



Federal Energy Regulatory Commission

POLR Roundtable

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Jurisdiction on POLR Issues

- State jurisdiction
 - ❖ Retail markets
 - ❖ Nature and scope of POLR service obligation
- FERC jurisdiction
 - ❖ Operation of wholesale markets
 - ❖ PJM market design and tariff



Wholesale Markets Provide

- Competition
 - ❖ Access to multiple buyers and sellers
- Transparency
 - ❖ Clear rules that are understood by all
 - ❖ Pricing rules understood by all
- Incentives for adequate infrastructure
 - ❖ Sufficient supplies and transmission to access supplies
 - ❖ Market can react to price signals



Wholesale Market Considerations for POLR Design

- Duration of obligation
 - ❖ Effect on new construction
 - ❖ Volatility
- Role of RTO
 - ❖ Procurement role
- Changes needed to wholesale market rules
 - ❖ Changes needed to wholesale tariff to accommodate state program



POLR Obligations in PJM

- States can take differing approaches to POLR obligation
- NJ BGS auction – an example
 - ❖ Works well with PJM market design
 - ❖ Formal auction
 - ❖ Multiple tranches encourage multiple suppliers
 - ❖ Different durations for purchases
 - ❖ Different tranches for residential and industrial load



Conclusion

- POLR service is a matter of state choice
- Collaboration between state and FERC can help design of POLR obligation and operation of wholesale markets