

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

LS Power Development, LLC,	)	
Complainant,	)	
v.	)	Docket No. EL26-60-000
	)	
PJM Interconnection, L.L.C.,	)	
Respondent.	)	
	)	
Richland-Stryker Generation HoldCo LLC,	)	
Complainant,	)	
v.	)	Docket No. EL26-59-000
	)	(Unconsolidated)
	)	
PJM Interconnection, L.L.C.,	)	
Respondent.	)	

**MOTION FOR LEAVE TO ANSWER AND ANSWER OF  
PJM INTERCONNECTION, L.L.C.**

PJM Interconnection, L.L.C. (“PJM”) respectfully submits this Motion for Leave to Answer and Answer to LS Power Development, LLC (“LS Power”) and Richland-Stryker Generation HoldCo LLC’s (“Richland-Stryker”) (together, “Complainants”) joint May 22, 2026 answer (“Complainants’ Answer”),<sup>1</sup> as well as comments filed by intervenors, in response to PJM’s May 7, 2026 answer (“PJM’s May 7 Answer”),<sup>2</sup> in the above-captioned unconsolidated proceedings, pursuant to Rules 212 and 213 of the Federal

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<sup>1</sup> *LS Power Development, LLC v. PJM Interconnection, L.L.C. and Richland Stryker Generation HoldCo LLC v. PJM Interconnection, L.L.C.*, Answer of LS Power Development, LLC, and Richland-Stryker Generation HoldCo LLC, Docket Nos. EL26-60-000 & EL26-59-000 (May 22, 2026).

<sup>2</sup> *LS Power Development, LLC v. PJM Interconnection, L.L.C. and Richland Stryker Generation HoldCo LLC v. PJM Interconnection, L.L.C.*, Motion to Dismiss and Answer of PJM Interconnection, L.L.C., Docket Nos. EL26-60-000 & EL26-59-000 (May 7, 2026).

Energy Regulatory Commission’s (“Commission”) Rules of Practice Procedure,<sup>3</sup> and the Commission’s April 7, 2026 notice.<sup>4</sup>

## I. INTRODUCTION

Complainants’ Generation Capacity Resources incurred Generation Resource Rating Test Failure Charges (“Test Failure Charges”) for each day from June 1, 2025, through October 31, 2025, because Complainants’ Resources were unable to physically demonstrate that they were able to meet their capacity commitments from June 1, 2025, through October 31, 2025. Despite being unable to meet their capacity commitments, Complainants’ Generation Capacity Resources received capacity payments for each day of the 2025/2026 Delivery Year. Complainants assert that, by virtue of having successfully undergone the requisite summer seasonal capability test later, in May of 2026, their Generation Capacity Resources should no longer be subject to Test Failure Charges incurred from June 1, 2025, through October 31, 2025.<sup>5</sup>

As the answer of the Independent Market Monitor (“Market Monitor”) for PJM plainly states:

The fundamental point is that capacity payments are payments for actual availability, that capacity payments are not earned if a

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<sup>3</sup> 18 C.F.R. §§ 385.212, 385.213.

<sup>4</sup> Combined Notice of Filings #1, Docket Nos. EL26-59-000, EL26-60-000, et al., at 1-2 (Apr. 7, 2026). In addition, given that Richland-Stryker moved to consolidate the Complaints on April 7, 2026 (*see LS Power Development, LLC v. PJM Interconnection, L.L.C.*, Motion to Consolidate of Richland-Stryker Generation HoldCo LLC, Docket Nos. EL26-59-000 & EL26-60-000 (Apr. 7, 2026)), the significant overlap in facts and arguments, and Complainants’ jointly filed answer, PJM is answering Complainants’ Answer in a single pleading.

<sup>5</sup> *LS Power Development, LLC v. PJM Interconnection, L.L.C.*, Complaint of LS Power Development, LLC, Docket No. EL26-60-000, at 2 (Apr. 7, 2026) (“LS Power Complaint”) (“West Deptford is back online and recently completed its winter test. It plans to complete its summer test at its first opportunity in May 2026.”); *Richland-Stryker Generation HoldCo LLC v. PJM Interconnection, L.L.C.*, Complaint of Richland-Stryker Generation HoldCo LLC, Docket No. EL26-60-000, at 12 (Apr. 7, 2026) (“Richland-Stryker Complaint”) (The “outage prevented the Richland Units from completing a summer capacity test during the usual summer season”). The LS Power Complaint and the Richland-Stryker Complaint will be referred to together as the “Complaints.”

resource is on outage, and that no after the fact test can change the fact that a unit was previously unavailable. The complainants want to be paid despite the fact that they did not actually provide the capacity that they had sold.<sup>6</sup>

Nevertheless, Complainants' Answer doubles-down on arguments set forth in the underlying Complaints<sup>7</sup> and thoroughly debunked in PJM's May 7 Answer. For the reasons set forth below, and in PJM's May 7 Answer, Complainants' claims are wholly without merit. PJM respectfully requests that the Complaints be dismissed with prejudice or, in the alternative, decided on the merits in PJM's favor.<sup>8</sup>

## II. MOTION FOR LEAVE TO ANSWER

Although Commission Rule 213(a)(2) does not generally permit answers to protests,<sup>9</sup> the Commission permits answers for good cause shown, such as when an answer contributes to a more accurate and complete record or provides useful information that assists the Commission's deliberative process.<sup>10</sup> This answer will aid the Commission's

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<sup>6</sup> *LS Power Development, LLC v. PJM Interconnection, L.L.C. and Richland Stryker Generation HoldCo LLC v. PJM Interconnection, L.L.C.*, Answer and Motion for Leave to Answer of the Independent Market Monitor for PJM, Docket Nos. EL26-59-000 & EL26-60-000, at 2-3 (May 22, 2026) (“Market Monitor Answer”).

<sup>7</sup> Similarly, intervenor Parkway Generation Operating LLC (“Parkway Operating”) asserts that the successful winter seasonal capability test performed on March 12, 2026, for Unit 2 of the Linden Generating Station, should excuse the Test Failure Charges that Parkway Operating incurred when the unit was placed on forced outage beginning on November 21, 2025. Parkway Operating similarly protests the fact that a “full capability demonstration is only applicable as of the testing date.” *LS Power Development, LLC v. PJM Interconnection, L.L.C.*, Supporting Comments of Parkway Generation Operating LLC, Docket Nos. EL26-60-000, at 4 (May 7, 2026) (“Parkway Operating Intervention”). The arguments set forth in PJM's May 7 Answer and in this answer apply equally to Parkway Operating.

<sup>8</sup> Likewise, PJM respectfully requests that the Commission reject Parkway Operating's similarly misguided claim with respect to winter capability testing. See Parkway Operating Intervention at 4.

<sup>9</sup> 18 C.F.R. § 385.213(a)(2).

<sup>10</sup> See, e.g., *PJM Interconnection, L.L.C.*, 182 FERC ¶ 61,073, at P 13 (2023) (“We accept the answers of J-Power, P3, PJM, Public Interest Entities, and the Market Monitor because they have provided information that assisted us in our decision-making process.”); *N.Y. State Pub. Serv. Comm'n v. N.Y. Indep. Sys. Operator, Inc.*, 158 FERC ¶ 61,137, at P 29 (2017) (“We will accept the Companies' and the Complainants' answers because they have provided information that assisted us in our decision-making process.”), *order on reh'g & clarification*, 170 FERC ¶ 61,120, *order on clarification*, 171 FERC ¶ 61,114 (2020); *Colonial Pipeline Co.*, 157 FERC ¶ 61,173, at P 23 (2016) (“In the instant case, the Commission will accept the Protestors' Answers

decision-making process by providing responses to Complainants' Answer and intervenor comments in response to PJM's May 7 Answer. PJM therefore respectfully requests that the Commission accept this answer.

### III. ANSWER

PJM's May 7 Answer is grounded in a close reading of its Open Access Transmission Tariff ("Tariff") and Manuals. Furthermore, PJM's May 7 Answer is supported by extensive citations to rules, stakeholder materials, and Commission precedent, as well as illustrative examples in the appended affidavit of Mr. Joshua Bruno. Therefore, PJM will not repeat the contents of its May 7 Answer here. Rather, PJM's purpose, herein, is to set the record straight by responding to several particularly erroneous claims made in Complainants' Answer.<sup>11</sup>

First, Complainants' Answer consists almost entirely of futile attempts to transform PJM's May 7 Answer into support for Complainants' positions.<sup>12</sup> In service to this cause, Complainants' Answer repeatedly misquotes PJM's May 7 Answer.<sup>13</sup> For example, Complainants erroneously assert that, in its May 7 Answer, PJM claimed that PJM's Tariff and Manuals "allow a generator that successfully completes an out-of-period seasonal capability test 'to *zero out* a test failure shortfall, thus *excusing . . . Test Failure Charges.*'"<sup>14</sup> According to Complainants, "[t]his is the remedy the [C]omplaints seek to

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and Colonial [Pipeline Co.]'s Answer because they have provided information that assisted us in our decision-making process.").

<sup>11</sup> Furthermore, the responses, set forth below, as well as PJM's May 7 Answer, apply equally to intervenor Parkway Operating.

<sup>12</sup> Complainants' Answer at 3-7.

<sup>13</sup> *Id.*

<sup>14</sup> *Id.* at 3 (quoting PJM's May 7 Answer at 25).

enforce.”<sup>15</sup> But in fact, this is not even what PJM’s May 7 Answer says. The corrected quote from PJM’s May 7 Answer is as follows:

Table 1 of Mr. Bruno’s affidavit demonstrates how the rules in place through the 2024/2025 Delivery Year *allowed an outage to zero out a test failure shortfall, thus excusing the hypothetical Generation Capacity Resource from Test Failure Charges where the owner of the hypothetical Generation Capacity Resource has entered the outage into [Generator Availability Data System (“GADS”)]*.<sup>16</sup>

PJM’s May 7 Answer plainly states that, through the 2024/2025 Delivery Year, “an outage” entered into GADS by the Generation Capacity Resource—not an out-of-period seasonal capability test—allowed a Generation Capacity Resource to zero out a test failure shortfall and thus excused a Generation Capacity Resource from Test Failure Charges.<sup>17</sup> For the reasons that PJM has already explained at length, the remedy that Complainants now “seek to enforce”—a remedy allowing resources to apply an out of period test retroactively to past Test Failure Charges—is one that does not exist in PJM. Out of period tests have always applied prospectively, i.e., as of the date of the test.<sup>18</sup> The Commission should not credit Complainants’ misinterpretations of PJM’s May 7 Answer.

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<sup>15</sup> *Id.* at 3.

<sup>16</sup> PJM’s May 7 Answer at 25 (emphasis added).

<sup>17</sup> *Id.*

<sup>18</sup> *See id.* at 5 & n.20 (noting that out of period tests apply prospectively, i.e., as of the date of the test, and citing, PJM Manual 21, rev. 19 at 24, section 1.3.6, Impact of Test Results (“Example[] of applying the failed test rules using the summer test period: . . . An out of period test is conducted. A successful out of period test is conducted on October 15 commencing at 1700 hours and ending at 1900 hours. A forced outage or derating as described [in section 1.3.6 Failed Test provisions] is applied to the generating unit starting June 1 @0000 hours and ending October 15 @1900 hours.” (emphasis added)); and then citing, Capacity Market & Demand Response Operations, *PJM Manual 18: PJM Capacity Market*, PJM Interconnection, L.L.C., 182, section 8.5.2 (rev. 60, June 1, 2025), <https://www.pjm.com/-/media/DotCom/documents/manuals/archive/m18/m18v60-capacity-market-06-01-2025.pdf> (“In the event a resource is eligible for an out of period capability test for the relevant season, as described in PJM Rules and Procedures for Determination of Generating Capability Manual (M21B) an updated Unit ICAP Shortfall would be determined based on the out of period test and the updated Unit ICAP Shortfall becomes *effective on the date of the out of period test, and extends through the relevant seasonal period.*” (emphasis added))).

Likewise, to the extent that Complainants now seek a return to the rules that previously permitted a Generation Capacity Resource on outage to zero out a test failure shortfall by entering an outage into GADS, those rules were superseded by Tariff and Manual revisions implemented after extensive stakeholder engagement.<sup>19</sup> PJM’s May 7 Answer details the history of when, why, and how these changes were made.<sup>20</sup> At bottom, the superseding Tariff is the rate on file, as supported by the relevant Manuals.<sup>21</sup>

Second, Complainants assert that, based on *their* interpretation and experience, pursuant to Manual 21B, section 10.3(7), “the out-of-period test remedy has long been utilized to cure test failures and eliminate test failure charges.”<sup>22</sup> Incorrect interpretations of the law do not transform into correct ones by repetition. This goes double with respect to Complainants’ incorrect interpretations of PJM’s Manuals.

PJM’s May 7 Answer provides an extensive analysis of Manual 21B, section 10.3(7), and explains why this provision does not support permitting an out of period test to retroactively eliminate previously incurred Test Failure Charges—whether or not those charges were incurred in the same season and Delivery Year.<sup>23</sup> Even where

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<sup>19</sup> PJM’s May 7 Answer at 22-25.

<sup>20</sup> *Id.* at 10-18; *id.* Attachment A (Affidavit of Joshua Bruno on Behalf of PJM Interconnection, L.L.C.) ¶¶ 3-19.

<sup>21</sup> *Id.* at 32-36.

<sup>22</sup> Complainants’ Answer at 4 n.14 (first quoting Resource Adequacy Planning, *PJM Manual 21B: PJM Rules and Procedures for Determination of Generating Capability* (rev. 0, June 27, 2024), <https://www.pjm.com/-/media/DotCom/documents/manuals/archive/m21b/m21bv0-pjm-rules-and-procedures-for-determination-of-generating-capability-06-27-2024.pdf> (“Manual 21B”); and then citing LS Power Complaint at 21 (citing Testimony of Nathan Dixon at 6); and then citing Richland-Stryker Complaint at 20 (citing Testimony of Carla Banks at 6)); *see also* Parkway Operating Intervention at 5 (asserting that “Manual 21B states that a resource that is on outage or derated throughout the applicable testing period shall conduct an out of period test, which can be used to ‘remedy a test shortfall,’ other than in the conditions set forth in Manual 21B, which are not applicable to Unit 2.” (citation omitted)).

<sup>23</sup> PJM’s May 7 Answer at 28-31; *see also* Market Monitor Answer at 4-5 (“The complainants rely heavily on the statement in Manual 21B that an out of period test ‘may remedy a test shortfall.’ But that phrase does not provide for retroactive elimination of previously accrued charges.”).

the Commission has found that language in a Manual “may not be as clearly worded as would be optimal,” the Commission has credited PJM’s interpretation where the Manual is informed by the Tariff, rejecting the “contention that a violation of a manual can constitute a tariff violation.”<sup>24</sup>

Third, Complainants continue to proffer the strawman argument that “PJM did not tell anyone that its revised ‘shortfall assessment’ would eliminate the out-of-period test remedy.”<sup>25</sup> For the reasons PJM has already explained, PJM did not eliminate the out-of-period test remedy.<sup>26</sup> Furthermore, PJM did, in fact, expressly and unequivocally state, in stakeholder materials, that the reforms to Test Failure Charges would “[r]emove the current administrative rule that bases the decision to assess a penalty charge on if the owner submits the de-rate corresponding to the testing shortfall in GADS (no penalty charge), or if PJM has to submit it for them (penalty assessed).”<sup>27</sup>

Fourth, Complainants’ Answer continues to incorrectly assert that the rules filed with the Commission and subsequently accepted by the Commission in Docket No. ER24-99, effective as of December 12, 2023,<sup>28</sup> are unfair. In relevant part, Complainants’ Answer asserts that the rules “unfairly penalized units at issue in this complaint and in the

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<sup>24</sup> *PPL EnergyPlus, LLC v. PJM Interconnection, L.L.C.*, 134 FERC ¶ 61,263, at P 44 (2011).

<sup>25</sup> Complainants’ Answer at 6.

<sup>26</sup> PJM’s May 7 Answer at 5, 18-22, 30-31.

<sup>27</sup> *Id.* at 22-24 (quoting CIFP-Resource Adequacy, *Capacity Market Reform: PJM Proposal, CIFP-Resource Adequacy*, PJM Interconnection, L.L.C., 34 (July 27, 2023), <https://www.pjm.com/-/media/DotCom/committees-groups/cifp-ra/2023/20230727/20230727-item-02a---cifp---pjm-proposalupdate---july-27.pdf> (“July 2023 CIFP Reforms Proposal”)); *see also id.* at 3 n.13 (citing CIFP-Resource Adequacy, *Capacity Market Reform: PJM’s Initial Proposal*, PJM Interconnection, L.L.C., 20 (Mar. 29, 2023), <https://www.pjm.com/-/media/DotCom/committeesgroups/cifp-ra/2023/20230329/20230329-item-04---pjm-cifp-ra-initial-proposal---stage-1-posting.pdf>; and then citing July 2023 CIFP Reforms Proposal).

<sup>28</sup> *PJM Interconnection, L.L.C.*, Letter Order, Docket No. ER24-99-002 (Apr. 25, 2024).

supporting comments.”<sup>29</sup> But, as PJM has explained,<sup>30</sup> the 2023 Tariff revisions and subsequent changes to the Manuals, effective June 2024, are clear that, in the wake of Winter Storm Elliott, PJM intentionally proposed “very substantial charge[s] for test failure[.]”<sup>31</sup> in an effort aimed at strengthening the “incentives to retain and attract sufficient Capacity Resources necessary to maintain reliability.”<sup>32</sup> There is nothing unfair about rules operating as filed and as intended in order to maintain reliability.

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<sup>29</sup> Complainants’ Answer at 7; *see also id.* at 7 n.26 (“Parkway Generation Operating LLC’s Linden Generating Station Unit 2 faces \$1.7 million test failure charges notwithstanding a successful winter season capability test.” (citing Parkway Operating Intervention at 3.)); *see* Parkway Operating Intervention at 3-4.

<sup>30</sup> PJM’s May 7 Answer at 10-11, 34-36.

<sup>31</sup> *Id.* at 36 (quoting *PJM Interconnection, L.L.C.*, Motion for Leave to Answer and Answer of PJM Interconnection, L.L.C., Docket No. ER24-99-000, at 42 (Dec. 21, 2023)).

<sup>32</sup> *Id.* at 37 (quoting *PJM Interconnection, L.L.C.*, Capacity Market Reforms to Accommodate the Energy Transition While Maintaining Resource Adequacy, Docket No. ER24-99-000, at 10-11 (Oct. 13, 2023)).

#### IV. CONCLUSION

For the reasons set forth herein and in PJM's May 7 Answer, the Commission should dismiss the Complaints with prejudice or deny the Complaints on their merits.

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June 2, 2026

**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 second day of June 2026.

/s/ Vivian W. Chum

Vivian W. Chum

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