

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

PJM Interconnection, L.L.C.)
)
) ER16-372-007

**ANSWER AND MOTION FOR LEAVE TO ANSWER
 OF THE INDEPENDENT MARKET MONITOR FOR PJM**

Pursuant to Rules 212 and 213 of the Commission’s Rules and Regulations, Monitoring Analytics, LLC, acting in its capacity as the Independent Market Monitor (“Market Monitor”) for PJM Interconnection, L.L.C. (“PJM”), submits this answer to the answer submitted by PJM on June 14, 2019, in response to the Market Monitor’s motion for clarification, or, in the alternative, rehearing filed May 30, 2019 (“Market Monitor RFR”).^{1 2} PJM’s arguments against clarification or rehearing have no merit and should be rejected.

I. ANSWER

A. The Market Monitor May File Complaints.

The Commission has ruled that the Market Monitor may file complaints in the case of disagreement with PJM regarding the applicability of Schedule 2 penalties.³ The Commission was not persuaded by PJM’s argument that the Market Monitor’s complaints create a conflict of interest for the PJM Board.⁴ Nonetheless, PJM continues to argue (at 4–5)

¹ 18 CFR § 385.213 (2016).

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

³ *PJM Interconnection, L.L.C.*, 167 FERC ¶ 61,084 at P 70 (April 29, 2019) (“April 29th Order”).

⁴ *Id.* at P 75.

that the Market Monitor's only recourse for pursuing resolution to disagreements with PJM regarding fuel cost policies and cost-based offer penalties is referral of the Market Seller to the Office of Enforcement. The Commission decided this issue in the April 29th Order.⁵ PJM's governing documents should be updated to clarify the Commission's decision in order to prevent PJM's further interference in the Market Monitor's execution of its duties.

B. The Market Monitor Will Inform PJM of Inaccurate Offers.

PJM asks that the Commission require the Market Monitor to inform PJM of an inaccurate cost-based offer at the same time that it notifies the responsible Market Seller. In order to accurately calculate penalties based on Market Monitor notification, the Market Monitor must inform PJM of the date of Market Seller notification in a timely manner. Such notification to PJM would be necessary for calculating a penalty based on Market Monitor notification. Clarification of the requirement to inform PJM of the notification date is not required.

Under current practice, the Market Monitor identifies potential issues with cost-based offers, notifies Market Sellers of the identified issues and collects supporting cost data from the Market Seller. The Market Monitor discusses the issue with the Market Seller. The Market Monitor informs PJM when it reaches a determination that the offer is inaccurate. The current practice is efficient. There is no need to alter an effective process. The Market Monitor can and will provide PJM with accurate information regarding the date on which the Market Monitor notifies a Market Seller without an overly prescriptive communication process detailed in the Operating Agreement.

⁵ *Id.* at PP 70–76 (“We deny PJM’s request that the Commission clarify that the IMM may not file a complaint against PJM with regard to PJM’s acceptance of a Fuel Cost Policy with which the IMM disagrees or a Market Seller’s possible non-compliance with its Fuel Cost Policy, and related penalty assessments by PJM.”).

II. MOTION FOR LEAVE TO ANSWER

The Commission's Rules of Practice and Procedure, 18 CFR § 385.213(a)(2), do not permit answers to answers or protests unless otherwise ordered by the decisional authority. The Commission has made exceptions, however, where an answer clarifies the issues or assists in creating a complete record.⁶ In this answer, the Market Monitor provides the Commission with information useful to the Commission's decision-making process and which provides a more complete record. Accordingly, the Market Monitor respectfully requests that this answer be permitted.

⁶ See, e.g., *PJM Interconnection, L.L.C.*, 119 FERC ¶61,318 at P 36 (2007) (accepted answer to answer that "provided information that assisted ... decision-making process"); *California Independent System Operator Corporation*, 110 FERC ¶ 61,007 (2005) (answer to answer permitted to assist Commission in decision-making process); *New Power Company v. PJM Interconnection, L.L.C.*, 98 FERC ¶ 61,208 (2002) (answer accepted to provide new factual and legal material to assist the Commission in decision-making process); *N.Y. Independent System Operator, Inc.*, 121 FERC ¶61,112 at P 4 (2007) (answer to protest accepted because it provided information that assisted the Commission in its decision-making process).

III. CONCLUSION

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

Respectfully submitted,



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Dated: July 1, 2019

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Eagleville, Pennsylvania,
this 1st day of July, 2019.



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