

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

PJM Interconnection, L.L.C.)
) Docket No. ER21-2770-000
)

COMMENTS OF THE INDEPENDENT MARKET MONITOR FOR PJM

Pursuant to Rule 211 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 responding to the filing submitted by PJM Interconnection, L.L.C. (“PJM”) on August 25, 2021 (“August 25th Filing”). PJM proposes rules changes providing that requests for longer duration Non-Firm Point-to-Point Transmission Service (“Non-Firm PTP”) will not preempt previously granted shorter duration Non-Firm PTP requests. The Market Monitor supports the proposed rules changes in the August 25th Filing.

I. COMMENTS

PJM business rules permit energy transactions to be submitted up to 20 minutes prior to the start of service.³ Market participants make decisions to schedule energy shortly before the start of service. PJM’s automated process for approving hourly and daily non-firm transmission service was designed to manage the large quantity of transmission

¹ 18 CFR § 385.211 (2021).

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 OASIS “Regional Transmission and Energy Scheduling Practices,” Rev. 9 (August 5, 2021) <<http://www.pjm.com/-/media/etools/oasis/regional-practices-clean-pdf.ashx>>.

reservation requests that PJM receives in a timely manner that allows for the efficient operation of the PJM Real-Time Energy Market. The interaction between the right of first refusal in the PJM OATT and the latest version of the NAESB business standards that allows for the preemption of existing non-firm point to point transmission requests would disrupt PJM's process for granting transmission service requests and therefore the efficient operation of the energy market.

In addition to the impacts on the efficient use of transmission and the ability to schedule in the PJM market, the preemption of non-firm transmission could also lead to system operations issues and or potential market manipulation.

Market participants reserve ramp room on a first come first serve basis, and PJM validates ramp room prior to approving an interchange transaction. There is no requirement that the market participant reserving the longer term transmission service that results in the preemption of a shorter term reservation actually use the transmission.

It would be inefficient to require that one market participant's transmission service request directly cause another market participant's transmission service and associated interchange transaction to be curtailed. The curtailment of interchange transactions could affect LMPs, affecting the relationship between day-ahead and real-time transactions and creating the potential for market manipulation. For example, if a market participant submitted long term non-firm transmission that resulted in the curtailment of a significant volume of import transactions, and did not subsequently use that transmission, PJM would be required to increase generation to make up for the lost import MW volume which would result in an increase in LMPs.

The proposed change will permit the PJM energy market to continue to operate efficiently and handle a large volume of long term non-firm PTP transmission requests and associated transactions. For these reasons, the Market Monitor supports the Tariff revisions to section 14.2, as proposed by PJM, to remove the longer duration as a source of priority, and correspondingly removing the right of first refusal and timing rules associated with that priority.

II. CONCLUSION

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

Respectfully submitted,



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Dated: September 17, 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 17th day of September, 2021.



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