

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

))
Ingenco Wholesale Power, LLC) Docket No. ER20-1863-000, -001
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**COMMENTS AND MOTION
OF THE INDEPENDENT MARKET MONITOR FOR PJM**

Pursuant to Rules 211 and 212 of the Commission’s Rules and Regulations,¹ Monitoring Analytics, LLC, acting in its capacity as the Independent Market Monitor (“Market Monitor”) for PJM Interconnection, L.L.C. (“PJM”),² submits these comments on the filing submitted by Ingenco Wholesale Power, LLC (“Ingenco”) on August 10, 2020 (“Deficiency Response”). In that pleading, Ingenco responds to the deficiency notice issued July 9, 2020 (“Deficiency Notice”). This proceeding concerns a filing submitted by Ingenco to establish rates for reactive capability under Schedule 2 of the PJM OATT for certain generating facilities owned by Ingenco at 15 electric generating stations located at four landfills in Virginia, Pennsylvania and Maryland (“Ingenco Facilities”).³ The Deficiency Response confirms that the Ingenco Facilities do not provide reactive capability to PJM under Schedule 2 of PJM OATT.

¹ 18 CFR §§ 385.211 & 385.212 (2019).

² 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”).

³ See Ingenco Filing, Docket No. ER20-1863-000 (May 20, 2020) (“Ingenco Filing”). For a list of the stations, see Deficiency Response at 6–7.

The Deficiency Response does not show that the Ingenco Facilities are interconnected to the PJM Transmission System.⁴ Ingenco also fails to show that the Ingenco Facilities are under PJM's operational control. Reactive capability rates are available only to generating facilities providing service to the PJM Transmission System and to PJM in its role as Transmission Provider.⁵ Reactive capability provided to other systems and providers is not eligible for compensation under Schedule 2. The unsupported claim that some reactive output may flow into PJM is irrelevant even if true. The filings are not properly filed because they do not meet an essential predicate for filing. Accordingly the Market Monitor moves for rejection of the Ingenco Filing with prejudice and moves that this proceeding be terminated.

I. COMMENTS

The Deficiency Notice includes four questions concerning the nature of the interconnection service received by the Ingenco Facilities.⁶

⁴ See Deficiency Response at 6–7.

⁵ See OATT Schedule 2.

⁶ The four questions include:

- (1) At what voltage are each of the Ingenco Facilities interconnected to their respective transmission and/or distribution utilities? Provide a diagram of each generator's connection to their respective interconnection point or points both at distribution and transmission voltages (100 kV and above).
- (6) Provide the interconnection agreements for the following facilities: Chesterfield, Henrico, Pine Grove, Wicomico, New River, Dinwiddie 1, and Rockville 2.
- (7) The interconnection agreement for the Amelia, and VA Beach facilities state that the facilities are interconnected at less than 69 kV and, therefore, will not be required to supply, increase, or decrease reactive power. Explain how this statement in the interconnection agreement is consistent with payments for reactive power.
- (8) Since many of the Ingenco Facilities appear to be interconnected to 34.5 kV facilities, provide an explanation of the reactive power requirements at each facility's interconnection point(s) at voltages below 100 kV, indicating for each facility whether they are design requirements of the distribution facility owner or part of the interconnection agreement. Also explain how your

In response to the Deficiency Notice, Ingenco explains that it is filing for 15 landfill electric generating stations. Thirteen of these stations have generating facilities that are interconnected at 34.5 kV. One of the facilities is interconnected at 25 kV, and one of the facilities (Pine Grove in Pine Grove, PA) is interconnected at 69 kV. All of these interconnections are sub-BES (Bulk Electric System) (which NERC defines as equipment rated below 100 kV).

None of these facilities are part of the PJM Transmission System.⁷ They are part of distribution systems operated by entities other than PJM. Reactive capability provided by the Ingenco Facilities does not support the PJM Transmission System. Any reactive capability the Ingenco Facilities provide support another system. That some reactive power may flow from a nontransmission system into PJM, and some of that flow may come from an Ingenco Facility is irrelevant to entitlements under Schedule 2.⁸ The Deficiency Response (to Question 6, 7 and 8) does not show that Ingenco Facilities have obligations beyond those to the distribution system where the facilities are interconnected. The Deficiency Response does not affirm that Ingenco Generating Facilities interconnected are in every case required to provide reactive capability to any system. The Deficiency Response does not demonstrate that PJM has authority to dispatch the Ingenco Facilities to provide reactive support for the

generators, which are interconnected at distribution voltages, will follow the reactive power requests of both the distribution system and the transmission system at the same time.

⁷ See OATT § 1 (Definitions –T –U –V) (“Transmission System’ shall mean the facilities controlled or operated by the Transmission Provider within the PJM Region that are used to provide transmission service under Tariff, Part II and Part III.”).

⁸ A system is adjacent to the PJM Transmission System regardless of whether it is horizontally adjacent, i.e. MISO, or vertically adjacent, i.e., the Dominion distribution system. Whether another system is horizontal or vertical to the PJM Transmission System, PJM does not operate such system, is not the Transmission Provider and is not responsible to provide reactive supply and voltage control service. That PJM should not pay for reactive capability provided to MISO by generating facilities interconnected to MISO is obvious. It should be equally obvious that PJM should not pay for reactive capability provide by generating facilities interconnected to the Dominion distribution system.

PJM Transmission System. On the contrary, the record shows PJM must request the distribution company to address voltage support issues.⁹

PJM models distribution facilities that are not part of the Transmission System in order to better understand conditions on the grid, including on facilities that are not its direct responsibility. PJM does not even model most of the facilities to which the Ingenco Facilities are interconnected. PJM generally does not directly monitor generation interconnected on a transmission line below 69 kV.

Schedule 2 of the OATT provides:

In order to maintain transmission voltages on the Transmission Provider's transmission facilities within acceptable limits, generation facilities and non-generation resources capable of providing this service that are under the control of the control area operator are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation or Other Sources Service must be provided for each transaction on the Transmission Provider's transmission facilities. The amount of Reactive Supply and Voltage Control from Generation or Other Sources Service that must be supplied with respect to the Transmission Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by the Transmission Provider.

Reactive Supply and Voltage Control from Generation or Other Sources Service is to be provided directly by the Transmission Provider. The Transmission Customer must purchase this service from the Transmission Provider.

In addition to the charges and payments set forth in this Tariff, Schedule 2, Market Sellers providing reactive services at the direction of the Office of the Interconnection shall be credited for such services, and Market Participants shall be charged for such services, as set forth in Tariff, Attachment K-Appendix, section 3.2.3B.

⁹ See Deficiency Response, Joint Affidavit of Thomas M. Piascik and Harry E. Hackman, Jr. at 9-10.

The Transmission Provider shall administer the purchases and sales of Reactive Supply. PJMSettlement shall be the Counterparty to (a) the purchases of Reactive Supply from owners of Generation or Other Sources and Market Sellers and (b) the sales of Reactive Supply to Transmission Customers and Market Participants.

PJM is the Transmission Provider responsible under Schedule 2 to procure “the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by the Transmission Provider.” PJM procures reactive capability for its system to ensure that it will have the reactive power to operate its system at acceptable transmission voltages.

Reactive capability is an ancillary service.¹⁰ Generation facilities provide a portion of the needed reactive capability, but the service remains an ancillary service.¹¹

Schedule 2 authorizes PJM to charge its Transmission Customers for reactive capability and to pay generating facilities that provide the reactive capability that supports reactive supply and voltage control service.

PJM is interconnected to nontransparent systems, including transmission systems and distribution systems. The operators of those systems are responsible to ensure sufficient reactive capability for those systems.

Nowhere does Schedule 2 create an obligation for PJM Transmission Customers to pay for reactive capability provided to neighboring systems and only incidentally supporting the PJM transmission system.

The compensation to Ingenco Facilities for reactive capability from the distribution customers receiving service on the distribution systems where they are located is not at issue. Whether the reactive capability of Ingenco Facilities has value and should be

¹⁰ See, e.g., *Chehalis Power Generating, L.P.*, 123 FERC ¶ 61,038 at P 2 (2008).

¹¹ The same generating plant is used to provide both reactive capability producing MVars and generation capacity producing MW. It is therefore essential that the PJM Market Rules avoid double counting of investment in generating plant.

compensated is not the issue. Ingenco has not established that Ingenco Facilities are entitled to file rates under Schedule 2 of the OATT and receive compensation from PJM Transmission Customers. The Deficiency Response provides enough information to conclude that Ingenco cannot establish such entitlement. Accordingly, the Market Monitor moves that the filing be rejected with prejudice and that this proceeding be terminated.

II. CONCLUSION

The Market Monitor respectfully requests that the Commission afford due consideration to these comments and grant its motion to reject the Ingenco Filing with prejudice.

Respectfully submitted,



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Dated: August 31, 2020

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 31st day of August, 2020.



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