committee, each of the	54
commissioners of the Federal Energy Regulatory Commission, and	55
the news media of Ohio.	56