

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

PJM Interconnection, L.L.C.)	
)	Docket Nos. ER19-210-001,
)	EL19-8-000 and EL19-8-001
)	

COMMENTS OF THE INDEPENDENT MARKET MONITOR FOR PJM

Pursuant to Rule 211 of the Commission’s Rules and Regulations,¹ Monitoring Analytics, LLC, acting in its capacity as the Independent Market Monitor (“Market Monitor”) for PJM Interconnection, L.L.C. (“PJM”),² submits these comments to the filing submitted by PJM Interconnection, L.L.C. (“PJM”) on May 10, 2019 (“May 10th Filing”), in response to the order issue in this proceeding on April 15, 2019 (“April 15th Order”).³

I. COMMENTS

A. Maintenance Adders Require a Just and Reasonable Assignment Across the Start, No Load, and Incremental Energy Parts of the Offer.

The May 10th Filing includes an additional provision, not included in the April 15th Order specifying the inclusion of maintenance labor in the start offer. The May 10th Filing does not include similar provisions specifying the inclusion of any particular types of maintenance costs in the certain parts of the offer. It is not just and reasonable to allow market sellers to arbitrarily assign maintenance costs among the three parts of the energy

¹ 18 CFR § 385.211 (2018).

² Capitalized terms used herein and not otherwise defined have the meaning used in the PJM Open Access Transmission Tariff (“OATT”), the PJM Operating Agreement (“OA”) or the PJM Reliability Assurance Agreement (“RAA”).

³ *PJM Interconnection, L.L.C.*, 167 FERC ¶ 61,030.

offer. PJM's specification of the use of the start maintenance labor component in the May 10th Filing indicates a need for similar provisions elsewhere to define the assignment of maintenance costs in the three part energy offer.

In the Southwest Power Pool maintenance order, the Commission approved an assignment of maintenance costs that requires verification that maintenance costs are accurately assigned to the correct part of the offer.⁴ The start maintenance cost is "directly related to the expected, documented maintenance resulting from a specific number of Resource starts," and the no load maintenance cost is "directly correlated to maintenance required after a specific, documented number of Resource run hours."⁵

In the extreme, a market seller could manipulate market outcomes by assigning all a resource's maintenance costs to a single part of the offer. Assigning all maintenance costs to a single part of the offer is not a just and reasonable outcome. The Commission should require PJM to make similar revisions to Schedule 2 of the Operating Agreement to require a just and reasonable assignment of all aspects of maintenance costs in the three part offer.

⁴ *Southwest Power Pool, Inc.*, 165 FERC ¶ 61,026 (October 18, 2018).

⁵ Southwest Power Pool, Submission of Tariff Revisions to Implement a Major Maintenance Cost Component to Mitigated Start-Up Offer and Mitigated No-Load Offer, Docket No. ER18-1632 (May 15, 2018) at 8-9.

II. CONCLUSION

The Market Monitor respectfully requests that the Commission afford due consideration to these comments as it resolves the issues raised in this proceeding.

Respectfully submitted,



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Dated: May 31, 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 Eagleville, Pennsylvania,
this 31st day of May, 2019.



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