

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

)	
Talen Energy Marketing, LLC	)	Docket Nos. ER22-474-000
EF Kenilworth, LLC	)	ER22-539-000
Chambersburg Energy, LLC	)	ER22-550-000
Rockford Power, LLC	)	ER22-551-000
Rockford Power II, LLC	)	ER22-552-000
Troy Energy, LLC	)	ER22-553-000
LSP University Park, LLC	)	ER22-554-000
University Park Energy, LLC	)	ER22-555-000
Energy Center Dover, LLC	)	ER22-704-000
	)	(not consolidated)
PJM Interconnection, L.L.C.	)	EL22-22-000
)	

COMMENTS OF THE INDEPENDENT MARKET MONITOR FOR PJM

Pursuant to Rule 211 of the Commission’s Rules and Regulations,¹ and the order to show cause issued in this proceeding January 21, 2022 (“January 21st Order”),² Monitoring Analytics, LLC, acting in its capacity as the Independent Market Monitor (“Market Monitor”) for PJM Interconnection, L.L.C. (“PJM”), submits these comments and proposed alternative tariff language.³ The January 21st Order established (at PP 16–20) a show cause proceeding pursuant to Section 206 of the Federal Power Act to “investigate the lawfulness of the Alternative Offer Cap Provisions,” referring to Section II.E.3 of Attachment M–Appendix and Section 6.4(a) of Attachment DD to the OATT. The Commission made a

¹ 18 CFR § 385.211 (2018).

² *PJM Interconnection, L.L.C.*, 178 FERC ¶ 61,021.

³ 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”).

preliminary finding (at 17) that the provisions “should be removed.” The Commission stated (*id.*): “It is unclear why the Alternative Offer Cap Provisions, which appear to offer greater flexibility in a separate process, are necessary. The Commission stated (at PP 18–19) that the provisions may be unjust and unreasonable because they: (i) “do not require that the alternative offer cap be determined in a manner that is consistent with how other resources’ offer caps are determined under the Tariff,” (ii) “do not set forth any criteria by which the alternative offer cap should be evaluated by the Commission beyond mere agreement between a seller and the IMM, and (iii) “[do] not contain any requirements or deadlines for such filings.”

PJM states in its comments (at 1), filed March 21, 2022, that it “concur[s] with the Commission’s preliminary finding that the existing alternative offer cap provisions are no longer necessary and should be removed from the Tariff.”

PJM proposes (at 1–2) revisions to the market rules, “so that the use of a revised offer cap that may be calculated by the Independent Market Monitor for PJM (the “Market Monitor”) after the relevant deadlines may be used as a valid offer in the Reliability Pricing Model (“RPM”) Auction, so long as the Capacity Market Seller mutually agrees to such a revised offer cap, and PJM verifies that such a revised offer cap is calculated consistent with the methodology detailed in PJM’s governing documents.”

The Market Monitor agrees with the Commission’s preliminary finding, but proposes alternative language that meets the Commission’s stated objectives and PJM’s stated objectives, but that is more precise than PJM’s proposed language.

PJM’s proposed tariff language, in blackline, is:

~~Nothing herein shall preclude any Capacity Market Seller and the Market Monitoring Unit from agreeing to, nor require either such entity to agree to, an alternative market seller offer cap determined on a mutually agreeable basis. Any such alternative offer cap shall be filed with the Commission for its approval. This provision is duplicated in Tariff, Attachment DD, section 6.4(a): the Market Monitoring Unit from calculating the Market Seller Offer Cap for a Generation Capacity Resource beyond the applicable deadlines as specified in Tariff, Attachment DD, section 6.4(b) and in this Tariff, Attachment M-Appendix, section E, so~~

long as the relevant Capacity Market Seller mutually agrees with the value of such Market Seller Offer Cap and the Office of Interconnection agrees that such offer cap complies with the Tariff.

The process for reviewing and defining Market Seller Offer Caps (“MSOCs”) in the PJM Capacity Market includes several steps. The Market Monitor has a deadline to post MSOCs 90 days prior to the auction. Market sellers have a deadline to notify the Market Monitor and PJM whether the market seller has reached an agreement with the Market Monitor 80 days prior to the auction. After that notification, PJM must decide whether the agreed upon MSOC is consistent with the tariff no later than 65 days prior to the auction. This process has worked well to date.

The only issue that requires clarification, based on the Commission’s order, is the process after the market sellers’ 80 day deadline.

The way the process should work is that in the event that the Market Monitor and the market seller do not reach agreement by 80 days prior to the auction, and the market seller notifies PJM of the two differing positions by the 80 day deadline, nothing prevents the Market Monitor and the market seller from continuing discussions and reaching agreement, and submitting the agreement to PJM for a decision about tariff compliance.

In order to clarify this part of the process, the Market Monitor proposes tariff language as an alternative to PJM’s proposed language. The Market Monitor’s language is fully consistent with PJM’s stated intent but clarifies both the status quo process between the 90 day deadline and the 80 day deadline, and defines the process after the 80 day deadline. PJM’s proposed language does not distinguish the existing and well established process between the 90 day and 80 day deadlines, instead referring to “applicable deadlines.”

The Market Monitor agrees with PJM that the existing language in section 6.4(a) should be deleted, consistent with the Commission’s preliminary finding:

~~Nothing herein shall preclude any Capacity Market Seller and the Market Monitoring Unit from agreeing to, nor require either such entity to agree to, an alternative market seller offer cap determined on a mutually agreeable basis. Any such alternative~~

~~offer cap shall be filed with the Commission for its approval. This provision is duplicated in Tariff, Attachment M-Appendix, section H.E.3.~~

The Market Monitor proposes this tariff language, to be inserted at the end of section 6.4(b):

No later than 80 days prior to the commencement of the offer period for the auction, the Market Monitoring Unit and the relevant Capacity Market Seller may mutually agree on the value of such Market Seller Offer Cap. Nothing herein shall preclude the Market Monitoring Unit from modifying the Market Seller Offer Cap for a Generation Capacity Resource beyond the 80 day deadline prior to the commencement of the offer period for the auction, through the commencement of the offer period for the auction, so long as the Market Monitoring Unit and the relevant Capacity Market Seller mutually agree with the value of such Market Seller Offer Cap. The Capacity Market Seller shall notify the Market Monitoring Unit in writing, with a copy to the Office of the Interconnection, if such an agreement with the Market Monitoring Unit has been reached. The Office of the Interconnection shall review the Market Seller Offer Cap submitted by the Capacity Market Seller and make a determination whether the Market Seller Offer Cap complies with the tariff, and notify the Capacity Market Seller and the Market Monitoring Unit of its determination.

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,



Jeffrey W. Mayes

Joseph E. Bowring
Independent Market Monitor for PJM
President
Monitoring Analytics, LLC
2621 Van Buren Avenue, Suite 160
Eagleville, Pennsylvania 19403
(610) 271-8051
joseph.bowring@monitoringanalytics.com

General Counsel
Monitoring Analytics, LLC
2621 Van Buren Avenue, Suite 160
Eagleville, Pennsylvania 19403
(610) 271-8053
jeffrey.mayes@monitoringanalytics.com

Alexandra Salaneck
Senior Analyst
Monitoring Analytics, LLC
2621 Van Buren Avenue, Suite 160
Eagleville, Pennsylvania 19403
(610) 271-8050
alexandra.salaneck@monitoringanalytics.com

Dated: April 20, 2022

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 20th day of April, 2022.



Jeffrey W. Mayes

General Counsel

Monitoring Analytics, LLC

2621 Van Buren Avenue, Suite 160

Eagleville, Pennsylvania 19403

(610) 271-8053

jeffrey.mayes@monitoringanalytics.com