EPSA Urges PJM to Prioritize Timely Capacity Auctions Over Calls to Delay
Running the 2022/2023 Base Residual Auction Key to Ensuring Reliability

Washington, D.C. – The Electric Power Supply Association (EPSA) wrote to PJM Interconnection this week urging the regional transmission organization to move forward as soon as practicable with rescheduling the annual Base Residual Auction (BRA) for 2022/23—once the Federal Energy Regulatory Commission (FERC) has acted on capacity market reforms. While various stakeholders continue to call for delay, EPSA, which represents companies accounting for more than 50,000 MW of power generation in the PJM region, says upholding timely capacity auctions is critical to ensuring reliability and restoring just and reasonable energy markets for 13 states and the District of Columbia.

“The importance of PJM’s timely auction for reliability services cannot be overstated. The competitive power resources provided by EPSA’s member companies depend entirely on PJM’s wholesale markets to reliably serve our energy customers,” said EPSA President and CEO Todd Snitchler. “Our members are not supported by out-of-market subsidies. The three-year forward price signal and capacity commitment provide the certainty needed to sustain and enhance current investments, drive decisions to invest in or deactivate resources, and encourage innovative technologies seeking financing for new projects. All of those things ensure the system’s consistent operation.”

In a letter submitted November 14, EPSA acknowledged the need for a reasonable amount of time to make a compliance filing pursuant to FERC’s upcoming order on capacity market reforms. But, Snitchler continued, “The critical role of timely annual RPM auctions must take precedence over calls to postpone. Open-ended delay to facilitate varying state proceedings predicted to take months if not years to complete should not be an option based on PJM’s mandate to operate a reliable system.”

Said Snitchler, “EPSA urges the PJM Board to work with all stakeholders on a reasonable transition plan that acknowledges the critical role that PJM’s capacity market plays in ensuring reliability in PJM, and reschedules the 2022/2023 BRA as soon as practically possible so as to limit the already compromised lead time for that delivery year.”

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Launched over 20 years ago, EPSA is the national trade association representing leading independent power producers and marketers. EPSA members provide reliable and competitively priced electricity from environmentally responsible facilities using a diverse mix of fuels and technologies. Power supplied on a competitive basis collectively accounts for 40 percent of the U.S. installed generating capacity. EPSA seeks to bring the benefits of competition to all power customers.

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