

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

Independent Market Monitor for PJM	)	Docket No. EL24-___-000
	)	
v.	)	
	)	
PJM Interconnection, L.L.C.	)	
	)	

**COMPLAINT REQUESTING FAST TRACK PROCESSING  
OF THE INDEPENDENT MARKET MONITOR FOR PJM**

Pursuant to Rule 206 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> files this Complaint Requesting Fast Track Processing against PJM (“Complaint”). In this Complaint, the Market Monitor requests that the Commission find that the rules for determining penalty rates for Performance Assessment Intervals (“PAI”) in the Reliability Pricing Model (“RPM”) rules under the Capacity Performance (“CP”) approach are unjust and unreasonable and should be replaced.<sup>3</sup> The

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<sup>1</sup> 18 CFR § 385.206 (2023).

<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 the PJM Reliability Assurance Agreement (“RAA”).

<sup>3</sup> The Complaint should be granted even if the Commission approves some or all of the proposed revisions filed in Docket Nos. ER24-98 and ER24-99 because those proposals fail to correct the flawed rules for penalty rates that are the subject of the Complaint. However, the Complaint and request for fast track processing are intended to provide a viable path forward to conduct the planned BRAs on the current schedule if the proposals in Docket Nos. ER24-98 and ER24-99 are recognized as unsupported, not just and reasonable, and are rejected.

current PJM capacity market rules set penalties at levels that are excessive and that interfere with the efficient and competitive operation of PJM markets. Recent experience with Winter Storm Elliott and the resultant extreme penalties combined with confusion about the application of penalties demonstrate that the penalty structure is unjust and unreasonable. Multiple examples are documented in the multiple complaints filed with and now pending before the Commission.<sup>4</sup>

The Market Monitor proposes replacement rules that would set penalties at just and reasonable levels while leaving the rest of the capacity market structure unaffected and providing time for PJM and stakeholders to consider broader market design changes. The proposed replacement rules are simple and limited. The penalty rate would be based on the value of capacity as determined in the PJM Capacity Market, the capacity market clearing price. The stop loss would be 1.5 times the capacity market revenue. The proposed penalty rate and stop loss provisions are just and reasonable because they are defined by the value of capacity as determined in the PJM Capacity Market, because they are simple and clear, because they can be easily understood by market participants, because they can be easily implemented by PJM, because the defined penalties are proportional to the payments received for capacity, because they reduce the risk to the PJM markets, because they minimize

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<sup>4</sup> See Essential Power OPP, LLC v. PJM Interconnection, L.L.C., Docket No. EL23-53-000; Aurora Generation, LLC v. PJM Interconnection, L.L.C., Docket No. EL23-54-000; Coalition of PJM Capacity Resources v. PJM Interconnection, L.L.C., Docket No. EL23-55-000; Talen Energy Marketing, LLC v. PJM Interconnection, L.L.C., Docket No. EL23-56-000; Lee County Generating Station, LLC v. PJM Interconnection, L.L.C., Docket No. EL23-57-000; SunEnergy1, LLC v. PJM Interconnection, L.L.C., Docket No. EL23-58-000; Lincoln Generating Facility, LLC v. PJM Interconnection, L.L.C., Docket No. EL23-59-000; Parkway Generating Keys Energy Center LLC v. PJM Interconnection, L.L.C., Docket No. EL23-60-000; Old Dominion Electric Cooperative v. PJM Interconnection, L.L.C., Docket No. EL23-61-000; Energy Harbor LLC v. PJM Interconnection, L.L.C., Docket No. EL23-63-000; Calpine Corporation v. PJM Interconnection, L.L.C., Docket No. EL23-66-000; Invenergy Nelson LLC v. PJM Interconnection, L.L.C., Docket No. EL23-67-000; East Kentucky Power Cooperative, Inc. v. PJM Interconnection, L.L.C., Docket No. EL23-74-000; CPV Maryland, LLC, and Competitive Power Venture Holdings, LP v. PJM Interconnection, L.L.C., Docket No. EL23-75-000; Parkway Generation Operating LLC et al. v. PJM Interconnection, L.L.C., Docket No. EL23-77-000 (Not Consolidated).

the risk of protracted litigation for each PAI event, and because they would create certainty for market participants for the next two auctions at a time when PJM capacity markets need a period of stability and certainty. The proposed replacement rules are designed to be simple and clear so that they can be implemented in the next two RPM Base Residual Auctions (“BRA”), for the 2025/2026 and the 2026/2027 Delivery Years.

The replacement rules would apply a penalty rate equal to the capacity market clearing price on a dollars per MW-year basis, divided by the number of intervals in 30 hours, for each interval that a resource is unavailable, up to a stop loss based on 1.5 times market revenue.

The Market Monitor requests fast track processing because the identified flaw in the current rules is extreme but not complicated, the proposed solution is simple, there is a need for participants to know the applicable penalty rules prior to PJM conducting the next scheduled BRAs, and there is significant value for market efficiency and stability in proceeding with the planned BRAs without disruption or delay. This proposal would permit the next two BRAs to proceed as currently scheduled, would permit stakeholders more time to consider additional potential changes to the capacity market design, and would eliminate the artificial time pressure to decide on a massive, complex pair of PJM filings in Docket Nos. ER24-98 and ER24-99 that would change basic elements of the capacity market without adequate time for stakeholder or regulatory review.<sup>5</sup>

## **I. COMPLAINT**

### **A. The Current Rules Set Excessive, Unjust and Unreasonable Penalty Rates.**

Section 10A of Attachment DD to the OATT states the rules for charges for nonperformance and credits for performance. In summary, the penalty rate is based on the

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<sup>5</sup> See Docket Nos. ER24-98 and ER24-99.

net cost of new entry (Net CONE). More formally, penalties (non-performance charges) are determined under the formula, applied to each nonperforming resource:

$$\text{Non-Performance Charge} = \text{Performance Shortfall} * \text{Non-Performance Charge Rate}$$

Where

For Capacity Performance Resources and Seasonal Capacity Performance Resources, the Non-Performance Charge Rate = (Net Cost of New Entry (stated in terms of installed capacity) for the LDA and Delivery Year for which such calculation is performed \* (the number of days in the Delivery Year / 30) / (the number of Real-Time Settlement Intervals in an hour).

Section 10A also includes a stop loss provision, capping charges at:

1.5 times the Net Cost of New Entry times the megawatts of Unforced Capacity committed by such resource or such PRD Provider times the number of days in the Delivery Year.<sup>6</sup>

The experience during Winter Storm Elliott demonstrates that the penalty rate is excessive. PJM estimated that total penalties were \$1.8 billion for an event that totaled less than 24 hours.<sup>7</sup> The penalties, as calculated by PJM, would require affected generators to pay penalties equivalent to two to four times their total annual capacity payments. PJM also created additional uncertainty because PJM's calculation of the exact amount of penalties and associated bonus payments changed in the period following Elliott as PJM's interpretation of the rules changed. The excessive penalties put generators at risk of cash flow and liquidity

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<sup>6</sup> OATT Attachment DD § 10A(f).

<sup>7</sup> See PJM, Winter Storm Elliott Event Analysis and Recommendation Report (July 17, 2023) at 2, which can be accessed at: <<https://www.pjm.com/-/media/library/reports-notice/special-reports/2023/20230717-winter-storm-elliott-event-analysis-and-recommendation-report.ashx>>.

issues, default and bankruptcy.<sup>8</sup> PJM filed to extend the deadlines for payment to help prevent additional generator defaults, and the Commission approved extension of the payment schedule by order issued April 3, 2023.<sup>9</sup> In its filing, PJM clarified the extreme risk imposed on the PJM markets by the current penalty rate.<sup>10</sup> PJM repeatedly referenced cash flow and liquidity issues, the resultant risk of default and the overall risk to the PJM markets.<sup>11</sup>

PJM's statement about the risks to the overall market is significant:

Additionally, and more importantly, a default of a Member triggered by the non-payment of Non-Performance Charges creates a reliability risk for the PJM load. This is because it is possible that a defaulting PJM Member may no longer honor prior capacity commitments for the previously committed Capacity Resource. As a result, PJM may not be able to rely on such previously committed Capacity Resources as capacity for the remainder of the Delivery Year. Consequently, such Member defaults increase the risk that PJM may not have sufficient capacity to meet peak load conditions for the remainder of the Delivery Year. In addition, exacerbating the liquidity issues caused by the timing of the underlying event can potentially drive premature retirements, which then translates into potentially higher capacity costs for customers in the next capacity auction. As a result, it is in the best interest of both suppliers and load interests to allow Non-Performance Charges to be invoiced over a longer period of time to minimize the risk of Member defaults.<sup>12</sup>

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<sup>8</sup> See *PJM Interconnection, L.L.C.*, 183 FERC ¶ 61,001 at PP 12–13 (“The potentially unprecedented magnitude of Non-Performance Charge presents significant cash-flow and liquidity concerns for many PJM Members who will owe Non-Performance Charges.”).

<sup>9</sup> See *PJM Interconnection, L.L.C.*, 183 FERC ¶ 61,001 at P 8 (“PJM clarifies that absent acceptance of this filing, there is a ‘high likelihood’ of member defaults”).

<sup>10</sup> *Id.*, citing PJM filing, ER22-1038-000 (February 2, 2023) at 12.

<sup>11</sup> See *id.*

<sup>12</sup> *Id.* at 7–8.

PJM now has 15 complaints pending against it that seek to reduce or eliminate penalties assessed during Winter Storm Elliott based on a range of issues about how PJM interpreted the existing rules. PJM nominally defended its actions related to determining the existence of PAI, associated penalties, and acceptable excuses. Yet PJM implicitly agreed that the combination of high penalties and unclear rules made the results of nonperformance assessments during Winter Storm Elliott unworkable when, after multiple detailed and extensive complaints were filed at the Commission raising specific questions about PJM's implementation of the PAI rules, PJM proposed to immediately begin settlement judge proceedings and, after actively participating in those proceedings, entered into and filed a settlement agreement.<sup>13</sup> In PJM's request for settlement judge proceedings, PJM again recognized the significant disruptions to and risk to PJM's markets created by the potential litigation over PJM's implementation of the PAI rules.

PJM's statement in that filing is a good summary:

At the same time, however, PJM recognizes the potential benefits of a prompt resolution, to the extent possible, of the disputed assessment of these charges. These disputes, considering the complaint, rehearing, and appeal processes, could hang over the PJM market for years, affecting Market Participants' conduct in ways that may be irreparable and not always desirable. The capacity market also is designed in large measure to signal the need for new Capacity Resource investment, and the expectations of the financial and investment community accordingly are an important backdrop to the operation of this market. Timely, consensual resolution of these disputes thus could, potentially, help support the long-term health of the resource adequacy construct in the PJM Region.

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<sup>13</sup> See Motion of PJM Interconnection, L.L.C. for Establishment of Settlement Judge Procedures, Docket No. EL23-53-000, et al. (April 14, 2023) ("PJM Motion"); *PJM Interconnection, LLC*, ER23-2975-000, Offer of Settlement in the Winter Storm Elliott Complaints: *Essential Power OPP, LLC v. PJM Interconnection, L.L.C.*, Docket No. EL23-53-000, et al. (September 9, 2023)

There is value to a prompt resolution of these heavily contested Non-Performance Charges, leaving some amount of room for a principled resolution of the disputes, in a manner that does not lead to market disruption, defaults, bankruptcies, and the physical loss of assets.<sup>14</sup>

The proposed settlement demonstrates that the rules are unenforceable, vague, and unverifiable as written and therefore unjust and unreasonable. In addition, the rules create an unsupportable and unreasonable risk of default and potentially bankruptcy for generators and the associated risk of protracted litigation that also demonstrates the rules to be unjust and unreasonable. While markets can deal with episodic and uncorrelated bankruptcies, rules that, as part of their normal functioning, create bankruptcy risk across a range of generators simultaneously as the result of a single event lasting less than 24 hours are not just and reasonable. Such rules put the reliability of PJM in its current form at risk.

Not only are the existing penalty rates excessive, but the actual implementation is not clear to market participants. Rules that participants and stakeholders know can and will be applied in verifiable ways are important for well functioning markets. It is unjust and unreasonable to have very large penalties depend on rules that are not completely clear and transparent and verifiable after the fact, by market participants and by regulators.

It would be unjust and unreasonable to expose market participants including generators and customers, PJM, and regulators to the risk of one or more additional Winter Storm Elliott type events during the period from June 1, 2025, through May 31, 2027.

A reduced penalty rate can and should be applied to the BRAs for the 2025/2026 and 2026/2027 Delivery Years.

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<sup>14</sup> PJM Motion at 4-5.

## **B. A Majority of Stakeholders Support Just and Reasonable Penalty Rate Rules.**

At the Special Members Committee–CP Penalty Rate stakeholder meeting convened on May 11, 2023, stakeholders approved a proposal sponsored by AMP and supported by the Market Monitor that included (i) a provision reducing the penalty rate and the stop loss and (ii) a revised PAI definition.<sup>15</sup> The AMP proposal would have replaced the existing penalty rate, equal to the Net Cost of New Entry divided by the number of intervals in 30 hours, with a penalty rate equal to the Base Residual Auction clearing price divided by the number of intervals in 30 hours. The stakeholder approved provision would have replaced the current excessive penalty rate with a penalty rate directly tied to the market value of capacity, the capacity market clearing price.<sup>16</sup> The AMP proposal received a stakeholder weighted vote of 3,489 out of 5,0, or 69.8 percent.<sup>17</sup>

On May 30, 2023, PJM filed the revised PAI definition component of the reform package.<sup>18</sup> PJM unilaterally decided not to include the penalty rate reduction provision of the reform package approved by stakeholders based on the unsupported assertion that the reduction would pose a risk to reliability.<sup>19</sup>

The Market Monitor filed comments supporting the revised PAI definition and recommending that the Commission open a Section 206 proceeding to address the missing component, the need for a revised penalty rate. By order issued July 28, 2023, the Commission

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<sup>15</sup> See Attachment A-1.

<sup>16</sup> *Id.*

<sup>17</sup> See Attachment A-2.

<sup>18</sup> PJM Filing, Docket No. ER23-1996.

<sup>19</sup> See *id.* at 1–2 n.4.

approved the May 30<sup>th</sup> Filing.<sup>20</sup> The Commission declined to initiate its own investigation under Section 206 because it anticipated an additional filing by PJM.<sup>21</sup>

At a special meeting of the Members Committee-Critical Issue Fast Path (CIFP) on August 23, 2023, PJM stakeholders completed Stage 4 of the Critical Issue Fast Path – Resource Adequacy process with a vote on 18 proposals for capacity market reforms, including the Market Monitor Proposal (also sponsored by AMP, JPower and East Kentucky Power Cooperative).

The only changes to the status quo included in the Market Monitor proposal, defined in the matrix for the Stage 4 meeting, were changes to the penalty rate and the stop loss:

- Non-Performance Charge: Capacity market clearing price in place of Net CONE.<sup>22</sup>
- Non-Performance Charge Rate: For 2025/2026 and 2026/2027 Delivery Years, for Capacity Performance Resources and Seasonal Capacity Performance Resources, the Non-Performance Charge Rate = (Base Residual Auction clearing price for the LDA and Delivery Year for which such calculation is performed \* (the number of days in the Delivery Year / 30) / (the number of Real-Time Settlement Intervals in an hour)).<sup>23</sup>
- Stop-Loss for Non-Performance Charges: For 2025/2026 and 2026/2027 Delivery Years, the Non-Performance Charges for each Capacity Performance Resource (including Locational UCAP from such a resource) and each PRD Provider for a Delivery Year shall not exceed a Non-Performance Charge Limit

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<sup>20</sup> PJM Interconnection, L.L.C., 184 FERC ¶ 61,058.

<sup>21</sup> *Id.* at P 43.

<sup>22</sup> See CIFP RA Matrix (August 23, 2023), which can be accessed at: <<https://www.pjm.com/-/media/committees-groups/committees/mc/2023/20230823-special/item-01---20230823-cifp-ra-matrix-all-kwa-cifp-stage-4.ashx>>.

<sup>23</sup> *Id.*

equal to 1.5 times the Base Residual Auction clearing price for the applicable LDA and Delivery Year times the megawatts of Unforced Capacity committed by such resource or such PRD Provider times the number of days in the Delivery Year. The Non-Performance Charges for each Seasonal Capacity Performance Resource for a Delivery Year shall not exceed a Non-Performance Charge Limit equal to 1.5 times the Base Residual Auction clearing price for the applicable LDA and Delivery Year times the megawatts of Unforced Capacity committed by such resource times the number of days in the season applicable to such resource.<sup>24</sup>

- RPM Auction Timing: Status Quo. BRA for 25/26 to be run under this proposal as soon as possible, given required pre auction activities. BRA for 26/27 to be run no later than December 2024.<sup>25</sup>

The Market Monitor Proposal received a stakeholder weighted vote of 2.801.<sup>26</sup> The Market Monitor proposal was the only proposal to receive more than 50 percent support.<sup>27</sup>

PJM submitted its proposals to redefine key elements of the capacity market design on October 13, 2023, and consideration of those proposals is now pending in Dockets Nos. ER24-98 and ER24-99. The PJM proposals have not been supported as just and reasonable, and should not be approved for reasons to be explained in protests to be filed in those proceedings.

The recent filing in Docket No. ER24-99 presented a second opportunity for PJM to correct the unjust and unreasonable calculation of the nonperformance charges using language vetted and supported by a majority of stakeholders. PJM did not file that solution.

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<sup>24</sup> *Id.*

<sup>25</sup> *Id.*

<sup>26</sup> *See* Attachment B.

<sup>27</sup> *Id.*

PJM did propose to tighten the stop loss provision, capping charges at “1.5 times the RPM Base Residual Auction clearing price times the number of days in the Delivery Year for the applicable Delivery Year and for the LDA where the resource resides, times the megawatts of Unforced Capacity committed by such resource or such PRD Provider, where such megawatts shall be based on the maximum Unforced Capacity committed up through the end of the month in which the PAI occurs, times the number of days in the Delivery Year.”<sup>28</sup> PJM proposed a similar stop loss for seasonal capacity resources. The proposed changes to the stop loss provision would not prevent excessive nonperformance penalties.

Because PJM has repeatedly failed to propose rules that would correct its flawed market design, this Complaint is necessary to remove the flawed rules for penalty rates in the existing rules, adopt just and reasonable replacement rules, and maintain the existing schedule for RPM auctions.

### **C. The Proposed Just and Reasonable Replacement Penalty Rate Rules.**

In this Complaint, the Market Monitor proposes replacement penalty rate rules that have the support of a majority of stakeholders in the PJM stakeholder process and are just and reasonable.

The incentive/penalty issue is core to capacity market design. Abstract discussions of incentives and penalties led some to the conclusion that if high prices provide incentives at times, then even higher prices or extreme penalties are even better incentives. One of the lessons of the winter storms Uri and Elliott, in very different market designs, is that extreme prices and penalties do not have the intended incentive effect and do have a destructive effect, in the energy market and in the capacity market. There is no reason to create uncertainty for generators about expected behavior. There is no reason to bankrupt generators or force generators into early retirement. There is no reason to bankrupt customers or impose impossible bills on customers. There is no reason to create lengthy litigation. That is not the

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<sup>28</sup> Proposed revised OATT Attachment DD § 10A(f-1).

basis for a reasonable, sustainable, stable design consistent with investment incentives and customer confidence.

The use of capacity market penalties rather than energy market incentives creates risk. This risk is not risk that is fundamental to the operation of a wholesale power market. This is risk created by the CP design in order, in concept, to provide an incentive to produce energy during high demand hours that is even higher than the energy market incentive. When that artificial risk is included in capacity market prices, customers pay to cover it. The problem is that the incentives did not work, but the risk was incorporated in capacity market prices.

A just and reasonable penalty rate, holding the rest of the capacity market design unchanged, would equal the capacity market clearing price for each interval that a resource is unavailable, up to a stop loss based on 1.5 times the resource's total capacity market revenue for the applicable delivery year.

The following revisions to Section 10A(e) of Attachment DD to the OATT would implement the Market Monitor's proposed replacement rules:

Non-Performance Charge = Performance Shortfall \* Non-Performance Charge Rate

Where

For Capacity Performance Resources and Seasonal Capacity Performance Resources, the Non-Performance Charge Rate = ~~(Net Cost of New Entry (stated in terms of installed capacity) for the LDA and Delivery Year for which such calculation is performed)~~ Weighted Average Resource Clearing Price applicable to the resource \* (the number of days in the Delivery Year / 30) / (the number of Real-Time Settlement Intervals in an hour).

The stop loss provision in Section 10A(f) should be revised as follows:

The Non-Performance Charges for each Capacity Performance Resource (including Locational UCAP from such a resource) and each PRD Provider for a Delivery Year shall not exceed a Non-Performance Charge Limit equal to 1.5 times the ~~Net Cost of New Entry~~ Weighted Average Resource Clearing Price applicable to the resource times the megawatts of Unforced Capacity committed by such resource or such PRD Provider times the number of days

in the Delivery Year. All references to Net Cost of New Entry in this section 10A shall be to the Net Cost of New Entry for the LDA and Delivery Year for which the calculation is performed. The total Non-Performance Charges for each Base Capacity Resource (including Locational UCAP from such a resource) for a Delivery Year shall not exceed a NonPerformance Charge Limit equal to the total payments due such Capacity Resource or Locational UCAP under Tariff, Attachment DD, section 5.14 for such Delivery Year. The NonPerformance Charges for each Seasonal Capacity Performance Resource for a Delivery Year shall not exceed a Non-Performance Charge Limit equal to 1.5 times the Net Cost of New Entry times the megawatts of Unforced Capacity committed by such resource times the number of days in the season applicable to such resource.

The simple changes provided here are sufficient to set penalty rates at just and reasonable levels.

This complaint requests that the Commission direct PJM to modify the penalty rate and the stop loss level and run the BRA in June 2024 for the 2025/2026 Delivery Year, and a BRA on or before December 2024 for the 2026/2027 Delivery Year using these changes to the penalty provisions. The BRA for 2027/2028 would be run on or before June 2025, based on a PJM filing in mid 2024 and auction preparation work beginning in January 2025.

The proposed timeline would still not leave a lot of time to do it right, but it is doable. Attempting to file and get approval of significant changes to the capacity market design for implementation by December 12, 2023, and prior to the 2027/2028 BRA is not practical and creates the risk of mistakes and unintended consequences. PJM markets need stability and predictability in order to create a positive investment climate and create confidence in the markets for all market participants. The Market Monitor's proposed replacement penalty rate properly balances the need for performance incentives with the need to avoid imposing excessive risks on sellers that may ultimately become excessive rates for consumers. The proposed replacement penalty rate is linked to the value of capacity as defined by the PJM Capacity Market. This means that a seller is at risk for maximum penalties equal to 1.5 times its revenues from capacity sales. This means that, consistent with basic principles of

commercial law, sellers forfeit payment for capacity that is not delivered.<sup>29</sup> The proposed replacement rules contribute to a competitive and efficient market design, and are just and reasonable, and could remain in place indefinitely.

The requested changes will provide stakeholders the additional time needed to thoroughly review proposals that would more broadly modify the capacity market design so that any such modifications could be implemented in the BRA for the 2027/2028 Delivery Year, expected to be run in June 2025.

## **II. REQUEST FOR FAST TRACK PROCESSING**

The Market Monitor respectfully requests fast track processing under Rule 206(h),<sup>30</sup> so that the Commission can act on this Complaint and direct implementation of rules for just and reasonable penalty rates while maintaining the current contemplated schedule for BRAs for the 2025/2026 and 2026/2027 Delivery Years.

## **III. RULE 206 REQUIREMENTS**

### **A. Rule 206(b)(1): Action or Inaction Alleged To Violate Statutory Standards or Regulatory Requirements**

See Section I.

### **B. Rule 206(b)(2): Legal Bases for Complaint**

See Section I.

### **C. Rules 206(b)(3) and 206(b)(4): Issues Presented as They Relate to the Complainant and Quantification of Financial Impact on Complainant**

See Section I.

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<sup>29</sup> Cf. UCC § 2-301 (General Obligations of Parties) (“The obligation of the seller is to transfer and deliver and that of the buyer is to accept and pay in accordance with the contract.”).

<sup>30</sup> 18 CFR § 285.206(h).

#### **D. Rule 206(b)(5): Nonfinancial Impacts on Complainant**

See Section I.

#### **E. Rule 206(b)(6): Related Proceedings**

Certain issues and proposals raised in filings submitted by PJM in Dockets Nos. ER24-98 and ER24-99 are related to the issues raised in this complaint. As explained in Section I, 15 complaints are pending, in Docket No. EL23-53, et al., related to excessive penalties from Winter Storm Elliott. The Market Monitor is not aware of any other pending proceedings that are directly related to the issues raised in this Complaint.

#### **F. Rule 206(b)(7): Specific Relief Requested**

The Complaint seeks a finding by the Commission that the Section 10A of Attachment DD to OATT sets penalties at unjust and unreasonable levels and provides for a stop loss at an unjust and unreasonable limit. The Complaint seeks to correct the flawed rules with proposed revisions, supported by a majority of PJM stakeholders, that set penalties at just and reasonable levels and a stop loss at a just and reasonable limit.

#### **G. Rule 206(b)(8): Documents that Support the Complaint**

This pleading and its Attachments support the Complaint.

#### **H. Rule 206(b)(9): Dispute Resolution**

The Market Monitor has not contacted the Enforcement Hotline or Dispute Resolution Service or made use of the tariff based dispute resolution mechanisms. Such mechanisms are neither intended nor appropriate for resolving disputes of this nature.

#### **I. Rule 206(b)(10): Form of Notice**

A form of notice suitable for publication in the Federal Register is included below.

#### **J. Rule 206(c): Service on Respondent**

The Market Monitor certifies that copies of this Complaint were served by email on Respondent.

#### IV. COMMUNICATIONS

All communications with respect to this pleading and in connection with this proceeding should be addressed to the following:

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#### V. CONCLUSION

The Market Monitor respectfully requests that the Commission grant this Complaint.

Respectfully submitted,



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Jeffrey W. Mayes

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Dated: November 7, 2023

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<sup>31</sup> Designated to receive service.

<sup>32</sup> Designated to receive service.

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Independent Market Monitor for PJM	)	
	)	
v.	)	Docket No. EL24-___-000
	)	
PJM Interconnection, L.L.C.	)	
	)	

NOTICE OF COMPLAINT

( \_\_\_, 2023)

Take notice that on November 7, 2023, pursuant to section 206 of the Rules and Practice and Procedure of the Federal Energy Regulatory Commission (Commission), 18 CFR § 385.206 (2011), Monitoring Analytics, LLC, acting in its capacity as the Independent Market Monitor for PJM (Complainant) filed a formal complaint against PJM Interconnection, L.L.C. (Respondent) requesting that the Commission find that the Section 10A of Attachment DD to OATT sets penalties at unjust and unreasonable levels and provides for a stop loss at an unjust and unreasonable limit, and that the Commission direct Respondent to correct the flawed rules with proposed revisions, supported by a majority of PJM stakeholders, that set penalties at just and reasonable levels and a stop loss at a just and reasonable limit.

The Complainant states that copies of the complaint were served on representatives of the Respondent.

Any person desiring to intervene or to protest this filing must file in accordance with Rules 211 and 214 of the Commission’s Rules of Practice and Procedure (18 CFR 385.211, 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. The Respondent’s answer and all interventions, or protests must be filed on or before the comment date. The Respondent’s answer, motions to intervene, and protests must be served on the Complainants.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the “eFiling” link at <http://www.ferc.gov>. Persons unable to file electronically should submit an original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426.

This filing is accessible on-line at <http://www.ferc.gov>, using the “eLibrary” link and is available for review in the Commission’s Public Reference Room in Washington, DC. There is an “eSubscription” link on the web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email [FERCOnlineSupport@ferc.gov](mailto:FERCOnlineSupport@ferc.gov), or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date: 5:00 pm Eastern Time on \_\_\_, 2023.

Kimberly D. Bose, Secretary

# **ATTACHMENT A-1**

## AMP's Alternate Proposal

1. Use the LDA BRA Clearing Price for the Non-Performance Charge Rate in place of Net CONE.
2. Change the annual stop-loss provision to align with the BRA Clearing Price.
3. Revise the PAI trigger **proposed by the IMM.**

## Proposed OATT Changes

1. CP Non-Performance Penalty Rate – OATT, Att DD, Section 10A (e) –

For Delivery Years through and including the 2024/2025 Delivery Year, For Capacity Performance Resources and Seasonal Capacity Performance Resources, the Non Performance Charge Rate = (Base Residual Auction clearing price Net Cost of New Entry (stated in terms of installed capacity) for the LDA and Delivery Year for which such calculation is performed \* (the number of days in the Delivery Year / 30) / (the number of Real-Time Settlement Intervals in an hour).

2. CP Non-Performance Stop Loss - OATT, Att DD, Section 10A(f) –

For Delivery Years through and including the 2024/2025 Delivery Year The the Non-Performance Charges for each Capacity Performance Resource (including Locational UCAP from such a resource) and each PRD Provider for a Delivery Year shall not exceed a Non-Performance Charge Limit equal to 1.5 times the Net Cost of New Entry-Base Residual Auction clearing price for the applicable LDA and Delivery Year times the megawatts of Unforced Capacity committed by such resource or such PRD Provider times the number of days in the Delivery Year. All references to Net Cost of New Entry in this section 10A shall be to the Net Cost of New Entry for the LDA and Delivery Year for which the calculation is performed. The total Non-Performance Charges for each Base Capacity Resource (including Locational UCAP from such a resource) for a Delivery Year shall not exceed a Non-Performance Charge Limit equal to the total payments due such Capacity Resource or Locational UCAP under Tariff, Attachment DD, section 5.14 for such Delivery Year. For Delivery Years through and including the 2024/2025 Delivery Year The the Non-Performance Charges for each Seasonal Capacity Performance Resource for a Delivery Year shall not exceed a Non-Performance Charge Limit equal to 1.5 times the Net Cost of New Entry-Base Residual Auction clearing price for the applicable LDA and Delivery Year times the megawatts of Unforced Capacity committed by such resource times the number of days in the season applicable to such resource.

“Clean’ Version –

For Delivery Years through and including the 2024/2025 Delivery Year the Non-Performance Charges for each Capacity Performance Resource (including Locational UCAP from such a resource) and each PRD Provider for a Delivery Year shall not exceed a Non-Performance Charge Limit equal to 1.5 times the Base Residual Auction clearing price for the applicable LDA and Delivery Year times the megawatts of Unforced Capacity committed by such resource or such PRD Provider times the number of days in the Delivery Year.. For Delivery Years through and including the 2024/2025 Delivery Year the Non-Performance

Charges for each Seasonal Capacity Performance Resource for a Delivery Year shall not exceed a Non-Performance Charge Limit equal to 1.5 times the Base Residual Auction clearing price for the applicable LDA and Delivery Year times the megawatts of Unforced Capacity committed by such resource times the number of days in the season applicable to such resource.

3. Revise the PAI trigger **as proposed by IMM.**

### **Emergency Action**

“Emergency Action” shall mean (1) any megawatt shortage of the Primary Reserve requirement (as specified in the PJM Manuals) in a Reserve Zone or Sub-Zone, inclusive of any adjustments to such requirement to account for system conditions, as determined by the dispatch run from the security constrained economic dispatch and where there is also a Voltage Reduction Warning and reduction of critical plant load, Manual Load Dump Warning, Maximum Emergency Generation Action, or the curtailment of non-essential business loads and voltage reduction that encompasses such Reserve Zone or Reserve Sub-zone or (2) anytime the Office of Interconnection identifies an emergency and issues a load shed directive, Manual Load Dump Action, Voltage Reduction Action, or deploy all resources action for an entire Reserve Zone or Reserve Sub-zone.

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Trigger Proposal:

1. A PAI will be triggered for a reserve zone and/or reserve subzone when conditions (a) and (b) are both met or condition (c) is met.
    - a. PJM is short primary reserves for a reserve zone and/or a reserve sub-zone.
      - i. A primary reserve shortage is when the assigned MW are less than the requirement in the dispatch run of the RT SCED.
      - ii. The requirement includes 150 percent of the synchronized reserve requirement, defined to be the largest contingency plus any adjustments made to manage system conditions.
    - b. There is an emergency procedure from the list below in effect for the entire reserve zone and/or reserve subzone experiencing the reserve shortage.
      - i. Voltage Reduction Warning and Reduction of Non-Critical Plant Load
      - ii. Manual Load Dump Warning
      - iii. Simultaneous call of a Maximum Emergency Generation Action and Emergency Load Management Reduction Action
      - iv. Curtailment of Non-Essential Business Load and Voltage Reduction
    - c. The following emergencies will automatically trigger a PAI if they are called for an entire reserve zone or reserve subzone.
      - i. Deploy All Resources Action
      - ii. Voltage Reduction Action
      - iii. Manual Load Dump Action
      - iv. Load Shed Directive
  2. The following emergency procedures will not be used in the determination of a PAI:
    - a. Unit Startup Notification Alert
    - b. Maximum Generation Emergency/Load Management Alert
    - c. Primary Reserve Alert
    - d. Voltage Reduction Alert
    - e. Primary Reserve Warning
    - f. Pre-Emergency Load Management Reduction
    - g. Emergency Voluntary Energy Only Demand Response Reductions
    - h. Local Load Shed Directive
-

# **ATTACHMENT A-2**

**SUPPLEMENTAL VOTING RESULTS**

PJM Members Committee  
MC Meeting Date: May 11, 2023

Item: 1a Do you endorse the Main Motion CP Penalties Solution?

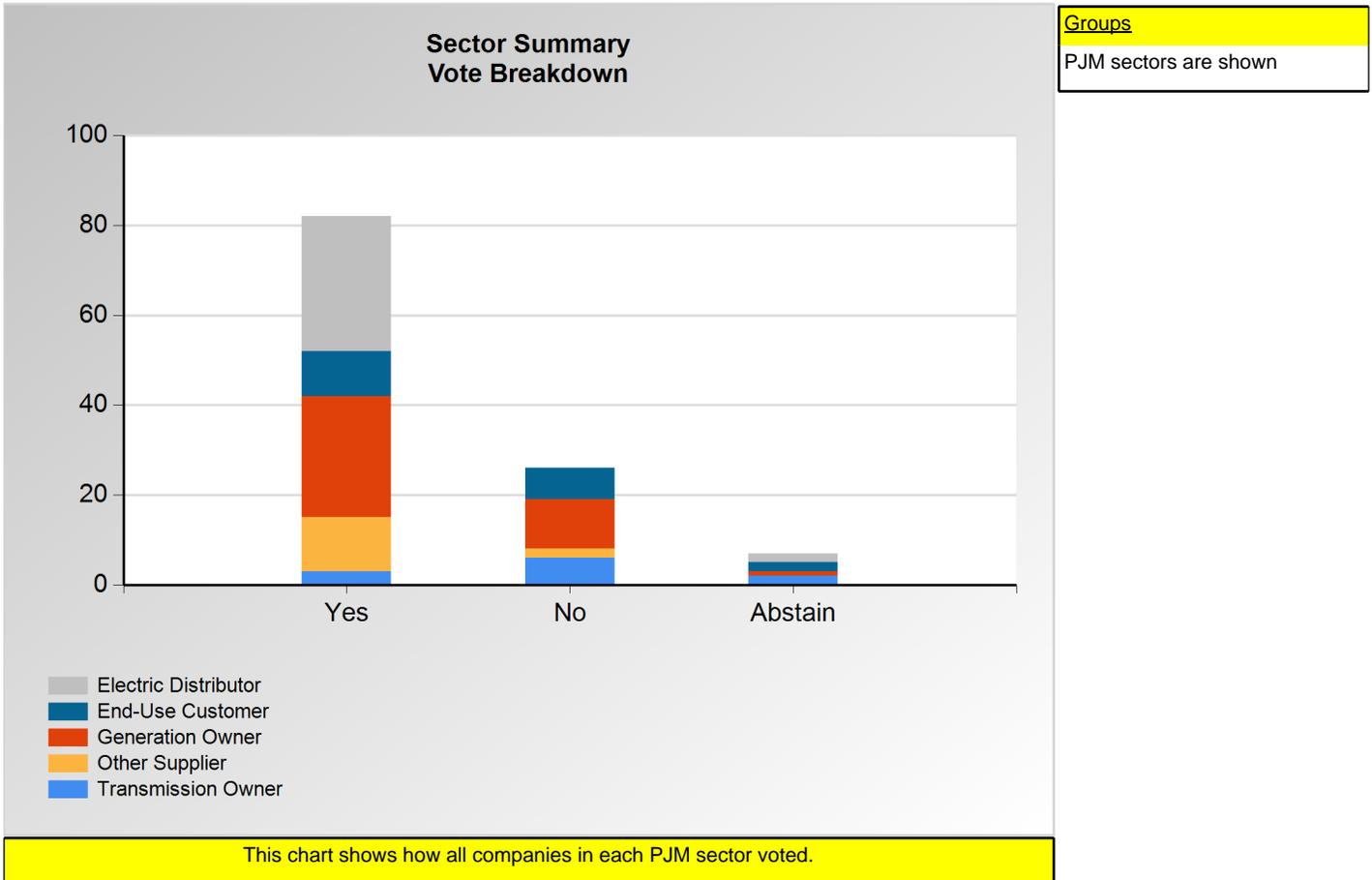
(Vote Result: PASSED)

## SECTION 1

Charts displayed in this section include various portrayals of how all companies voted at the Members Committee (MC) meeting on this particular issue.

**PJM Members Committee  
MC Meeting Date: May 11, 2023**

Item 1a: Do you endorse the Main Motion CP Penalties Solution?  
(Vote Result: PASSED)



**Additional Detail:**

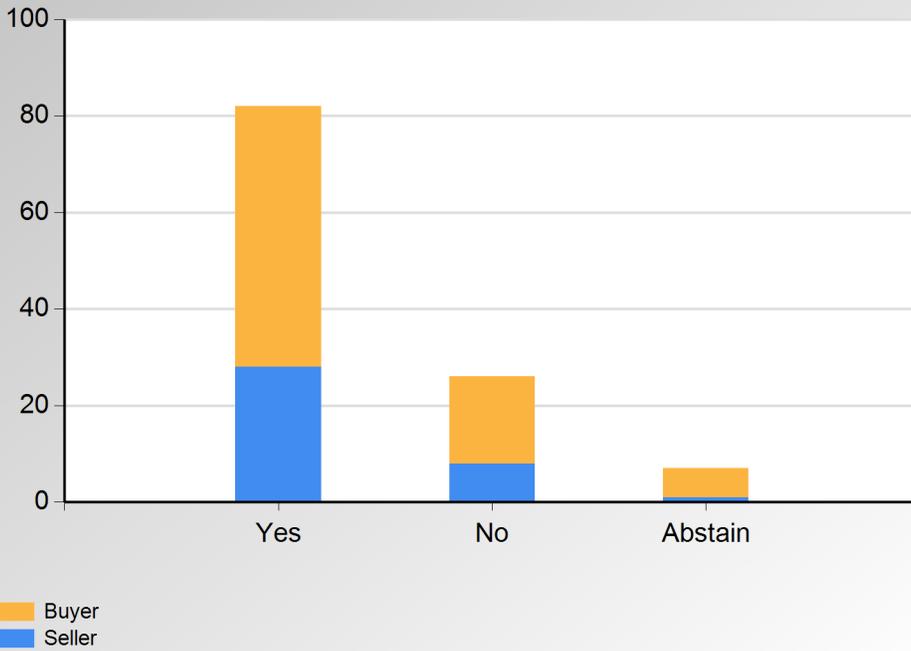
	Eligible	Attended	Did Not Vote	Yes	No	Abstain	Sector Vote In Favor	Sector Weight in Favor
End-Use Customer	33	19	0	10	7	2	58.8%	0.588
Transmission Owner	14	11	0	3	6	2	33.3%	0.333
Generation Owner	107	39	0	27	11	1	71.1%	0.711
Electric Distributor	44	32	0	30	0	2	100.0%	1.000
Other Supplier	305	16	2	12	2	0	85.7%	0.857
Total	503	117	2	82	26	7		3.489

\*Refer to the Company Designations table "Company Sector" column to see each company's group designation found on this chart.

**PJM Members Committee  
MC Meeting Date: May 11, 2023**

Item 1a: Do you endorse the Main Motion CP Penalties Solution?  
(Vote Result: PASSED)

**Net Buyer-Seller Position  
Vote Breakdown**



**Buyers-Sellers based on  
Net Due (\$MM) 12-month  
total for 2022**

Seller: < \$0  
Buyer: >= \$0

This chart shows how companies as net buyers or sellers voted.  
Each company is designated a Buyer or Seller based on  
the Net Due amount totaled from the 12 months of PJM bills of the prior year.  
Only transactions known by PJM are included.  
Therefore, bilateral contracts are excluded.

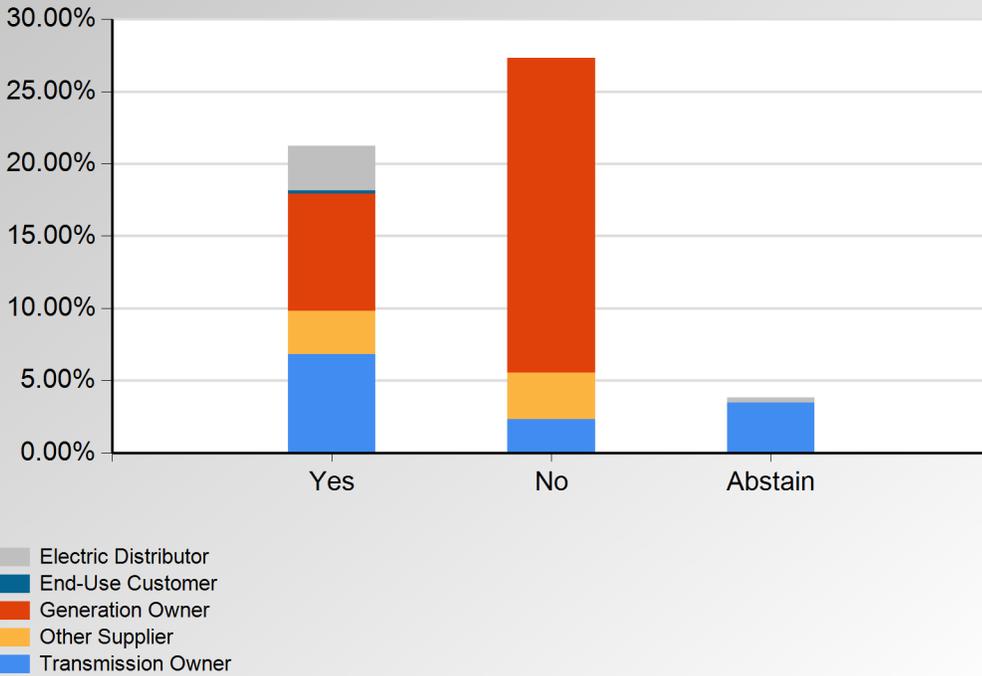
	Yes	No	Abstain
Buyer	54	18	6
Seller	28	8	1

\*Refer to the Company Designations table "Buyer-Seller Group" column to see each company's group designation found on this chart.

**PJM Members Committee  
MC Meeting Date: May 11, 2023**

Item 1a: Do you endorse the Main Motion CP Penalties Solution?  
(Vote Result: PASSED)

**Total of Default Allocation Percentages  
per Sector  
Vote Breakdown**



**Groups**

PJM sectors are shown

Default Allocation per Sector as of: May 10, 2019

This chart shows how each sector voted from the perspective of measuring gross activity in PJM-administered, exclusive of bilateral activity. "Gross activity" is determined by totaling the Default Allocation percentage of all companies that voted, per sector, as defined under Operating Agreement paragraph 15.2.4(a).

	Yes	No	Abstain
Electric Distributor	3.094%	0.000%	0.364%
End-Use Customer	0.197%	0.000%	0.000%
Generation Owner	8.152%	21.772%	0.000%
Other Supplier	2.977%	3.233%	0.000%
Transmission Owner	6.819%	2.304%	3.450%

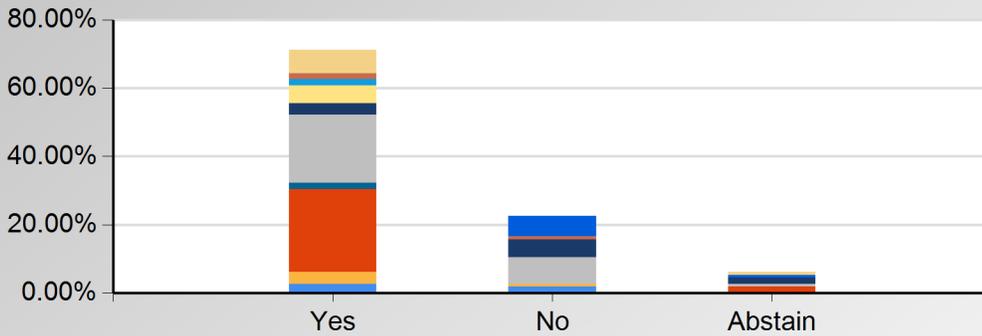
\*Refer to the Company Designations table "Company Sector" column to see each company's group designation found on this chart.

**PJM Members Committee  
MC Meeting Date: May 11, 2023**

Item 1a: Do you endorse the Main Motion CP Penalties Solution?  
(Vote Result: PASSED)

**Percentage of Total Sector-Weighted Vote  
per Line of Business in PJM  
Percentage Vote Breakdown**

**Groups**  
All lines of business within  
all sectors.



- Ancillary Service Provider
- Consumer Advocate
- Curtailment Provider
- Financial Trader
- Industrial Customer
- IOU (inside)
- IPP
- Project Developer
- Public Power (inside)
- Retail Marketer
- Wholesale Marketer

This chart shows the percentage of the total sector weighted vote cast  
by member companies in each line of business.

	Yes	No	Abstain
Ancillary Service Provider	1.94%	0.00%	0.93%
Consumer Advocate	0.00%	21.21%	3.03%
Curtailment Provider	0.66%	0.33%	0.00%
Financial Trader	0.59%	0.00%	0.00%
Industrial Customer	18.18%	0.00%	0.00%
IOU (inside)	6.90%	42.86%	14.29%
IPP	5.04%	2.18%	3.03%
Project Developer	0.66%	0.00%	0.00%
Public Power (inside)	8.02%	0.00%	4.55%
Retail Marketer	5.19%	0.93%	0.00%
Wholesale Marketer	0.73%	1.87%	0.00%

\*Refer to the Company Designations table "Line of Business Designation" column to see each company's group designation found on this chart.

## SECTION 2

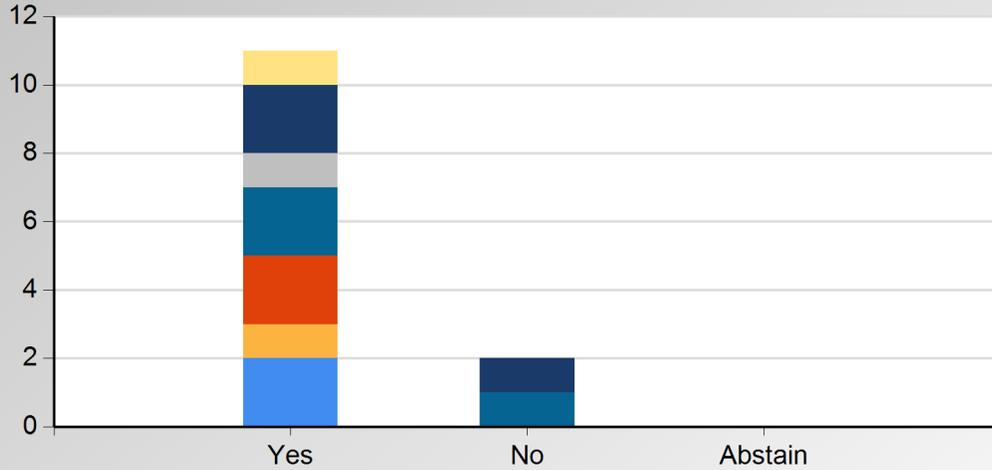
Charts displayed in this section include various portrayals of how various subsets of companies voted at the Members Committee (MC) meeting on this particular issue.

**PJM Members Committee  
MC Meeting Date: May 11, 2023**

Item 1a: Do you endorse the Main Motion CP Penalties Solution?  
(Vote Result: PASSED)

**Other Supplier Group  
Vote Breakdown**

**Groups**  
Lines of business within PJM's Other Supplier sector.



This chart shows how lines of business within the Other Suppliers sector voted.

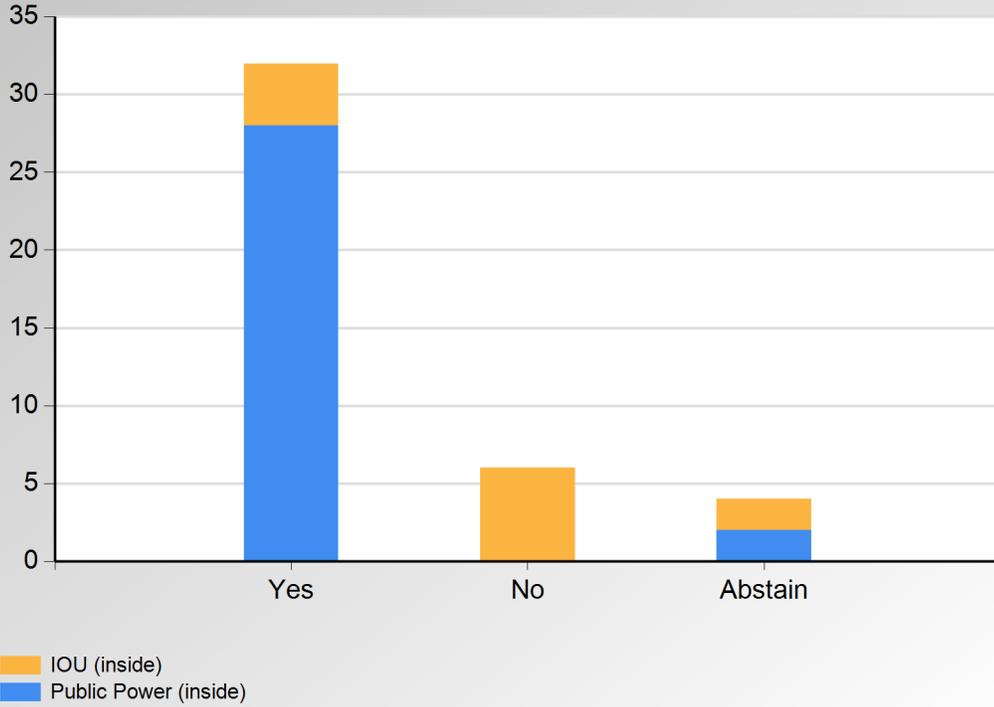
	Yes	No	Abstain
Ancillary Service Provider	1	0	0
Curtailment Provider	2	1	0
Financial Trader	1	0	0
IPP	2	1	0
Project Developer	2	0	0
Public Power (inside)	1	0	0
Wholesale Marketer	2	0	0

\*Refer to the Company Designations table "Line of Business Designation" column to see each company's group designation found on this chart.

**PJM Members Committee  
MC Meeting Date: May 11, 2023**

Item 1a: Do you endorse the Main Motion CP Penalties Solution?  
(Vote Result: PASSED)

**Public Power inside PJM vs. IOUs inside PJM  
Vote Breakdown**



**Groups**  
 IOUs (inside) = Investor-owned utilities inside PJM and others so designated.  
 Public Power (inside) = Muni's/Co-op's inside PJM and others so designated.

This chart shows how a subset of companies voted.  
Public power entities are compared to investor-owned (IOUs) within PJM's footprint.

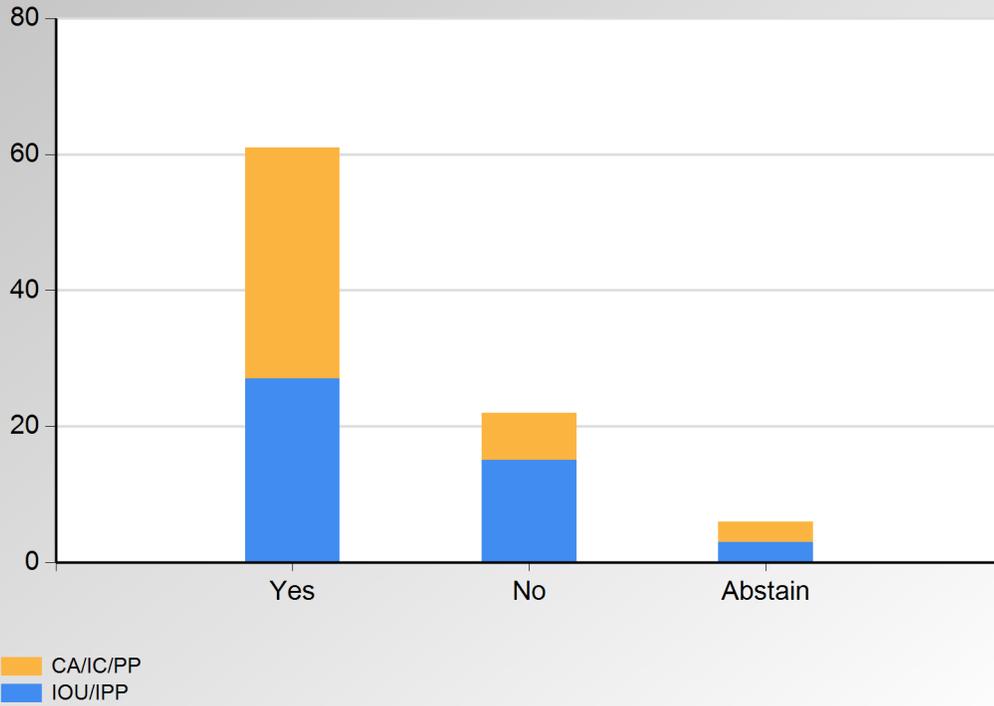
	Yes	No	Abstain
IOU (inside)	4	6	2
Public Power (inside)	28	0	2

\*Refer to the Company Designations table "Line of Business Designation" column to see each company's group designation found on this chart.

**PJM Members Committee  
MC Meeting Date: May 11, 2023**

Item 1a: Do you endorse the Main Motion CP Penalties Solution?  
(Vote Result: PASSED)

**IOU / IPP vs. CA / IC / PP Companies  
Vote Breakdown**



**Groups**  
 IOU = Investor-Owned Utilities inside PJM  
 IPP = Independent Power Producers  
 CA = Consumer Advocates  
 IC = Industrial Customers  
 PP = Public Power inside PJM

This chart shows how a subset of companies voted.  
 Two groups of companies are shown based on their perceived approach to the PJM marketplace.  
 IOUs inside PJM and IPPs are grouped together based on their responsibility to shareholders and to load.  
 Consumer advocates, industrial customers, and public power companies are group together based on their responsibility to load.

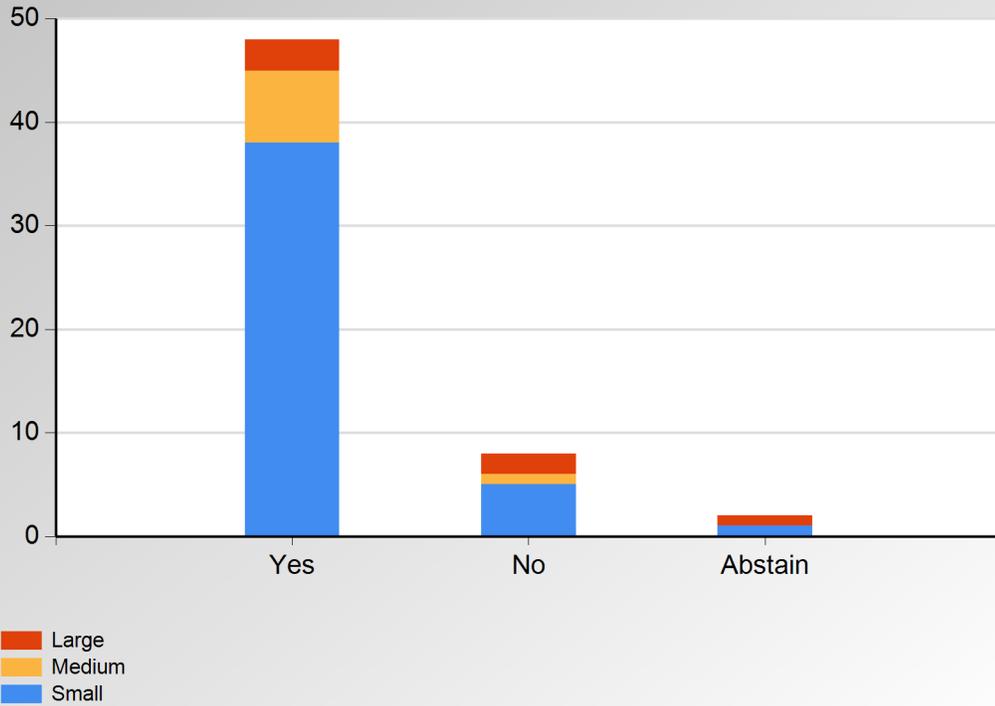
	Yes	No	Abstain
CA/IC/PP	34	7	3
IOU/IPP	27	15	3

\*Refer to the Company Designations table "Line of Business Designation" column to see each company's group designation found on this chart.

**PJM Members Committee  
MC Meeting Date: May 11, 2023**

Item 1a: Do you endorse the Main Motion CP Penalties Solution?  
(Vote Result: PASSED)

**Owners of Generation in PJM's Footprint  
Vote Breakdown**



**Generation Groupings based on MW Installed Capacity on January 1, 2023**

Small: <500  
Medium: >=500 and <=3,000  
Large: >3,000

This chart shows how companies owning generation in PJM's footprint (excluding Behind the Meter generation) voted. Each company is categorized as Small, Medium, or Large based on a snapshot of MW of capacity installed as of January 1 of the year the vote was taken.

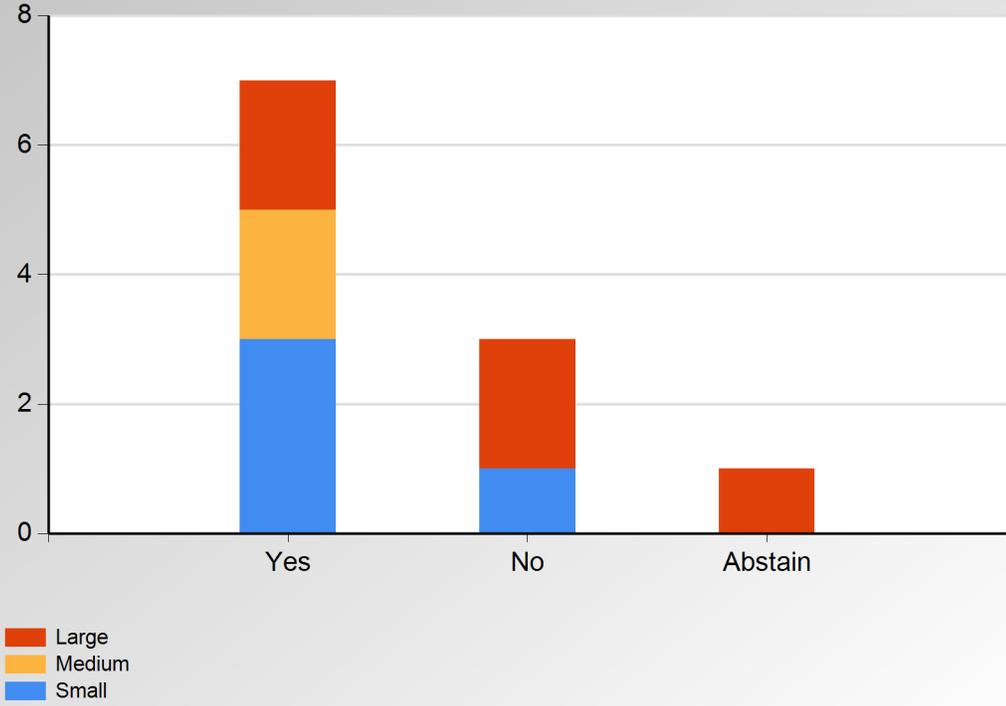
	Yes	No	Abstain
Large	3	2	1
Medium	7	1	0
Small	38	5	1

\*Refer to the Company Designations table "Generation Group" column to see each company's group designation found on this chart.

**PJM Members Committee  
MC Meeting Date: May 11, 2023**

Item 1a: Do you endorse the Main Motion CP Penalties Solution?  
(Vote Result: PASSED)

**Owners of Transmission in PJM's Footprint  
Vote Breakdown**



Groups based on Revenue Reqs (\$MM) on January 1, 2023

Small: <50  
Medium: >=50 and <=150  
Large: >150

This chart shows how companies owning transmission in PJM's footprint voted. Each company is categorized as Small, Medium, or Large based on a snapshot of Revenue Requirements amount as of January 1 the year the vote was taken.

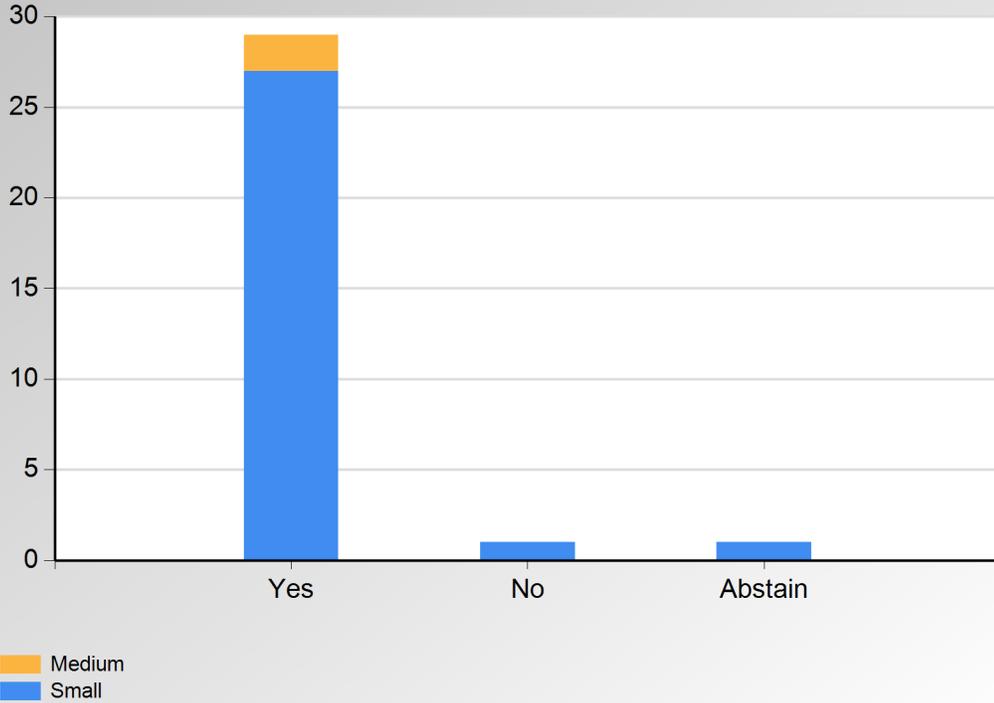
	Yes	No	Abstain
Large	2	2	1
Medium	2	0	0
Small	3	1	0

\*Refer to the Company Designations table "Transmission Group" column to see each company's group designation found on this chart.

**PJM Members Committee  
MC Meeting Date: May 11, 2023**

Item 1a: Do you endorse the Main Motion CP Penalties Solution?  
(Vote Result: PASSED)

**Companies Serving Load within PJM  
Vote Breakdown**



Groups based on  
Avg Real-Time  
Metered Load (MW)  
over all the hours of the year  
2022

Small: <1,000  
Medium: >=1,000 and <=5,000  
Large: >5,000

This chart shows how companies serving metered load voted. Each company is categorized as Small, Medium, or Large based on the average real-time metered load served over all hours of the year prior to the year the vote was taken.

	Yes	No	Abstain
Medium	2	0	0
Small	27	1	1

\*Refer to the Company Designations table "Load Server Group" column to see each company's group designation found on this chart.

### SECTION 3

The table reports displayed in this section provide important detail supporting the charts in the previous sections.

**PJM Members Committee  
MC Meeting Date: May 11, 2023**

Item 1a: Do you endorse the Main Motion CP Penalties Solution?  
(Vote Result: PASSED)

**SECTOR DETAIL VOTE BREAKDOWN**

<b>End-Use Customer</b>			
<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Sector Vote In Favor</b>
10	7	2	58.8%
Air Products & Chemicals, Inc.	Delaware Division of the Public Advocate	Indiana Office of Utility Consumer Counselor (IN OUCC)	
Cleveland-Cliffs Steel LLC	Illinois Citizen Utility Board	MeadWestvaco Corporation	
Gerdau Ameristeel Energy, Inc.	Maryland Office of People's Counsel		
Kuehne Chemical Company, Inc.	Office of the People's Counsel for the District of Columbia		
Lehigh Portland Cement Company	Pennsylvania Office of Consumer Advocate		
Linde Inc.	Public Staff - North Carolina Utilities Commission		
Messer LLC	West Virginia Consumer Advocate Division		
PBF Power Marketing, LLC			
Procter & Gamble Paper Products Company (The)			
Trustees of the University of Pennsylvania			
<b>Transmission Owner</b>			
<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Sector Vote In Favor</b>
3	6	2	33.3%
Dayton Power & Light Company (The)	Duke Energy Business Services LLC	Appalachian Power Company	
East Kentucky Power Cooperative, Inc.	Duquesne Light Company	Monongahela Power Company d/b/a Allegheny Power	
Virginia Electric & Power Company	Exelon Business Services Company, LLC		
	PPL Electric Utilities Corporation d/b/a PPL Utilities		
	Public Service Electric and Gas Company		
	Rockland Electric Company		
<b>Generation Owner</b>			
<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Sector Vote In Favor</b>
27	11	1	71.1%
Carroll County Energy LLC	Avangrid Renewables, LLC	Orsted Onshore North America, LLC	
Cypress Creek Renewables, LLC	Big Savage, LLC		
Diamond State Generation Partners, LLC	Calpine Energy Services, L.P.		
Eagle Point Power Generation LLC	Constellation Energy Generation, LLC		
Elwood Energy, LLC	Dynegy Marketing and Trade, LLC		

**Generation Owner**

Yes	No	Abstain	Sector Vote In Favor
27	11	1	71.1%
Energy Harbor LLC	EDP Renewables North America LLC		
Essential Power Rock Springs, LLC	Leeward Asset Management, LLC		
Forked River Power LLC	NRG Power Marketing LLC		
GenOn Energy Management, LLC	Riverside Generating Company, L.L.C.		
Green River Holdings, LLC	Vitol Inc.		
Hazleton Generation LLC	Wheelabrator Falls Inc.		
Invenergy Energy Management LLC			
KMC Thermo, LLC			
Kimberly-Clark Corporation			
Lincoln Generating Facility, LLC			
Longview Power, LLC			
Moxie Freedom LLC			
NedPower Mount Storm, LLC			
Newark Energy Center, LLC			
NextPower III US Holdco Inc.			
Parkway Generation Operating LLC			
Pine Gate Mid-Atlantic, LLC			
Red Oak Power, LLC			
Talen Energy Marketing, LLC			
Tenaska Power Services Co.			
UGI Development Company			
York County Solid Waste and Refuse Authority			

**Electric Distributor**

Yes	No	Abstain	Sector Vote In Favor
30	0	2	100.0%
Allegheny Electric Cooperative, Inc.		Northern Virginia Electric Cooperative (NOVEC)	
American Municipal Power, Inc.		Wabash Valley Power Association, Inc.	
Borough of Butler, Butler Electric Division			
Borough of Chambersburg			
Borough of Lavallette, New Jersey			
Borough of Madison, New Jersey			
Borough of Milltown, New Jersey			
Borough of Mont Alto, Pennsylvania			
Borough of Park Ridge, New Jersey			
Borough of Pemberton, New Jersey			

Electric Distributor			
Yes	No	Abstain	Sector Vote In Favor
30	0	2	100.0%
Borough of Seaside Heights, New Jersey			
Borough of South River, New Jersey			
Buckeye Power, Inc.			
City of Dover, Delaware			
Delaware Municipal Electric Corporation, Inc.			
Easton Utilities Commission			
Hagerstown Light Department			
Illinois Municipal Electric Agency			
Indiana Municipal Power Agency			
Kentucky Municipal Energy Agency			
Letterkenny Industrial Development Authority - PA			
Michigan Public Power Agency			
North Carolina Electric Membership Corporation			
Northern Illinois Municipal Power Agency			
Old Dominion Electric Cooperative			
Southern Maryland Electric Cooperative, Inc.			
Thurmont Municipal Light Company			
Town of Williamsport (The)			
Vineland Municipal Electric Utility			
Wellsboro Electric Company			

Other Supplier			
Yes	No	Abstain	Sector Vote In Favor
12	2	0	85.7%
Brookfield Renewable Trading and Marketing LP	NextEra Energy Marketing, LLC		
ENGIE Energy Marketing NA, Inc.	Tangent Energy Solutions, Inc.		
Enel X North America, Inc.			
Energy Cooperative Association of Pennsylvania (The)			
Geenex Solar LLC			
Icetec.com, Inc.			
Jersey Green Energy, LLC			
Recurrent Energy, LLC			
SYSO Inc.			
Shell Energy North America (US), L.P.			
Tyr Energy, LLC			

Other Supplier			
Yes	No	Abstain	Sector Vote In Favor
12	2	0	85.7%
WPPI Energy			

**PJM Members Committee  
MC Meeting Date: May 11, 2023**

Item 1a: Do you endorse the Main Motion CP Penalties Solution?  
(Vote Result: PASSED)

**COMPANY DESIGNATIONS (Sorted by Sector then by Company Name)**

Vote	Company Name (in PJM CRM system)	Company Sector (in PJM CRM System)	Company Line of Business (In PJM CRM system)	Buyer-Seller Group	Generation Group	Transmission Group	Load Server Group	Line of Business Designation
Yes	Allegheny Electric Cooperative, Inc.	Electric Distributor	Transmission Owner	Buyer	Small	Small	Small	IOU (inside)
Yes	American Municipal Power, Inc.	Electric Distributor	Muni/Co-op	Buyer	Zero	Zero	Zero	Public Power (inside)
Yes	Borough of Butler, Butler Electric Division	Electric Distributor	Load Serving Entity	Buyer	Small	Zero	Small	Retail Marketer
Yes	Borough of Chambersburg	Electric Distributor	Muni/Co-op	Buyer	Small	Zero	Small	Public Power (inside)
Yes	Borough of Lavallette, New Jersey	Electric Distributor	Muni/Co-op	Buyer	Small	Zero	Small	Public Power (inside)
Yes	Borough of Madison, New Jersey	Electric Distributor	Muni/Co-op	Buyer	Small	Zero	Small	Public Power (inside)
Yes	Borough of Milltown, New Jersey	Electric Distributor	Muni/Co-op	Buyer	Small	Zero	Small	Public Power (inside)
Yes	Borough of Mont Alto, Pennsylvania	Electric Distributor	Muni/Co-op	Buyer	Small	Zero	Small	Public Power (inside)
Yes	Borough of Park Ridge, New Jersey	Electric Distributor	Muni/Co-op	Buyer	Small	Zero	Small	Public Power (inside)
Yes	Borough of Pemberton, New Jersey	Electric Distributor	Muni/Co-op	Buyer	Small	Zero	Small	Public Power (inside)
Yes	Borough of Seaside Heights, New Jersey	Electric Distributor	Muni/Co-op	Buyer	Small	Zero	Small	Public Power (inside)
Yes	Borough of South River, New Jersey	Electric Distributor	Muni/Co-op	Buyer	Small	Zero	Small	Public Power (inside)
Yes	Buckeye Power, Inc.	Electric Distributor	Muni/Co-op	Buyer	Medium	Zero	Medium	Public Power (inside)
Yes	City of Dover, Delaware	Electric Distributor	Muni/Co-op	Buyer	Small	Zero	Small	Public Power (inside)
Yes	Delaware Municipal Electric Corporation, Inc.	Electric Distributor	Muni/Co-op	Buyer	Small	Zero	Small	Public Power (inside)
Yes	Easton Utilities Commission	Electric Distributor	Muni/Co-op	Buyer	Small	Zero	Small	Public Power (inside)
Yes	Hagerstown Light Department	Electric Distributor	Muni/Co-op	Buyer	Zero	Zero	Zero	Public Power (inside)
Yes	Illinois Municipal Electric Agency	Electric Distributor	Muni/Co-op	Buyer	Small	Zero	Small	Public Power (inside)
Yes	Indiana Municipal Power Agency	Electric Distributor	Muni/Co-op	Buyer	Small	Zero	Small	Public Power (inside)
Yes	Kentucky Municipal Energy Agency	Electric Distributor	Muni/Co-op	Buyer	Zero	Zero	Small	Public Power (inside)
Yes	Letterkenny Industrial Development Authority - PA	Electric Distributor	Muni/Co-op	Buyer	Zero	Zero	Small	Public Power (inside)
Yes	Michigan Public Power Agency	Electric Distributor	Generation	Buyer	Small	Zero	Zero	IPP
Yes	North Carolina Electric Membership Corporation	Electric Distributor	Muni/Co-op	Buyer	Small	Zero	Small	Public Power (inside)

Vote	Company Name (in PJM CRM system)	Company Sector (in PJM CRM System)	Company Line of Business (In PJM CRM system)	Buyer-Seller Group	Generation Group	Transmission Group	Load Server Group	Line of Business Designation
Yes	Northern Illinois Municipal Power Agency	Electric Distributor	Muni/Co-op	Buyer	Small	Zero	Zero	Public Power (inside)
Abstain	Northern Virginia Electric Cooperative (NOVEC)	Electric Distributor	Muni/Co-op	Buyer	Zero	Zero	Small	Public Power (inside)
Yes	Old Dominion Electric Cooperative	Electric Distributor	Muni/Co-op	Buyer	Medium	Small	Zero	Public Power (inside)
Yes	Southern Maryland Electric Cooperative, Inc.	Electric Distributor	Muni/Co-op	Buyer	Small	Small	Small	Public Power (inside)
Yes	Thurmont Municipal Light Company	Electric Distributor	Muni/Co-op	Buyer	Zero	Zero	Zero	Public Power (inside)
Yes	Town of Williamsport (The)	Electric Distributor	Muni/Co-op	Buyer	Zero	Zero	Zero	Public Power (inside)
Yes	Vineland Municipal Electric Utility	Electric Distributor	Muni/Co-op	Buyer	Small	Zero	Small	Public Power (inside)
Abstain	Wabash Valley Power Association, Inc.	Electric Distributor	Muni/Co-op	Buyer	Small	Zero	Zero	Public Power (inside)
Yes	Wellsboro Electric Company	Electric Distributor	Muni/Co-op	Buyer	Zero	Zero	Zero	Public Power (inside)
Yes	Air Products & Chemicals, Inc.	End-Use Customer	Industrial	Buyer	Zero	Zero	Zero	Industrial Customer
Yes	Cleveland-Cliffs Steel LLC	End-Use Customer	Load Serving Entity	Buyer	Zero	Zero	Small	Retail Marketer
Yes	Cleveland-Cliffs Steel LLC	End-Use Customer	Load Serving Entity	Buyer	Zero	Zero	Small	Retail Marketer
No	Delaware Division of the Public Advocate	End-Use Customer	Consumer Advocate	Buyer	Zero	Zero	Zero	Consumer Advocate
Yes	Gerdau Ameristeel Energy, Inc.	End-Use Customer	Financial Trader	Buyer	Zero	Zero	Zero	Financial Trader
No	Illinois Citizen Utility Board	End-Use Customer	Consumer Advocate	Buyer	Zero	Zero	Zero	Consumer Advocate
Abstain	Indiana Office of Utility Consumer Counselor (IN OUCC)	End-Use Customer	Consumer Advocate	Buyer	Zero	Zero	Zero	Consumer Advocate
Yes	Kuehne Chemical Company, Inc.	End-Use Customer	Load Serving Entity	Buyer	Zero	Zero	Small	Retail Marketer
Yes	Lehigh Portland Cement Company	End-Use Customer	Industrial	Buyer	Zero	Zero	Zero	Industrial Customer
Yes	Linde Inc.	End-Use Customer	Industrial	Buyer	Zero	Zero	Zero	Industrial Customer
No	Maryland Office of People's Counsel	End-Use Customer	Consumer Advocate	Buyer	Zero	Zero	Zero	Consumer Advocate
Abstain	MeadWestvaco Corporation	End-Use Customer	Generation	Buyer	Zero	Zero	Zero	IPP
Yes	Messer LLC	End-Use Customer	Industrial	Seller	Zero	Zero	Zero	Industrial Customer
No	Office of the People's Counsel for the District of Columbia	End-Use Customer	Consumer Advocate	Buyer	Zero	Zero	Zero	Consumer Advocate
Yes	PBF Power Marketing, LLC	End-Use Customer	Industrial	Seller	Small	Zero	Small	Industrial Customer
No	Pennsylvania Office of Consumer Advocate	End-Use Customer	Consumer Advocate	Buyer	Zero	Zero	Zero	Consumer Advocate
Yes	Procter & Gamble Paper Products Company (The)	End-Use Customer	Industrial	Buyer	Zero	Zero	Zero	Industrial Customer
No	Public Staff - North Carolina Utilities Commission	End-Use Customer	Consumer Advocate	Buyer	Zero	Zero	Zero	Consumer Advocate

Vote	Company Name (in PJM CRM system)	Company Sector (in PJM CRM System)	Company Line of Business (In PJM CRM system)	Buyer-Seller Group	Generation Group	Transmission Group	Load Server Group	Line of Business Designation
Yes	Trustees of the University of Pennsylvania	End-Use Customer	Load Serving Entity	Buyer	Zero	Zero	Small	Retail Marketer
No	West Virginia Consumer Advocate Division	End-Use Customer	Consumer Advocate	Buyer	Zero	Zero	Zero	Consumer Advocate
No	Avangrid Renewables, LLC	Generation Owner	Generation	Seller	Small	Zero	Zero	IPP
No	Big Savage, LLC	Generation Owner	Generation	Seller	Small	Zero	Zero	IPP
No	Calpine Energy Services, L.P.	Generation Owner	Load Serving Entity	Seller	Large	Zero	Zero	Retail Marketer
Yes	Carroll County Energy LLC	Generation Owner	Generation Owner/Ancillary Service Provider	Seller	Medium	Zero	Zero	Ancillary Service Provider
No	Constellation Energy Generation, LLC	Generation Owner	Generation	Buyer	Large	Zero	Zero	IPP
Yes	Cypress Creek Renewables, LLC	Generation Owner	Generation	Buyer	Zero	Zero	Zero	IPP
Yes	Diamond State Generation Partners, LLC	Generation Owner	Generation	Seller	Small	Zero	Zero	IPP
No	Dynergy Marketing and Trade, LLC	Generation Owner	Generation	Seller	Zero	Zero	Zero	IPP
Yes	Eagle Point Power Generation LLC	Generation Owner	Generation	Seller	Small	Zero	Zero	IPP
No	EDP Renewables North America LLC	Generation Owner	Generation	Buyer	Small	Zero	Zero	IPP
Yes	Elwood Energy, LLC	Generation Owner	Generation	Seller	Zero	Zero	Zero	IPP
Yes	Energy Harbor LLC	Generation Owner	Generation	Seller	Zero	Zero	Small	IPP
Yes	Essential Power Rock Springs, LLC	Generation Owner	Generation	Seller	Zero	Zero	Zero	IPP
Yes	Forked River Power LLC	Generation Owner	Generation Owner/Ancillary Service Provider	Seller	Small	Zero	Zero	Ancillary Service Provider
Yes	GenOn Energy Management, LLC	Generation Owner	Generation	Seller	Zero	Zero	Zero	IPP
Yes	Green River Holdings, LLC	Generation Owner	Generation	Seller	Small	Zero	Zero	IPP
Yes	Hazleton Generation LLC	Generation Owner	Generation	Seller	Small	Zero	Zero	IPP
Yes	Invenergy Energy Management LLC	Generation Owner	Power Marketer	Seller	Small	Zero	Zero	Wholesale Marketer
Yes	Kimberly-Clark Corporation	Generation Owner	Generation	Seller	Small	Zero	Zero	IPP
Yes	KMC Thermo, LLC	Generation Owner	Generation Owner/Ancillary Service Provider	Seller	Small	Zero	Zero	Ancillary Service Provider
No	Leeward Asset Management, LLC	Generation Owner	Generation	Seller	Zero	Zero	Zero	IPP
Yes	Lincoln Generating Facility, LLC	Generation Owner	Generation	Seller	Medium	Zero	Zero	IPP
Yes	Longview Power, LLC	Generation Owner	Generation	Seller	Medium	Zero	Zero	IPP
Yes	Moxie Freedom LLC	Generation Owner	Generation Owner/Ancillary Service Provider	Seller	Medium	Zero	Zero	Ancillary Service Provider
Yes	NedPower Mount Storm, LLC	Generation Owner	Generation	Seller	Small	Zero	Zero	IPP
Yes	Newark Energy Center, LLC	Generation Owner	Generation	Seller	Zero	Zero	Zero	IPP

Vote	Company Name (in PJM CRM system)	Company Sector (in PJM CRM System)	Company Line of Business (In PJM CRM system)	Buyer-Seller Group	Generation Group	Transmission Group	Load Server Group	Line of Business Designation
Yes	NextPower III US Holdco Inc.	Generation Owner	Generation	Buyer	Small	Zero	Zero	IPP
No	NRG Power Marketing LLC	Generation Owner	Generation	Buyer	Medium	Zero	Zero	IPP
Abstain	Orsted Onshore North America, LLC	Generation Owner	Generation Owner/Ancillary Service Provider	Seller	Zero	Zero	Zero	Ancillary Service Provider
Yes	Parkway Generation Operating LLC	Generation Owner	Generation Owner/Ancillary Service Provider	Buyer	Large	Zero	Zero	Ancillary Service Provider
Yes	Pine Gate Mid-Atlantic, LLC	Generation Owner	Generation Owner/Ancillary Service Provider	Buyer	Small	Zero	Zero	Ancillary Service Provider
Yes	Red Oak Power, LLC	Generation Owner	Generation	Buyer	Medium	Zero	Zero	IPP
No	Riverside Generating Company, L.L.C.	Generation Owner	Power Marketer	Buyer	Zero	Zero	Zero	Wholesale Marketer
Yes	Talen Energy Marketing, LLC	Generation Owner	Generation	Seller	Large	Large	Zero	IPP
Yes	Tenaska Power Services Co.	Generation Owner	Generation	Seller	Zero	Zero	Zero	IPP
Yes	UGI Development Company	Generation Owner	Generation	Seller	Small	Zero	Zero	IPP
No	Vitol Inc.	Generation Owner	Power Marketer	Buyer	Zero	Zero	Zero	Wholesale Marketer
No	Wheelabrator Falls Inc.	Generation Owner	Generation	Buyer	Small	Zero	Zero	IPP
Yes	York County Solid Waste and Refuse Authority	Generation Owner	Generation	Seller	Small	Zero	Zero	IPP
Yes	Brookfield Renewable Trading and Marketing LP	Other Supplier	Generation	Seller	Zero	Zero	Zero	IPP
Yes	Enel X North America, Inc.	Other Supplier	Curtailed Service Provider	Seller	Zero	Zero	Zero	Curtailed Provider
Yes	Energy Cooperative Association of Pennsylvania (The)	Other Supplier	Muni/Co-op	Buyer	Zero	Zero	Zero	Public Power (inside)
Yes	ENGIE Energy Marketing NA, Inc.	Other Supplier	Power Marketer	Buyer	Zero	Zero	Zero	Wholesale Marketer
Yes	Geenex Solar LLC	Other Supplier	Project Developer	Buyer	Zero	Zero	Zero	Project Developer
Yes	Icetec.com, Inc.	Other Supplier	Curtailed Service Provider	Seller	Small	Zero	Zero	Curtailed Provider
Yes	Jersey Green Energy, LLC	Other Supplier	Financial Trader	Buyer	Zero	Zero	Zero	Financial Trader
No	NextEra Energy Marketing, LLC	Other Supplier	Generation	Buyer	Small	Zero	Zero	IPP
Yes	Recurrent Energy, LLC	Other Supplier	Project Developer	Buyer	Zero	Zero	Zero	Project Developer
Yes	Shell Energy North America (US), L.P.	Other Supplier	Generation	Buyer	Zero	Zero	Zero	IPP
Yes	YSO Inc.	Other Supplier	Curtailed Service Provider/Ancillary Service Provider	Buyer	Zero	Zero	Zero	Ancillary Service Provider
No	Tangent Energy Solutions, Inc.	Other Supplier	Curtailed Service Provider	Seller	Zero	Zero	Zero	Curtailed Provider
Yes	Tyr Energy, LLC	Other Supplier	Generation Owner/Ancillary Service Provider	Buyer	Small	Zero	Zero	Ancillary Service Provider
Yes	WPPI Energy	Other Supplier	Power Marketer	Buyer	Zero	Zero	Zero	Wholesale Marketer

Vote	Company Name (in PJM CRM system)	Company Sector (in PJM CRM System)	Company Line of Business (In PJM CRM system)	Buyer-Seller Group	Generation Group	Transmission Group	Load Server Group	Line of Business Designation
Abstain	Appalachian Power Company	Transmission Owner	Transmission Owner	Buyer	Large	Large	Zero	IOU (inside)
Yes	Dayton Power & Light Company (The)	Transmission Owner	Transmission Owner	Seller	Small	Medium	Zero	IOU (inside)
No	Duke Energy Business Services LLC	Transmission Owner	Transmission Owner	Buyer	Zero	Zero	Zero	IOU (inside)
No	Duquesne Light Company	Transmission Owner	Transmission Owner	Seller	Zero	Large	Zero	IOU (inside)
Yes	East Kentucky Power Cooperative, Inc.	Transmission Owner	Transmission Owner	Buyer	Large	Medium	Medium	IOU (inside)
No	Exelon Business Services Company, LLC	Transmission Owner	Transmission Owner	Buyer	Zero	Zero	Zero	IOU (inside)
Abstain	Monongahela Power Company d/b/a Allegheny Power	Transmission Owner	Transmission Owner	Buyer	Zero	Zero	Zero	IOU (inside)
No	PPL Electric Utilities Corporation d/b/a PPL Utilities	Transmission Owner	Transmission Owner	Buyer	Zero	Zero	Small	IOU (inside)
No	Public Service Electric and Gas Company	Transmission Owner	Transmission Owner	Buyer	Zero	Large	Zero	IOU (inside)
No	Rockland Electric Company	Transmission Owner	Transmission Owner	Seller	Zero	Small	Zero	IOU (inside)
Yes	Virginia Electric & Power Company	Transmission Owner	Transmission Owner	Buyer	Zero	Large	Zero	IOU (inside)

# **ATTACHMENT B**

# PJM Members Vote on Capacity Market Reform Proposals

August 23, 2023

PJM stakeholders completed Stage 4 of the Critical Issue Fast Path – Resource Adequacy process with a vote on 18 proposals for capacity market reforms during a special meeting of the Members Committee on Aug. 23.

The vote marked the final stage of the accelerated stakeholder process, initiated Feb. 24 by the PJM Board of Managers, to directly address key capacity market areas that directly benefit grid reliability.

That Board action follows up on the research and analysis in the PJM report “[Energy Transition in PJM: Resource Retirements, Replacements & Risks](#),” (PDF) published in February, that identified trends that would result in shortages of generation capacity if not addressed. The Board’s launch of the CIFP process in March cited the report with specific directives to:

- Explore how PJM accounts for reliability-related risk
- Ensure that market-seller offers reflect the risk of capacity obligations
- Enhance resource accreditation
- Better align capacity market and Fixed Resource Requirement rules

The Aug. 23 Member vote is advisory and informs the independent review of the PJM Board. The Board makes the final decision on the elements of a filing currently scheduled to be submitted to the Federal Energy Regulatory Commission by Oct. 1. A filing by Oct. 1 would be timed to gain FERC approval and implementation of new rules in the 2025/2026 Delivery Year capacity auction, to be held in June 2024.



# Voting Results

Voting results of all 18 proposals are listed below in the order the votes were taken.

<b>Proposal</b>	<b>Sector-weighted Vote (out of 5)</b>
PJM #1 – seasonal proposal	1.236
PJM #2 – annual proposal	2.052
Independent Market Monitor (IMM) #1 – status quo with temporary PAI changes	
Daymark/East Kentucky Power Cooperative (EKPC) #1 – status quo with temporary PAI changes	2.801
American Municipal Power (AMP)/J-Power #1 – transition	
IMM #2 – sustainable capacity market (SCM) proposal	1.695
IMM #3 – hourly component of SCM proposal	1.868
Daymark/EKPC #2 – complete capacity reform proposal	0.247
Daymark/EKPC #3 – risk modeling refinement and penalty changes proposal	0.298
AMP/J-Power #2 – staggered filing proposal	1.972
AMP/J-Power #3 – phase 1 only proposal	1.879
Buckeye Power #1 – seasonal proposal	1.168
Buckeye Power #2 – annual proposal	1.654
Vistra proposal	0.696
Consumer Package proposal	1.250
Capacity Coalition 2 (Leeward Energy/AES) proposal	1.014
LS Power proposal #1	0.413
LS Power #2 – annual proposal	0.501
Constellation #1 – seasonal proposal	0.161
Constellation #2 – annual proposal	0.200

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Voting results will also be posted on the [CIFP-RA page](#).

PJM will issue a communication when the Board makes a determination on next steps, including any associated filings at FERC.

PJM's capacity market, or Reliability Pricing Model, ensures long-term grid reliability by securing the appropriate quantity of power supply resources required to meet predicted, future energy needs. The CIFP stakeholder process provides an orderly and facilitated process for contentious PJM or FERC issues that are unresolved or extremely difficult to resolve.

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