

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

PJM Interconnection, L.L.C.

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Docket No. ER19-2722-003

**COMMENTS OF THE INDEPENDENT MARKET MONITOR FOR PJM**

Pursuant to Rule 211 of the Commission’s Rules and Regulations,<sup>1</sup> Monitoring Analytics, LLC, acting in its capacity as the Independent Market Monitor (“Market Monitor”) for PJM Interconnection, L.L.C. (“PJM”),<sup>2</sup> submits these comments responding to the compliance filing submitted by PJM on February 16, 2021 (“February 16<sup>th</sup> Filing”) in response to the Commission’s December 17, 2020 (“December 17<sup>th</sup> Order”).<sup>3</sup> The December 17<sup>th</sup> Order found that “PJM provided insufficient detail regarding the process for determining eligibility for fast-start resources in its Tariff.” The December 17<sup>th</sup> Order required PJM to provide the standards and process that PJM will use to determine whether a resource is fast start capable and required that “the criteria and process that PJM uses to exercise this discretion should be transparent and clearly defined in the Tariff.”

PJM’s compliance filing does not meet the clear criteria specified by the Commission. PJM has not provided standards or criteria or a clear process. Instead, the February 16<sup>th</sup> Filing proposes a nontransparent process without clear criteria. The proposed process fails the basic test of verifiability and therefore of enforceability. Could the Commission, or the Market Monitor, using exactly the same information, reproduce the PJM decision in every

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<sup>1</sup> 18 CFR § 385.211 (2019).

<sup>2</sup> 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 PJM Reliability Assurance Agreement (“RAA”).

<sup>3</sup> *PJM Interconnection, L.L.C.*, 173 FERC ¶ 61,244 (2020) (“December 17<sup>th</sup> Order”).

case? The answer is clearly no. The February 16<sup>th</sup> Filing should be rejected, and PJM should be required to include in its tariff a clear and enforceable requirement that fast start resources submit accurate parameters in their market offers and that does not apply an unsupported list of resource types as a screen for fast start status.

## I. COMMENTS

### **A. The Review and Approval Process Does Not Increase Transparency or Minimize Discretion.**

The February 16<sup>th</sup> Filing proposes to create a new process under which PJM will review resources' requests to be deemed fast start capable by PJM. Fast start capable is defined as the capability to start in less than an hour and operate for an hour or less. All that is actually needed is a simple tariff rule that start, notification, and minimum run time parameters be accurate. In fact, that rule already exists in the Commission's market behavior rules. PJM should enforce the existing rules and use only the parameters to define fast start resources. Instead, the February 16<sup>th</sup> Filing would create a new administratively burdensome process in which PJM can apply its discretion. The proposed process does not add transparency about defining fast start resources. The proposed process makes the definition of fast start resources more opaque.

In PJM, Market Sellers are responsible for their offers and operating parameters, and they should submit them accurately as they are currently required to do. If PJM has concerns about the submittal of incorrect operating parameters, it should address that concern directly. Market participants are required to submit accurate parameters now. Market Sellers submitting operating parameters that the resource cannot meet affects reliability and violates the Commission's market behavior rules.<sup>4</sup> Use of the proposed review process, with no defined standards, would tacitly accept the submittal of inaccurate parameters by failing to use the submitted parameters as the basis for the fast start capability decision.

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<sup>4</sup> See 18 CFR §§ 35.41(b) and 1c.2.

The February 16<sup>th</sup> Filing proposes that the Market Monitor provide input to PJM in the fast start capability review and prescribes the manner in which the Market Monitor is to conduct its communications. While the Market Monitor is happy to provide input to PJM on any matter, the fact that the Market Monitor is cited as part of the process should provide no comfort that the Market Monitor could prevent units from being accepted as fast start by PJM when they should not be.<sup>5</sup> The Market Monitor's inclusion in the process does not mitigate the fatal flaws in PJM's proposal.<sup>6</sup>

**B. The February 16<sup>th</sup> Filing Does Not Provide Standards for Deeming a Resource Fast Start Capable.**

The February 16<sup>th</sup> Filing defines no clear standards for determining which resources submitting start plus notifications times of less than hour and minimum run times of less than an hour are capable or not capable of operating according to those parameters. The February 16<sup>th</sup> Filing states that PJM will use "historical operating data showing the ability to provide energy upon an hour's notice" as documentation to determine if a resource is fast start capable. This is not a standard for qualification as fast start as required by the Commission in the December 17<sup>th</sup> Order. The February 16<sup>th</sup> Filing also states that PJM may deem a resource no longer fast start if it fails to operate according to its submitted operating parameters on a persistent basis. PJM does not define a clear rule as to what constitutes a persistent failure to operate according to the submitted parameters. These criteria are ambiguous, prone to disagreements among PJM, the Market Monitor and the Market Seller, and unenforceable by the Commission. The February 16<sup>th</sup> Filing places the burden on PJM to disqualify the resource, rather than placing the burden on the Market Seller to submit and adhere to accurate parameters.

If a fast start capable resource submits a start plus notification time of less than one hour, but takes 90 minutes to start when called on by PJM, there is nothing in PJM's

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<sup>5</sup> 2020 Quarterly State of the Market Report for PJM: January through September, Section 3: Energy Market, at Unit Specific Adjustment Process.

<sup>6</sup> December 17<sup>th</sup> Order at P 26.

proposed rules that prevents the resource from setting price as a fast start resource after its delayed start. PJM should define and enforce a rule in the market software that prevents a unit that does not meet the fast start requirement from setting price as a fast start resource.

The Market Monitor recommends that the Commission require PJM to define enforceable standards that fast start operating parameters be accurate, based on the physical capability of the unit, to limit the fast start capability review to a process with objective, defined triggers for disqualifying fast start resources that do not perform according to the submitted parameters, and to prevent units that do not start with the defined time period from setting price as fast start resources.

## II. CONCLUSION

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

Respectfully submitted,



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Date: March 9, 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 Eagleville, Pennsylvania,  
this 9<sup>th</sup> day of March, 2021.



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