

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

Panda Hummel LLC)
) Docket No. ER19-391-002
)

**REPLY OF THE INDEPENDENT MARKET MONITOR FOR PJM
IN LIMITED OPPOSITION TO UNILATERAL OFFER OF SETTLEMENT**

Pursuant to Rule 602(f) 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.² (“PJM”), submits this reply in limited opposition to the unilateral offer of settlement filed in this proceeding on July 10, 2020, by Panda Hummel LLC (“Panda Hummel”).

The Market Monitor opposes the unilateral offer of settlement to the extent that the settlement would not be analyzed on its merits, including under the just and reasonable standard.³ Staff is the only participant raising significant cost of service issues in this case. The unilateral offer of settlement should not be approved without making specific determinations on the issues raised by Staff.

The Market Monitor relies on Staff to identify cost of service issues raised in reactive capability cost of service filings. The public also relies on Staff, often exclusively, to critically

¹ 18 CFR § 385.602(f) (2019).

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

³ See 18 CFR § 385.802(h); *Mobil v. FPC*, 417 U.S. 283, 313–316 (1974); see also *Trailblazer Pipeline Company*, 85 FERC ¶ 61,345 (1998), *order on reh’g*, 87 FERC ¶ 61,110, *reh’g denied*, 88 FERC ¶ 61,168 (1999).

evaluate the cost of service issues in reactive capability filings and to ensure just and reasonable cost of service rates.⁴

The Market Monitor is concerned that potentially, and solely for procedural reasons, the unilateral offer of settlement could be accepted without an evaluation of the merits of the objections based on the cost of service issues raised by Staff. The just and reasonable standard should apply to settlements when Staff is the only objecting participant, but such applicability does not appear to have been decisively resolved. There are at least two proceedings on reactive issues still pending where Staff is the only objecting participant.⁵

The Market Monitor respectfully requests that the Commission evaluate the unilateral offer of settlement on its merits under the just and reasonable standard and approve it only if it is found to meet that standard.

Respectfully submitted,



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Dated: August 10, 2020

⁴ Cf. 18 CFR § 385.602()

⁵ See *Allegheny Ridge Wind Farm, LLC*, Report of Settlement Uncontested by Parties but Contested by Trial Staff, Docket No. ER19-229-000, 167 FERC ¶ 63,023 (May 20, 2019); *Lawrenceburg Power, LLC*, Certification of Offer of Settlement Uncontested by Parties but Contested by Participant Trial Staff, Docket Nos. ER18-2497-000, 170 FERC ¶ 63,012 (January 30, 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 10th day of August, 2020.



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