

Order on Paper Hearing concerning the pricing of fast-start resources in PJM’s energy Market ("Fast-Start Order").⁵ PJM thus requests to submit its compliance filing and informational report by August 30, 2019, instead of the current due date of July 31, 2019.

I. COMMENTS

P3 and EPSA have been active interested parties to this proceeding, and have consistently cited energy price formation (including the pricing of fast start resources) as an area where market reforms are long overdue.⁶

While P3 and EPSA do not formally object to PJM’s request for additional time to consider compliance related issues, P3 and EPSA are concerned about further slippage of the implementation date for the long overdue market reforms associated with PJM’s fast start pricing practices. In December of 2017, the Commission determined that PJM’s fast start pricing practices “may be unjust and unreasonable because the practices do not allow prices to reflect the marginal cost of serving load, and the Commission identified changes to PJM’s Tariff that, upon initial review, would result in rates that are just and reasonable.”⁷ The December 2017 Order followed a Notice of Proposed Rulemaking that was issued a year before in December 2016 questioning whether certain RTO practices related to fast start pricing were just and reasonable.⁸ In other words, the

⁵ *PJM Interconnection, L.L.C.*, 167 FERC 61,058 (April 18, 2019) (“Fast-Start Order”).

⁶ P3 incorporates by reference its comments; reply brief; and answer, filed on February 12, 2018; March 14, 2018; and April 30, 2018, respectively, as well as comments it previously made to fast-start pricing in Docket Nos AD14-14-000 and RM17-3-000. EPSA incorporates by reference its initial comments and reply brief, filed on February 12, 2018, and March 14, 2018, respectively, as well as comments it previously filed regarding fast-start pricing in Docket Nos. AD14-14-000 and RM17-3-000.

⁷ <https://www.ferc.gov/whats-new/comm-meet/2019/041819/E-3.pdf> at 1 citing PJM Interconnection, L.L.C., 161 FERC ¶ 61,295 (2017) (“December 2017 Order”).

⁸ *Fast-Start Pricing in Markets Operated by Regional Transmission Organizations and Independent System Operators*, 81 Fed. Reg. 96,391 (Dec. 30, 2016), 157 FERC ¶ 61, 213, at PP 3, 36-37 (2016) (“Fast Start NOPR”).

Commission identified a potential problem in 2016, determined there was an actual problem in 2017 and yet, halfway through 2019, the problem is still not resolved.

P3 and EPSA acknowledge that it is important to get fast start pricing rules correct and appreciate that the Commission's April 18, 2019 Fast-Start Order provides direction to PJM to get those rules correct. Based on the Commission's Fast-Start Order in April, and PJM's representation later that month that fast start pricing rules could be implemented in November of 2019,⁹ P3 and EPSA members were hopeful that revised fast start pricing rules would be in place in 2019. However, given the issues raised in PJM's request for additional time and subsequent representations by PJM, it is apparent that implementation will now wait until 2020.

If the Commission accepts PJM's request for additional time to submit its compliance filing, it should insist on an implementation date in January 2020. P3 and EPSA understand that such an implementation date would require certain timely decisions by PJM and the Commission. However, given the nearly three-year process to correct an identified market shortcoming, the Commission should bring this matter to a close and effectuate these much needed market reforms related to fast start pricing.

II. CONCLUSION

P3 and EPSA respectfully request that the Commission consider these comments and impose an implementation date of PJM's fast start compliance filing in January 2020.

⁹ PJM Fast Start Pricing Order Update, April 25, 2019, at p. 6.
<https://pjm.com/-/media/committees-groups/committees/mrc/20190425/20190425-item-09-fast-start-pricing-order-update.ashx>.

Respectfully submitted,

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July 15, 2019

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C. this 15th day of July 2019.

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