

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

<b>Independent Market Monitor for PJM</b>	)	
<b>v.</b>	)	<b>Docket No. EL19-47-000</b>
<b>PJM Interconnection, L.L.C.</b>	)	
	)	
<b>Office of the People’s Counsel for District of Columbia</b>	)	<b>Docket No. EL19-63-000</b>
<b>Delaware Division of the Public Advocate</b>	)	
<b>Citizens Utility Board</b>	)	
<b>Indiana Office of Utility Consumer Counselor</b>	)	
<b>Maryland Office of People’s Counsel</b>	)	
<b>Pennsylvania Office of Consumer Advocate</b>	)	
<b>West Virginia Consumer Advocate Division</b>	)	
<b>PJM Industrial Customer Coalition</b>	)	
<b>v.</b>	)	
<b>PJM Interconnection, L.L.C.</b>	)	
	)	
<b>PJM Interconnection, L.L.C.</b>	)	<b>Docket Nos. ER21-2444-000</b>
	)	<b>ER21-2877-000</b>

**ANSWER OF PJM INTERCONNECTION, L.L.C.**

Pursuant to Rules 212 and 213 of the Federal Energy Regulatory Commission’s (“Commission”) Rules of Practice and Procedure,<sup>1</sup> PJM Interconnection, L.L.C. (“PJM”) respectfully submits this limited answer (“Answer”) to clarify the revised deadlines requested in the Answer and Motion for Leave to Answer of the Independent Market Monitor for PJM (“Market Monitor”).<sup>2</sup> As further explained below, the Market Monitor’s answer appears to have inadvertently consolidated the proposed deadlines for the originally

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<sup>1</sup> 18 C.F.R. §§ 385.212 and 385.213.

<sup>2</sup> Answer and Motion for Leave to Answer of the Market Monitor, Docket Nos. EL19-47-002, EL19-63-002, and ER21-2444-001 (Dec. 1, 2021) (“Market Monitor Answer”).

requested waiver associated with the deadlines for Capacity Market Sellers<sup>3</sup> to respond to the Market Monitor’s November 12, 2021 net energy and ancillary services (“Net EAS”) values<sup>4</sup> with the additional modification of the waiver to allow Capacity Market Sellers another opportunity to request a unit-specific Market Seller Offer Cap (“MSOC”). PJM has worked with the Market Monitor to clarify the relevant waiver deadlines and provides the Commission with the agreements reached through those discussions. As a result, this Answer will help clarify the requested waiver deadlines for the Commission’s consideration.

## **I. MOTION FOR LEAVE TO ANSWER**

The Commission’s rules provide that a party may submit answers where the decisional authority permits the answer for good cause shown. The Commission has accepted responses to protests when doing so will ensure a more accurate and complete record or will assist the Commission in its deliberative process by clarifying the issues.<sup>5</sup> Here, PJM respectfully requests that the Commission grant its Motion because the Answer will help clarify the record and contribute to a better understanding of the issues.

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<sup>3</sup> For the purpose of this filing, capitalized terms not defined herein shall have the meaning as contained in the Open Access Transmission Tariff, Reliability Assurance Agreement, and the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C.

<sup>4</sup> Motion for Clarification, or in the alternative, Motion for Waiver of the Market Monitor, pp. 6-7, Docket Nos. EL19-47-002, EL19-63-002, and ER21-2444-001 (Nov. 18, 2021) (“Market Monitor’s Waiver”).

<sup>5</sup> The Commission regularly allows answers in such cases. *See, e.g., PJM Interconnection, L.L.C.*, 139 FERC ¶ 61,165, at P 24 (2012) (accepting answers to a protest because “they have provided information that assisted [the Commission] in [its] decision-making process”); *PJM Interconnection, L.L.C.*, 104 FERC ¶ 61,031, at P 10 (2003) (accepting answer because “it will not delay the proceeding, will assist the Commission in understanding the issues raised, and will [e]nsure a complete record upon which the Commission may act”).

## II. ANSWER

### *A. The Market Monitor's Motion for Clarification Should Be Denied.*

As a preliminary matter, the Commission should deny the Market Monitor's motion for clarification since the Tariff deadlines are clear and unambiguous. The Market Monitor's arguments in support of the motion for clarification does not address the actual Tariff language, but simply raises unsupported claims that the previously calculated Net EAS values are not compliant with the Tariff. To avoid repetition, PJM refers the Commission to its November 23, 2021 Answer that addresses the flaws of the Market Monitor's arguments on the motion for clarification.<sup>6</sup>

### *B. There are Two Distinct Sets of Deadlines that Are Requested in the Market Monitor's Pending Waiver.*

The Market Monitor initially requested a waiver of the deadline for (a) the Market Monitor's to post Net EAS and associated MSOC values to November 12, 2021, (b) Capacity Market Sellers to notify PJM and the Market Monitor whether they agree with the Market Monitor's recalculated MSOC values to one week after the Commission grants the requested waiver, and (c) PJM to review the Capacity Market Sellers' requested unit-specific MSOC values to 20 days after the Commission grants the requested waiver.<sup>7</sup>

As noted in the November 23 Answer, PJM agrees with this aspect of the Market Monitor's requested waiver.<sup>8</sup> In addition to this component, however, PJM proposed a modification to expand the waiver so that Capacity Market Sellers that relied on the default

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<sup>6</sup> Answer of PJM Interconnection, L.L.C., Docket Nos. EL19-47-002, EL19-63-002, and ER21-2444-001 (Nov. 23, 2021) ("PJM Answer").

<sup>7</sup> Market Monitor's Waiver at pp. 6-7.

<sup>8</sup> PJM Answer at p. 9.

Market Seller Offer Cap prior to the October 1, 2021 deadline and did not submit a unit-specific Market Seller Offer Cap are given an opportunity to request (and for PJM and the Market Monitor to review) a unit-specific Market Seller Offer Cap (the “Modified Waiver”).<sup>9</sup> The Market Monitor is now supportive of this Modified Waiver,<sup>10</sup> but seeks to further expand the opportunity to allow “to all market sellers that chose the default option and not just the subset suggested by PJM” and to also revise PJM’s previously proposed December 3, 2021 deadline to submit such unit-specific MSOC requests to December 10, 2021.<sup>11</sup>

To avoid further market uncertainty and confusion, PJM will agree with the Market Monitor’s further modification to the requested waiver as detailed in the Market Monitor’s December 1 Answer.<sup>12</sup> In short, PJM supports the Market Monitor’s requested waiver to extend the relevant deadlines for Capacity Market Sellers to utilize the Market Monitor’s recalculated November 12, 2021 Net EAS values and to allow Capacity Market Sellers that did not previously request a unit-specific MSOC to do so by December 10, 2021. To be clear, Capacity Market Sellers that wish to do so are encouraged to request a unit-specific MSOC as early as possible, but no later than the proposed December 10, 2021 deadline.

Notwithstanding the foregoing, the Market Monitor’s Answer contain gaps for the Market Monitor’s deadline to review such unit-specific MSOC requests and simply notes that PJM’s deadline to review such unit-specific MOSC requests should be 20 days after

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<sup>9</sup> *Id.* at pp. 8-9.

<sup>10</sup> Market Monitor Answer at p. 5.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

the Market Sellers' deadline. Thus, it is unclear what the requested deadline is for the Market Monitor to review the new unit-specific MSOC requests, as well as the deadline for Capacity Market Sellers to notify PJM and the Market Monitor of whether it agrees with the Market Monitor's proposed unit-specific offer cap.

To address these gaps, PJM has discussed with the Market Monitor and is authorized to represent that the Market Monitor agrees to a revised deadline of December 30, 2021 for the Market Monitor to review and determine a unit-specific MSOC for those Capacity Market Sellers that request a unit-specific MSOC instead of utilizing the default MSOC. In addition, PJM and the Market Monitor agree that the Capacity Market Sellers that request a new unit-specific MSOC should have until January 7, 2022 to notify PJM and the Market Monitor of whether it agrees with the Market Monitor's proposed unit-specific offer cap. Finally, PJM and the Market Monitor agree that PJM's deadline to review the unit-specific MSOC after the Capacity Market Seller's notification should be January 21, 2022.

For clarity, the following table illustrates the two distinct sets of deadlines requested in the pending waiver:

	Market Monitor Waiver (11/18) to <b>modify existing</b> unit specific request for new 11/12 EAS values		Clarification for <b>new</b> unit specific review (based on Market Monitor's Modified Waiver from 12/1 Filing)
Activity	Example Deadlines Assuming Commission Order on 12/27/2021	Deadline Based on # of Days After Commission Order as Requested in the Market Monitor's Waiver	Requested Waiver Deadline For Modified Waiver Component
<b>New unit specific requests</b> (currently elected the default MSOC)	N/A		12/10/2021
<b>IMM Review and Determination of EAS offset</b> (if FERC orders on 12/27)	N/A		12/30/2021
<b>Seller decision on IMM MSOC value</b>	1/3/2022	7	1/7/2022
<b>PJM Review and Determination of Seller submitted MSOC value</b>	1/23/2022	20	1/21/2022

*C. Plan for Execution of The Aforementioned Deadlines While Awaiting Commission Action on the Market Monitor's Requested Waiver.*

Since a Commission order on the Market Monitor's requested waiver may not necessarily be issued prior to the requested deadlines for Capacity Market Sellers to request a new unit-specific MSOC, PJM and the Market Monitor plan to begin conducting the respective reviews of the unit-specific MSOC requests under the proposed deadlines. This will provide sufficient time for PJM and the Market Monitor to review such unit-specific MSOC requests in advance of the upcoming Base Residual Auction in the event the

Commission grants the Market Monitor's requested waiver. To be clear, however, any unit-specific MSOC determination made through this process would be contingent upon the Commission's approval of the Market Monitor's requested waiver.

*D. Providing an Opportunity for Capacity Market Sellers to Initiate a Process for Commission Review.*

Because this compressed timeline would not provide a meaningful opportunity for Capacity Market Sellers to seek Commission review in the event PJM and the Market Monitor disagree with the requested unit-specific request, PJM reiterates that it would not oppose any filing on procedural grounds submitted by an adversely impacted Capacity Market Seller that simultaneously seeks a remedy with the Commission while PJM and the Market Monitor review such a requested unit-specific offer cap.

*E. Commission Action on The market Monitor's Requested Waiver is Requested As Soon As Possible, But No Later Than December 27, 2021.*

Finally, PJM emphasizes that it is imperative for the Commission to grant the requested waiver no later than December 27, 2021 since the upcoming Base Residual Auction is scheduled for January 25, 2022. Any order granting such a waiver after this deadline would simply not provide sufficient time to conduct the unit-specific review prior to the commencement of the auction window. Accordingly, to avoid a potential further delay of the upcoming Base Residual Auction, PJM urges the Commission to expeditiously grant the Market Monitor's requested waiver, as modified above, no later than December 27, 2021.

### **III. CONCLUSION**

The Commission should deny the Market Monitor's motion for clarification. However, the Commission should consider expeditiously granting the Modified Waiver as discussed above no later than December 27, 2021 so that Capacity Market Sellers have the

option of seeking additional review by PJM and the Market Monitor of the unit-specific MSOC.

Respectfully submitted,



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