



PJM Interconnection, L.L.C.
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March 25, 2020

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426-0001

*Re: PJM Interconnection, L.L.C., Docket Nos. EL16-49, EL18-178, ER18-1314
Errata to PJM Compliance Filing re: Hope Creek Nuclear Plant*

Dear Secretary Bose:

On March 18, 2020, PJM Interconnection, L.L.C. (“PJM”) submitted revisions to the Open Access Transmission Tariff (“Tariff”) and Reliability Assurance Agreement (“RAA”) to modify the application of the Minimum Offer Price Rule (“MOPR”) to address State Subsidies and their impact in the PJM capacity market, known as the Reliability Pricing Model (“RPM”).¹ After submitting the March 18 filing, it was discovered that a correction to the report entitled “Gross Avoidable Cost Rates for Existing Generation and Net Cost of New Entry for New Energy Efficiency” (“Brattle Report”) developed by The Brattle Group (“Brattle”) and Sargent & Lundy (“S&L”) would be appropriate. Specifically, the Hope Creek nuclear plant was described as a 1,290 MW single-unit nuclear plant in the Brattle Report.² However, as explained in the supplemental affidavit, the Hope Creek nuclear plant is operated as a multi-unit nuclear plant because it is co-located with the Salem nuclear plant so its operating costs are akin to those of a multi-unit nuclear plant.³

¹ *PJM Interconnection, L.L.C.*, Compliance Filing Concerning Minimum Offer Price Rule, Docket Nos. filed March 18, 2020 (“March 18 Filing”).

² *Gross Avoidable Cost Rates Existing Generation and Net Cost of New Entry for New Energy Efficiency*, The Brattle Group and Sargent & Lundy, 25 (March 2020) (“Brattle Report”) at p. 3.

³ Supplemental Brattle Affidavit at P 3.

This clarification does not require modification of the default Gross Avoidable Cost Rates for existing single-unit nuclear plants because “[r]ecategorizing Hope Creek leaves just two single-unit nuclear plants in PJM, a boiling water reactor (“BWR”) and a pressurized water reactor (“PWR”). [The] generic BWR nuclear plant is no less (nor more) representative than a PWR, so there is no need to change.”⁴ In addition, the recategorization of Hope Creek does not require an adjustment to the default Gross ACR for multi-unit nuclear plants because “[t]he population of multi-unit nuclear plants in PJM includes 14 plants other than Hope Creek, and adding Hope Creek to the sample does not alter our assessment of ‘representative’ characteristics for the fleet.”⁵

PJM is submitting this errata solely in the interest of transparency to notify the Federal Energy Regulatory Commission (“Commission”) and all interested parties that the Hope Creek nuclear plant will be treated as a multi-unit nuclear plant for purposes of the MOPR application. Given the limited nature of this errata and the fact that no provision of the Tariff or RAA will be revised as part of this errata filing,⁶ PJM respectfully requests that the Commission maintain the

⁴ Supplemental Affidavit at P 4.

⁵ Id. at P 5.

⁶ No section of the Tariff or RAA that was included in the March 18 Filing require revisions as a result of this errata filing.

existing April 22, 2020 deadline for protests and comments to be filed in response PJM's March 18 Filing.⁷

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Chen Lu', is positioned above the contact information for Chenchao Lu.

Craig Glazer
Vice President–Federal Government Policy
PJM Interconnection, L.L.C.
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⁷ Even if the Commission were to treat this filing as an amendment, there is still more than the requisite 21 days remaining for protests and comments. *See* 18 CFR 35.8.

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 Audubon, PA, this 25th day of March, 2020.



Chenchao Lu
Attorney for
PJM Interconnection, L.L.C.

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

Calpine Corporation, Dynegy Inc.,	:	
Eastern Generation, LLC, Homer City	:	
Generation, L.P., NRG Power Marketing	:	
LLC, GenOn Energy Management, LLC,	:	
Carroll County Energy LLC,	:	Docket No. EL16-49
C.P. Crane LLC, Essential Power, LLC,	:	
Essential Power OPP, LLC, Essential	:	
Power Rock Springs, LLC, Lakewood	:	
Cogeneration, L.P., GDF SUEZ Energy	:	
Marketing NA, Inc., Oregon Clean	:	
Energy, LLC and Panda Power	:	
Generation Infrastructure Fund, LLC	:	
v.	:	
PJM Interconnection, L.L.C.	:	

PJM Interconnection, L.L.C.	:	Docket Nos. ER18-1314-000, -001
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PJM Interconnection, L.L.C.	:	Docket No. EL18-178-000
	:	(Consolidated)

**SUPPLEMENTAL AFFIDAVIT OF SAMUEL A. NEWELL, JOHN M.
HAGERTY AND SANG H. GANG
ON BEHALF OF PJM INTERCONNECTION, L.L.C.**

1. Our names are Dr. Samuel A. Newell, John M. Hagerty and Sang H. Gang. We are the same persons who submitted an affidavit in this proceeding on March 18, 2020 ("Affidavit"). We are filing this supplemental affidavit to provide a revision to our prior Affidavit submitted in this proceeding.
2. On March 18, 2020, PJM filed the Affidavit that summarized our analysis of the gross avoidable costs rates ("ACR") for several types of existing generation and the net cost of new entry ("Net CONE") for new energy efficiency ("EE") in the 2022/2023 Base Residual Auction. The results of our analysis is contained in the report entitled "Gross Avoidable Cost Rates for Existing Generation and Net Cost of New Entry for New Energy Efficiency" ("Brattle Report"). This report was prepared under our direction and supervision, and included as Exhibit No. 2 to our Affidavit.

3. This supplemental affidavit corrects one aspect of the Brattle Report. Specifically, the Hope Creek nuclear plant in New Jersey was characterized as a single-unit plant, but we now understand that it is co-located with the Salem nuclear plant, such that its operating costs are akin to those of a multi-unit nuclear plant. Accordingly, the Hope Creek nuclear plant should be treated as a multi-unit nuclear plant for the purposes of applying the MOPR to its capacity market offers.
4. There is no need to change our cost estimate for the default Gross ACR for single-unit nuclear plants because that estimate was not specific to the Hope Creek nuclear plant, but rather a generic single-unit plant with representative characteristics: a 35-year-old 1,200 MW boiling water reactor (“BWR”) in Ohio. Furthermore, there is no need to specify different characteristics for the representative single-unit plant after removing Hope Creek (a BWR) from our study sample of single-unit plants. Re-categorizing Hope Creek leaves just two single-unit nuclear plants in PJM, a BWR and a pressurized water reactor (“PWR”). Our generic BWR nuclear plant is no less (nor more) representative than a PWR, so there is no need to change. If either of the single-unit nuclear plants has costs below the default Gross ACR, the owner can request a resource-specific exception for determining its offer floor price.
5. Further, there is no need to change our cost estimates for the default Gross ACR for multi-unit nuclear plants since categorizing the Hope Creek plant as a multi-unit nuclear plant does not change our analysis of the characteristics of a widely representative multi-unit nuclear plant in the PJM market. The population of multi-unit nuclear plants in PJM includes 14 plants other than Hope Creek, and adding Hope Creek to the sample does not alter our assessment of the "representative" characteristics for the fleet.
6. This concludes our supplemental affidavit.

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

Calpine Corporation, Dynegy Inc.,)
Eastern Generation, LLC, Homer City)
Generation, L.P., NRG Power Marketing)
LLC, GenOn Energy Management, LLC,)
Carroll County Energy LLC,)
C.P. Crane LLC, Essential Power, LLC,)
Essential Power OPP, LLC, Essential)
Power Rock Springs, LLC, Lakewood)
Cogeneration, L.P., GDF SUEZ Energy)
Marketing NA, Inc., Oregon Clean)
Energy, LLC and Panda Power)
Generation Infrastructure Fund, LLC)
v.)
PJM Interconnection, L.L.C.)

Docket No. EL16-49

PJM Interconnection, L.L.C.)

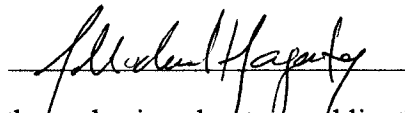
Docket Nos. ER18-1314-000, -001

PJM Interconnection, L.L.C.)
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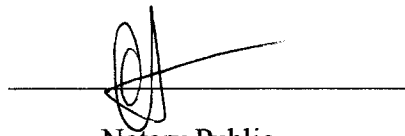
**Docket No. EL18-178-000
(Consolidated)**

VERIFICATION

John M. Hagerty, being first duly sworn, deposes and states that he is the John M. Hagerty referred to in the foregoing document entitled "Supplemental Affidavit of Samuel A. Newell, John M. Hagerty, and Sang H. Gang on Behalf of PJM Interconnection, L.L.C.," that he has read the same and is familiar with the contents thereof, and that the facts set forth therein are true and correct to the best of his knowledge, information, and belief.



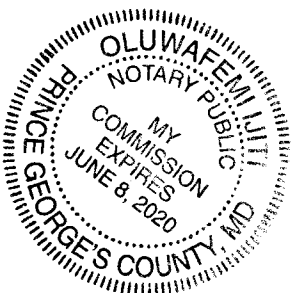
Subscribed and sworn to before me, the undersigned notary public, this 24 day of March 2020.



Notary Public

My Commission expires: June 8 2020

**OLUWAFEMI IJITI
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires June 8, 2020**



UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Calpine Corporation, Dynegy Inc.,)
Eastern Generation, LLC, Homer City)
Generation, L.P., NRG Power Marketing)
LLC, GenOn Energy Management, LLC,)
Carroll County Energy LLC,)
C.P. Crane LLC, Essential Power, LLC,)
Essential Power OPP, LLC, Essential)
Power Rock Springs, LLC, Lakewood)
Cogeneration, L.P., GDF SUEZ Energy)
Marketing NA, Inc., Oregon Clean)
Energy, LLC and Panda Power)
Generation Infrastructure Fund, LLC)
v.)
PJM Interconnection, L.L.C.)

Docket No. EL16-49

PJM Interconnection, L.L.C.)

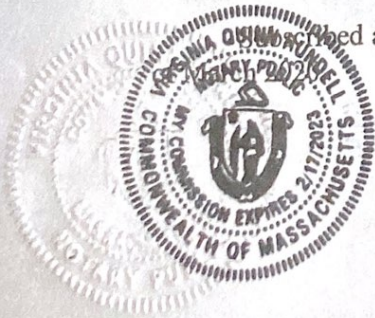
Docket Nos. ER18-1314-000, -001

PJM Interconnection, L.L.C.)

Docket No. EL18-178-000
(Consolidated)

VERIFICATION

Samuel A. Newell, being first duly sworn, deposes and states that he is the Samuel A. Newell referred to in the foregoing document entitled "Supplemental Affidavit of Samuel A. Newell, John M. Hagerty, and Sang H. Gang on Behalf of PJM Interconnection, L.L.C.," that he has read the same and is familiar with the contents thereof, and that the facts set forth therein are true and correct to the best of his knowledge, information, and belief.



Subscribed and sworn to before me, the undersigned notary public, this 24th day

Virginia Quinn Randell
Notary Public

My Commission expires: 2/17/2023

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Calpine Corporation, Dynegy Inc.,)
Eastern Generation, LLC, Homer City)
Generation, L.P., NRG Power Marketing)
LLC, GenOn Energy Management, LLC,)
Carroll County Energy LLC,)
C.P. Crane LLC, Essential Power, LLC,)
Essential Power OPP, LLC, Essential)
Power Rock Springs, LLC, Lakewood)
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PJM Interconnection, L.L.C.)

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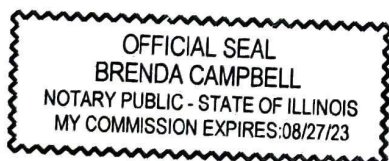
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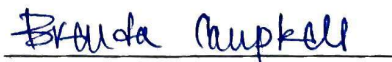
VERIFICATION

Sang H. Gang, being first duly sworn, deposes and states that he is the Sang H. Gang referred to in the foregoing document entitled "Supplemental Affidavit of Samuel A. Newell, John M. Hagerty, and Sang H. Gang on Behalf of PJM Interconnection, L.L.C.," that he has read the same and is familiar with the contents thereof, and that the facts set forth therein are true and correct to the best of his knowledge, information, and belief.



Subscribed and sworn to before me, the undersigned notary public, this 24 day of March 2020.





Notary Public

My Commission expires: 08/27/2023