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ICC Leads Discussion of FERC's Decision on PJM Capacity Market Reform

Chicago, IL.... Led by Chairman Brien J. Sheahan, the Illinois Commerce Commission held a policy session Thursday, September 20, 2018 to discuss the Federal Energy Regulatory Commission (FERC)'s recent 3-2 decision that rejected PJM's proposed capacity market reforms, calling it unjust and unreasonable for a generation supplier receiving out-of-market compensation (such as state-supported subsidies) to benefit from its participation in the PJM capacity market.

"The decision was a surprise to many of us, given the pattern of increasingly aggressive renewable portfolio standard goals and other environmentally based policies across states," said Sheahan. "It is not an exaggeration to say that this order and its consequences will have a profound effect on the generation mix in PJM and participants in its markets."

FERC ordered PJM to come up with a better solution, and yesterday's policy session was intended to both educate stakeholders and provide a dialogue on potential solutions.

The session began with presentations that provided an overview of the PJM capacity market and a summary of the FERC decision. The first panel, *the Illinois Perspective and the Impact of FERC's Decision* delved into the legal and political underpinnings for why and how the Zero Emissions Credit (ZEC) program and Renewable Portfolio Standards (RPS) were established in Illinois and the impact FERC's order will have on these programs. The second panel, *Potential Solutions*, focused on potential solutions that would accommodate state policies like ZEC and RPS within the framework of the FERC order.

Expert panelists speaking at the policy session included: Jennifer Trubisky, Associate General Counsel at PJM; Christine Ericson, staff attorney at the ICC; Kristin Munsch, Deputy Director at the Citizen's Utility Board; David Fein, Senior Vice President of Government and Regulatory Affairs at Exelon; Rob

Kelter, Senior Attorney at the Environmental Law and Policy Center; Andrew Barbeau, President of The Accelerate Group; Darlene J. Phillips, Director of Strategic Policy and External Affairs at PJM Interconnection; Kathleen Barron, Vice President of Federal Regulatory Affairs and Policy at Exelon; John Moore, Senior Attorney at the National Resources Defense Council, and Randy Rismiller, Manager of the Federal Energy Program at the ICC.

Presentations from the police session may be found by clicking here.

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About the Illinois Commerce Commission

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.

To learn more about the Commission, its offices and bureaus, click <u>here</u>. If you are a consumer who needs help resolving a utility dispute call 800-524-0795 or file an online complaint <u>here</u>. For a complaint related to transportation, call 217-782-6448.

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