UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

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PJM Interconnection, L.L.C.	)	Docket No. ER15-135-000
	)	

MOTIONS TO INTERVENE OUT-OF-TIME AND FILE LATE COMMENTS AND 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 for PJM ("Market Monitor"),[2] submits these comments on the filing submitted in the above captioned proceeding by PJM Interconnection, L.L.C. ("PJM") on October 20, 2014 ("October 20th Filing"). The October 20th Filing proposes to implement a transition provision for certain Demand Resources affected by recent changes to the Reliability Pricing Model ("RPM") notification requirements for the 2015/2016 Delivery Year and subsequent Delivery Years. The Market Monitor does not object to the proposal in the October 20th Filing, except that it should be enhanced with a transparent verification process.

I. COMMENTS

A. PJM's proposal does not include sufficient manipulation mitigation rules

The October 20th Filing proposes (at 4–8) a transition provision for demand resources that cannot meet the newly instituted requirement to have a notification period of 30

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1 18 CFR § 385.211 (2014).

2 Capitalized terms used herein and not otherwise defined have the meaning used in the PJM Open Access Transmission Tariff ("OATT") and/or PJM Operating Agreement ("OA").

minutes or less, given that the notification period in place at the time of certain cleared RPM auctions was as long as 120 minutes.[3] The transition provision would apply only to demand resources that cleared in an auction for the 2015/2016 Delivery Year or the 2016/2017 Delivery Year and that cannot satisfy the 30-minute notification requirement and are not excepted from the 30-minute notification requirement based on physical operational limitations.

The goal of PJM's filing is to eliminate the RPM commitments of Curtailment Service Providers (CSP) for the "Affected Demand Resources."[4]

In order to limit the potential to take inappropriate advantage of the transition rules, PJM proposes that CSPs may not sell, or offer to sell, demand resources in any Incremental Auctions (IAs) for the delivery years in which the CSP requests the application of the transition rules eliminating their sales of demand resources.[5]

This proposed rule would limit the ability of CSPs to manipulate the market by claiming relief and then selling the MW back into the market.

The rule proposed by PJM is reasonable, but is incomplete. PJM's proposal does not include any mechanism or requirement that the CSPs' claims to qualify for the transition mechanism be verified. Such a verification requirement by both the Market Monitor and PJM should be included.[6]

In the transition mechanism, the Market Monitor and PJM should verify that no CSP seeks to relieve more obligation than affected by the 30-minute notification requirement. The Market Monitor and PJM should further verify that no such claim for obligation relief

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3 See *PJM Interconnection, L.L.C.*, 147 FERC ¶ 61,103 at P 57 (May 9, 2014).

4 October 20th Filing at 4.

5 *See Id*. at 5.

6 PJM should be included in the verification process to the extent that PJM deems necessary to ensure compliance with the PJM Market Rules. *See* OATT § 12A.

originates from any CSP's bad contracts; customers that are unwilling to continue to provide demand resources; customers that are bankrupt; customers with peak load decreases and a reduced ability to provide demand response; customers that have reduced their estimates of available reductions; or any other reason not directly related to the ability to reduce load in 30 minutes.

The Market Monitor and PJM should be directed to develop viable methods to verify all claims. The verification mechanism should require each resource to submit a request, reviewed by both the Market Monitor and PJM, supported by documentation explaining why the resource cannot perform within 30 minutes. Market Participants would submit requests to the Market Monitor and PJM for approval, with the right to appeal to the Commission.[7] Under such rules, PJM could implement a transition process without any undue harm to PJM customers.

II. MOTION TO INTERVENE AND FILE LATE COMMENTS

The Market Monitor moves to intervene out-of-time and file late comments in this proceeding. The Open Access Transmission Tariff ("OATT") of PJM Interconnection, L.L.C., requires that the Market Monitor, among other things, monitor "[c]ompliance with the PJM Market Rules," "[a]ctual or potential design flaws in the PJM Market Rules," "[s]tructural problems in the PJM Market that may inhibit a robust and competitive market," "[t]he potential for a Market Participant to exercise market power or violate any of the PJM or FERC Market Rules or the actual exercise of market power or violation of the PJM or FERC Market Rules" and "PJM's implementation of the PJM Market Rules or operation of the PJM Markets, as further set forth in Section IV.C." OATT Attachment M §§ II & IV.B.1–5. As this proceeding involves rules pursuant to which demand-side resources will participate and operate in the markets, it implicates matters within the Market Monitor's purview.

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7 *Id*.

Consequently, it is in the public interest that the Commission grant this motion. Rule 214 provides that the Commission may grant interventions where "[t]he movant's participation is in the public interest." 18 CFR § 385.214(b)(2)(iii). The Market Monitor has the exclusive duty to perform the market monitoring function for PJM, and no other party can adequately represent it in this proceeding. Accordingly, the Market Monitor moves that the Commission grant it leave to intervene and afford to it full rights as a party to this proceeding.

The Market Monitor respectfully moves to intervene out of time and to file late comments in this proceeding. Rule 214(d) of the Commission's regulations provides that, in acting on any motion to intervene filed out of time, the Commission will consider whether: (i) the movant has good cause for failing to file the motion within the time prescribed; (ii) the granting of the motion will disrupt the proceeding; (iii) the movant's interest is not adequately represented by other parties in the proceeding; (iv) any prejudice to, or additional burdens upon, the existing parties might result from permitting the intervention; and (v) the motion conforms to the regulations set forth in Rule 214(b).

The following factors should weigh in the consideration of this motion to intervene out of time. First, the Market Monitor did not timely intervene only as a result of an administrative oversight. Second, the Market Monitor agrees to accept the record as it has developed to the date of the granting of this Motion. Third, the Market Monitor has a unique and substantial interest in this proceeding, which cannot adequately be represented by any other party. Fourth, granting the Market Monitor's motion will neither prejudice nor place additional burdens upon the existing parties to this proceeding. Fifth, the Market Monitor's motion complies with the requirements of Rule 214(b). Good cause thus exists for this motion, and the Market Monitor respectfully requests that the Commission grant its motion to intervene out of time and to file late comments.

III. CONCLUSION

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

Respectfully submitted,

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Dated: November 19, 2014

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 19th day of November, 2014.

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