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**ICC Chairman Brien J. Sheahan Reacts to FERC Decision on PJM Capacity Markets**

On June 29, 2018, the Federal Energy Regulatory Commission (“FERC”) issued an order concluding that state policies designed to encourage the production of carbon free and renewable electricity are intruding into wholesale electric markets and, ultimately, suppressing the price of electricity capacity. The order also found PJM’s tariff to be unjust and unreasonable because it fails to address the price suppressive impacts of such state policies. Accordingly, the FERC has called for a paper hearing to consider a solution proposed by FERC.

PJM’s capacity auctions procure electric generation capacity from generating stations without regard to the amount of carbon and other environmental pollutants emitted by the generators. To address these shortcomings of the PJM capacity market, the Illinois General Assembly, through the Future Energy Jobs Act and prior legislation, enacted environmental policies to promote clean renewable and zero emission electric generation resources.

**Quote from ICC Chairman Brien Sheahan:**

“The FERC order countermands Illinois’ environmental policies by opting for a solution that ignores the environmental impacts of certain electricity generation types. Such action is likely to force Illinois’ carbon-free resources out of the PJM capacity market and require Illinois electricity consumers to bear the associated financial and environmental costs.

Illinois has long benefited from regional partnerships with PJM and the generators, transmission providers, and other entities operating in PJM markets. The most recent actions by PJM and FERC threaten to unravel this partnership to the detriment of market participants and Illinois electricity consumers.”

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The Illinois Commerce Commission (ICC) is a quasi-judicial body made up of five Commissioners. Through its Public Utility Program, the Commission oversees the provision of adequate, reliable, efficient and safe utility services at the least possible cost to Illinois citizens served by electric, natural gas, telecommunications, water and sewer public utility companies. Through its Transportation Regulatory Program, the Commission oversees public safety and consumer protection programs with regard to intrastate commercial motor carriers of general freight, household goods movers, relocation towers, safety towers, personal property warehouses and repossession agencies. The Commission's Rail Safety Program also inspects and regulates the general safety of railroad tracks, facilities and equipment in the state.

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