

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

Electric Storage Participation in Markets	)	Docket No. RM16-23-000
Operated by Regional Transmission	)	
Organizations and Independent System	)	
Operators	)	
	)	

**ANSWER OF THE INDEPENDENT MARKET MONITOR FOR PJM**

Pursuant to Rule 213 of the Commission’s Rules and Regulations,<sup>1</sup> Monitoring Analytics, LLC, acting in its capacity as the Independent Market Monitor for PJM (“Market Monitor”), submits this answer to PJM’s motion for clarification of the Commission’s Order No. 841 issued February 15, 2018 (“Final Rule”).<sup>2</sup> PJM requests (at 1) that the Commission clarify that the Final Rule provides Regional Transmission Organizations (“RTOs”) and Independent System Operators (“ISOs”) with flexibility regarding how to account for the characteristics of energy storage resources seeking to participate in wholesale energy markets. PJM seeks clarification (at 2) that the Final Rule allows flexibility for individual RTO/ISOs in their approaches to participation models that would allow market participation by storage resources. The Market Monitor does not support PJM’s request for clarification. The Final Rule is quite clear.

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<sup>1</sup> 18 CFR §§ 385.213 (2017).

<sup>2</sup> *Elec. Storage Participation in Mkts. Operated by Regional Transmission Orgs. and Indep. Sys. Ops.*, Order No. 841, 162 FERC ¶ 61,127 (2018).

The Final Rule determined (at P 51): “[R]equiring each RTO/ISO to create a participation model that recognizes the unique characteristics of electric storage resources will help eliminate barriers to their participation in the RTO/ISO markets, which will enhance competition and, in turn, help to ensure that these markets produce just and reasonable rates.” Although the Final Rule directed RTO/ISOs to develop participation models that recognize the unique characteristics of electric storage resources, the Commission also stipulated (at P 52) that the “Final Rule does not grant undue preference to electric storage resources as a group or to specific electric storage technologies; rather, it removes barriers to their participation, enhancing competition among all resources that are technically capable of providing wholesale services.” The Final Rule further clarified (*id.*) that “resources that use this participation model will be compensated for the wholesale services they provide in the same manner as other resources that provide these services.”

Rule changes proposed by PJM are subject to case by case review by the Commission and the Commission will decide whether such proposed changes are consistent with the Final Rule. Stating that RTOs have flexibility would create confusion rather than clarity. Flexibility is not defined by PJM nor are there proposed limits to that flexibility.

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

Respectfully submitted,



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Jeffrey W. Mayes

Joseph E. Bowring  
Independent Market Monitor for PJM  
President  
Monitoring Analytics, LLC  
2621 Van Buren Avenue, Suite 160  
Eagleville, Pennsylvania 19403  
(610) 271-8051  
[joseph.bowring@monitoringanalytics.com](mailto:joseph.bowring@monitoringanalytics.com)

General Counsel  
Monitoring Analytics, LLC  
2621 Van Buren Avenue, Suite 160  
Eagleville, Pennsylvania 19403  
(610) 271-8053  
[jeffrey.mayes@monitoringanalytics.com](mailto:jeffrey.mayes@monitoringanalytics.com)

Howard J. Haas  
Chief Economist  
Monitoring Analytics, LLC  
2621 Van Buren Avenue, Suite 160  
Eagleville, Pennsylvania 19403  
(610) 271-8054  
*howard.haas@monitoringanalytics.com*

Dated: April 2, 2018

## 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 2<sup>nd</sup> day of April, 2018.



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Jeffrey W. Mayes

General Counsel

Monitoring Analytics, LLC

2621 Van Buren Avenue, Suite 160

Eagleville, Pennsylvania 19403

(610) 271-8053

*jeffrey.mayes@monitoringanalytics.com*