



allow Market Sellers complete discretion to allocate maintenance costs to start costs, incremental costs or no load costs, without any required criteria or rationale. There is Commission precedent for requiring enforceable criteria for the assignment of maintenance costs to the correct part of the offer.<sup>4</sup> A Market Seller could manipulate market outcomes by assigning all of a resource's maintenance costs to a single part of the offer, depending on the goal of the seller, and could subsequently change the assignment. Assigning all maintenance costs to a single part of the offer is not a just and reasonable outcome. The Commission should require PJM to make revisions to Schedule 2 of the Operating Agreement to require a just and reasonable assignment of maintenance costs within the three part offer. PJM's review of maintenance adders does nothing to prevent such exercises of market power from occurring and by approving a Market Seller's manipulative assignment of maintenance costs, PJM would complicate the Office of Enforcement's ability to pursue the Market Seller for manipulation.

## 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.<sup>5</sup> In this answer, the Market Monitor provides the Commission with information useful to the Commission's decision-making process and

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<sup>4</sup> *Southwest Power Pool, Inc.*, 165 FERC ¶ 61,026 (October 18, 2018).

<sup>5</sup> *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).

which provides a more complete record. Accordingly, the Market Monitor respectfully requests that this answer be permitted.

### 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 1<sup>st</sup> day of July, 2019.



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