

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

Hollow Road Solar LLC)))	Docket No. EL21-35-000
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**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,¹ 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 on January 28, 2021, by the American Clean Power Association (“ACP”) and the Solar Energy Industries Association (“SEIA”).² ACP and SEIA raise arguments that have no merit, are unsupported and are outside of the scope of this proceeding. ACP’s and SEIA’s arguments should be disregarded and their pleading should be rejected.

I. ANSWER

Hollow Road Solar LLC filed a petition for declaratory order on December 22, 2020 (“December 22nd Petition”). The December 22nd Petition seeks (at 1) “a declaratory order confirming that [Hollow Road] will not be subject to the application of the expanded Minimum Offer Price Rule (“MOPR”) in the forthcoming PJM Base Residual Auction (“BRA”) for the 2022/2023 Delivery Year as a consequence of being granted local property tax relief pursuant to the Virginia Certified Pollution Control Equipment and Facilities

¹ 18 CFR §§ 385.212 & 385.213 (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”).

Section of the Virginia Code on Taxation (“Virginia Pollution Control Statute”).” For the reasons explained in the Market Monitor’s comments filed January 15, 2021, the December 22nd Petition should be denied.

ACP and SEIA raise an argument not included in the December 22nd Petition. ACP and SEIA argue (at 4) that that the “rates and compensation that QFs receive for ‘federally-mandated sales of energy and capacity’ pursuant to PURPA are not subject to the MOPR.” ACP asserts, without claiming any explicit basis, (at 3) that a qualifying facility (QF) is therefore “categorically exempt from the MOPR, *even if it receives a State Subsidy*” [emphasis in original].

Sales of energy and capacity in PJM markets are made pursuant to market rules designed to ensure just and reasonable rates. In PJM, just and reasonable energy and capacity prices mean prices that reflect the economic fundamentals based on the market rules governing supply and demand. The market rules in PJM, including the MOPR, are integral to the operation of the PJM market rules and are necessary to ensure that prices reflect the economic fundamentals. If QFs participate in PJM markets, they must comply with all of the market rules.

ACP and SEIA assert that QFs are entitled to receive revenue streams from PJM markets but are not required to follow the PJM market rules. ACP and SEIA do not support the existence of any such entitlement.

ACP and SEIA provide no support for their claims of entitlement, including in the December 19, 2020, order on MOPR upon which they purport to rely (at 4).³ The December 19th Order states explicitly that federally mandated payments to QFs are not state subsidies and therefore do not trigger MOPR.⁴ The MOPR order does not, as ACP and SEIA assert (at

³ *Calpine Corp., et al. v. PJM Interconnection, L.L.C.*, 169 FERC ¶ 61,239 (“December 2019 Order”).

⁴ *Id.* at P 67 n.143.

4), provide an implicit or explicit exemption from MOPR for QFs that do receive state subsidies. The December 19th Order does not exempt QFs from the MOPR.

ACP's and SEIA's pleading is improperly filed. The question presented in the December 22nd Petition concerning a specific state subsidy defines the scope of this proceeding. Although the ACP and SEIA pleading is styled as an answer, the pleading operates as a separate petition asking the Commission to address a different question. ACP's and SEIA's pleading should be rejected as outside the scope of this proceeding.

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.⁵ 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.

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.

⁵ 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).

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Respectfully submitted,



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Dated: February 12, 2021

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 12th day of February, 2021.



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