

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

Anbaric Development Partners, LLC) Docket No. EL20-10-000
v.)
PJM Interconnection, L.L.C.)
)

**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"),² submits this answer in support of PJM's answer filed December 19, 2019, in this proceeding. Anbaric Development Partners, LLC ("Anbaric") seeks changes to the PJM market rules that would, if accepted, allow Anbaric to hoard transmission system capability that should be available to others and thereby creating a discriminatory preference for the generators to which they eventually sell interconnection rights. In addition, if Anbaric's approach were adopted the result would be to create an unmanageable queue process. The complaint has no merit and fails to demonstrate that any PJM rule is unjust or unreasonable. The Market Monitor agrees with PJM's answer. The complaint should be denied.

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”).

I. ANSWER

A. Energy Injection Rights Should Not Be Assigned to Transmission Facilities with No Identified Planned or Existing Resources.

The availability of every type of injection right in PJM is based on the benefit a project provides to the PJM system. The existing rules provide an alternative form of injection rights to Merchant D.C. Facilities. Facilities called Transmission Injection Rights (TIRs)/Transmission Withdrawal Rights (TWRs). Such rights for Merchant D.C. Transmission Facilities allow for the injection/withdrawal of existing capacity or energy between the PJM system and another Balancing Authority. Firm TIRs may be combined with generation delivered to the Merchant D.C. Transmission Facility to obtain Capacity Interconnection Rights (CIRs). A merchant facility can receive (i) TIRs/TWRs or (ii) IDRs, IATCRR's and/or IARRs, but not both.

All such TIR injection rights are requested and granted through the established queue process under PJM's Commission approved rules for interconnecting merchant transmission and generation projects.

In all cases, such rights are based on the existence of actual generation resources or planned generation resources that have met milestones defined in the rules.

Anbaric's complaint seeks to fundamentally change PJM's rules. Anbaric argues that PJM should be made to provide TIRs to what Anbaric terms Transmission Platform Projects (TPPs). (TPPs)" which would mean providing injection rights based on speculative and unidentified future projects. But transmission injection rights should continue to be provided, as is currently the case, only for specific existing transmission projects or specific planned transmission projects that have met defined milestones, between PJM and another Balancing Authority.

Anbaric would define TPPs (at 2 n.4) to include "open access radial or networked transmission facilities to connect offshore wind generation resources planned for development in areas leased or planned to be leased by the Bureau of Ocean Energy

Management (“BOEM”) offshore of Delaware, New Jersey, and Virginia.” There is nothing about the identified transmission projects that requires the requested special treatment.

Nothing under the current business rules prevents the development of the identified transmission projects. Anbaric concedes (at 3) that the identified transmission projects, if they included identifiable new generation projects, could participate under the existing rules.

No rule prevents Anbaric from proceeding with its proposed transmission projects or prevents resources that may eventually seek to interconnect with the TPP from obtaining injection rights when such resources can meet the requirements to enter the interconnection queue as a planned resource.

Anbaric does not explain why its proposed transmission projects should receive preferential treatment versus other wind generation or other types of generation with different leasing arrangements or geographical locations.

Anbaric appears to argue for an exception that is narrowly stated, but, if Anbaric’s logic is accepted, then the fundamental requirement that only identifiable planned resources or existing resources can obtain injection rights under the rules would be undone. The queue would become impossible to fairly and efficiently administer.

Anbaric fails to provide any rationale for treating generation units that may interconnect to its system differently than any other power generation units. Anbaric does not explain its assertion (at 2) that “PJM interconnection procedures make impossible the commercial development” of its projects or its assertion that “use of injection rights previously obtained by [its project]” are essential, rather than allowing generating units to obtain rights when they are ready to develop. Anbaric does not explain why it cannot compete or should not be required to compete with other transmission developers operating under the current rules. Anbaric provides no valid rationale for the relief it seeks or for changing the fundamental requirement that injection rights are only awarded to identifiable planned or existing resources. Anbaric seeks to change the rules to achieve a competitive advantage. Anbaric’s complaint should be denied.

B. The Rules Should Not Permit Discriminatory Preferences.

Allowing Anbaric to procure interconnection service for generation units that may interconnect to its system affords an undue discriminatory preference to Anbaric and its potential customers.

The generally applicable interconnection rules establish queue priority, which determines the required level of interconnection costs. Such costs are material to a project's viability, and can be significant. Allowing Anbaric to take a position for unidentified projects allows it to jump the queue and to hoard system capability (what PJM identifies as "headroom" at 2) and unfairly transfer costs to other entrants that have actual identified projects. Anbaric's approach would give uncommitted and speculative projects an advantage over committed ones. Anbaric's approach would allow it to time interconnection requests to minimize its costs and to transfer costs to other projects. The result would be inefficient signals for new entry, an arbitrary competitive advantage for Anbaric and an unnecessary barrier to entry. Undue discrimination is not permissible under the Federal Power Act. Anbaric's complaint should be denied.

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.³ In this answer, the Market Monitor provides the

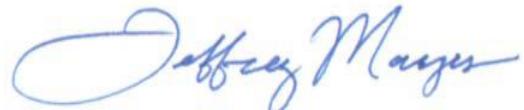
³ See, e.g., *PJM Interconnection, L.L.C.*, 119 FERC ¶61,318 at P 36 (2007) (accepted answer to answer that "provided information that assisted ... decision-making process"); *California Independent System Operator Corporation*, 110 FERC ¶ 61,007 (2005) (answer to answer permitted to assist Commission 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).

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.

Respectfully submitted,

A blue ink signature of "Jeffrey W. Mayes".

Jeffrey W. Mayes

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Dated: January 8, 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 8th day of January, 2020.



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