

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

PJM Interconnection, L.L.C.

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Docket No. ER21-2444-000

**COMMENTS OF THE
PJM POWER PROVIDERS GROUP AND
THE ELECTRIC POWER SUPPLY ASSOCIATION**

Pursuant to the July 16, 2021 notice¹ of the Federal Energy Regulatory Commission (“FERC” or the “Commission”), the PJM Power Providers Group (“P3”)² and the Electric Power Supply Association³ (collectively, “P3/EP SA”) respectfully submit these comments in support of PJM Interconnection, L.L.C.’s (“PJM”) July 16, 2021, request for a prospective waiver of certain pre-auction deadlines affected by the default Market Seller Offer Cap (“MSOC”) (“PJM Waiver Request”).⁴ For the reasons stated more fully herein, P3/EP SA fully support PJM’s request for specified waivers and potential extensions of any existing pre-auction deadlines that may be impacted by a revised MSOC.

¹ Combined Notice of Filings #1, EL21-2444 (July 16, 2021).

² P3 is a non-profit organization dedicated to advancing federal, state and regional policies that promote properly designed and well-functioning electricity markets in the PJM Interconnection, L.L.C. (“PJM”) region. Combined, P3 members own approximately 67,000 MWs of capacity resources in the PJM region covering 13 states and the District of Columbia. For more information on P3, visit www.p3powergroup.com. The comments contained in this filing represent the position of P3 as an organization, but not necessarily the views of any particular member with respect to any issue.

³ EP SA is the national trade association representing competitive power suppliers in the U.S. EP SA members provide reliable and competitively priced electricity from environmentally responsible facilities using a diverse mix of fuels and technologies. EP SA seeks to bring the benefits of competition to all power customers. This pleading represents the position of EP SA as an organization, but not necessarily the views of any particular member with respect to any issue. EP SA submitted a timely document-less motion to intervene in this proceeding on July 20, 2021.

⁴ *Request of PJM Interconnection, L.L.C., For Prospective Waiver of Certain Pre-Auction Deadlines Affected by the Default Market Seller Offer Cap*, Docket No. ER2-2444-000 (July 16, 2021).

I. COMMENTS

PJM's Waiver Request highlights the significant obstacles faced by Capacity Market Sellers in preparation for the upcoming December 1, 2021, Base Residual Auction ("BRA") for the 2023/2024 Delivery Year ("December BRA") pending the Commission's issuance of an Order on the replacement rate for the default MSOC. Given the March 18, 2021 Order's finding that the current default MSOC provisions are unjust and unreasonable,⁵ as well as the uncertainty surrounding whether or not the Commission will allow the current default MSOC to be utilized for the December BRA,⁶ it is both timely and necessary for prospective waivers to be granted for the important deadlines that are coming up or have passed in preparation for the December BRA.

PJM discusses two important deadlines in this regard. One deadline that has now passed is the July 19, 2021, deadline to submit a must offer exception request associated with unit deactivations. As PJM correctly notes, "[S]ince the level of the replacement MSOC may influence retirement decisions, many Capacity Market Sellers would find themselves having to make such significant decisions without having key information as to the level of the new MSOC."⁷ PJM also discusses the upcoming August 3, 2021, deadline for unit-specific offer cap requests.⁸ It is important to emphasize that the submission of a unit-specific offer cap request is an involved undertaking and requires the compilation of significant amounts of supporting data at the time of the election for those Capacity Market Sellers planning on doing so. This underscores the urgent

⁵ *Independent Market Monitor for PJM v. PJM Interconnection, L.L.C.; Joint Consumer Advocates v. PJM Interconnection, L.L.C.*, 174 FERC ¶ 61,212 (2021) ("March 18 Order").

⁶ The Commission's March 18 Order did allow the use of the current default MSOC to be used for the BRA associated with the 2022/2023 Delivery Year. *See* March 18 Order, P 73. Both PJM and P3 requested that the Commission allow the use of the current default MSOC for the 2023/2024 Delivery Year pending a Commission order on a replacement rate. *See Reply Brief of PJM Interconnection, L.L.C.*, Docket Nos. EL19-47; EL19-63 (not consolidated), dated June 9, 2021, pp. 3-4. *See also, Motion For Expedited Relief of The PJM Power Providers Group*, Docket Nos. EL19-47; EL19-63 (not consolidated), dated July 22, 2021 ("P3 Motion for Expedited Relief").

⁷ PJM Waiver Request, p. 2.

⁸ *Id.*, p. 3.

need for Commission action on the PJM Waiver Request to provide certainty for Capacity Market Sellers regarding the pre-auction timeline and process.

Along these same lines, P3/EPISA have also expressed concerns with meeting these pre-auction deadlines. For example, with respect to unit-specific requests, P3 noted that Capacity Market Sellers will need to consider the effort needed to support a unit-specific request once it has been submitted when the Capacity Market Seller believes its cost is above the default offer cap by a relatively small amount. Therefore, Capacity Market Sellers will need the appropriate time to process these considerations after the Commission issues an order on the replacement rate of the default MSOC.⁹ To the extent that neither a replacement rate is ordered on an imminent basis or the current default MSOC is not allowed to be used again, the requested prospective waiver sought by PJM is the most reasonable path forward and should be granted.

Moreover, PJM's Waiver Request meets all four of the Commission's requirements for waiver requests for all of the reasons cited by PJM.¹⁰ P3/EPISA also add that PJM is acting in good faith in its request, as it has previously sought direction from the Commission on the December BRA in the absence of a replacement rate for the default MSOC and is only now seeking a waiver due to the fact that deadlines are either approaching or have passed.¹¹ P3/EPISA also agree that the requested waiver is limited in scope, addresses a concrete problem and will not have undesirable consequences, since it is only a short-term provision that will ensure that Capacity Market Sellers have an opportunity to request a must offer exception and request a unit-specific offer cap in the event the replacement MSOC is lower than the existing default MSOC.¹²

⁹ P3 Motion for Expedited Relief, p. 6.

¹⁰ PJM Waiver Request, p. 4, citing *Midcontinent Indep. Sys. Operator, Inc.*, 154 FERC ¶ 61,059, at P 13 (2016).

¹¹ PJM Reply Brief, pp. 3-4.

¹² PJM Waiver Request, p. 4.

Finally, P3/EPISA strongly support PJM’s request to establish new pre-auction deadlines that will be filed with the Commission within five business days of the issuance of an implementable Commission order on the new replacement MSOC.”¹³ However, due to the fact that potential waivers and/or a new replacement rate for the default MSOC will affect decisions made by Capacity Market Sellers, P3/EPISA also request that the Commission allow Capacity Market Sellers the ability to modify or withdraw default MSOC submissions in a timely manner, similar to analogous allowances recently made by the Commission.¹⁴

II. CONCLUSION

For the foregoing reasons, P3/EPISA respectfully request that the Commission consider these comments and grant PJM’s July 16, 2021, Waiver Request.

Respectfully submitted,

Glen Thomas

Glen Thomas
Laura Chappelle
GT Power Group
101 Lindenwood Drive, Suite 225
Malvern, PA 19355
gthomas@gtpowergroup.com
610-768-8080

¹³ *Id.*, pp. 3-4.

¹⁴ See *ISO New England Inc.*, 175 FERC ¶ 61,172, P 63, wherein the Commission found that “. . . In addition, as ISO-NE requests in its Deficiency Response, we direct ISO-NE to facilitate market participants’ use of the final FCA 16 values, once approved by the Commission, in FCA 16 qualification and retirement submissions. This includes ISO-NE’s ensuring that market participants have the ability to modify or withdraw any submissions made based on rejected FCA 16 values, and submitting with the compliance filing any necessary Tariff revisions to revise the FCA 16 qualification process timeline.” (citations omitted)

Nancy Bagot

Nancy Bagot

Senior Vice President

Sharon Theodore

Senior Director, Regulatory Affairs

Electric Power Supply Association

1401 New York Avenue, NW, Suite 950

Washington, DC 20005

(202) 628-8200

nancyb@epsa.org

July 30, 2021

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 30th day of July, 2021.

On behalf of the PJM Power Providers Group

By: *Laura Chappelle*
Laura Chappelle
GT Power Group
101 Lindenwood Drive, Suite 225
Malvern, PA 19355
laurac@chappelleconsulting.net
610-768-8080