

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

Sierra Club, et al.)	Docket No. EL24-148-000
)	
v.)	
)	
PJM Interconnection, L.L.C.)	
)	

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 to the motion to lodge filed by Complainants in this proceeding on January 31, 2025,³ and to PJM’s answer to that motion filed February 10, 2025 (“February 10th Answer”).

Complainants seek to lodge (at 2–7 and Attachments A & B) PJM’s transmittal letter, the accompanying affidavit, and PJM’s answer to comments and protest in support of PJM’s amendments to the treatment in the capacity market of generators operating under Reliability Must Run (“RMR”) arrangements, which PJM proposed in Docket No. ER25-682 submitted December 9, 2024 (“December 9th Filing”).⁴

¹ 18 CFR §§ 385.212 & 385.213 (2024).

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 Complainants include: Sierra Club, the Natural Resources Defense Council, Union of Concerned Scientists, Public Citizen, and the Sustainable FERC Project.

⁴ See Motion for Leave to Answer and Answer of PJM Interconnection, LLC, Docket No. ER25-682 (January 24, 2025), Attachment B.

Complainants explain (at 3):

... [W]hile PJM previously argued that including RMR units as supply in the capacity market “would misrepresent the supply of capacity,”[footnote omitted] PJM now concedes exactly the opposite. PJM now recognizes that “ignoring the capacity capability of RMR resources ‘artificially inflates the need for capacity’” with the result “that consumers would be forced to pay twice for the same capacity: once through the RMR agreement, and again in the capacity market for the redundant capacity procured to replace the very capacity already provided by the RMR resource.”[footnote omitted] Hence, PJM concedes the heart of the Complaint—that excluding RMR units from the capacity market unjustly and unreasonably forces consumers to pay twice for capacity.[footnote omitted]

The Market Monitor agrees with Complainants’ conclusion (at 6–7): “PJM’s filings in Docket No. ER25-682 provide notable support for the Complaint that significantly undermines PJM’s prior opposition to the Complaint and effectively rebuts other protests to the Complaint as well.”

PJM’s position on the inclusion of the specific resources in this case has clearly changed and the cited filings document that change. However, PJM’s response correctly points out that PJM did not agree that all RMR resources should always be included in the supply of capacity.⁵ PJM’s broader position has not changed although the Market Monitor agrees that it should.

As noted in the Market Monitor’s February 10, 2025, filing in Docket No. ER25-682, PJM’s statement in that proceeding appears to address the RMR issue but fails to do so adequately because it is contingent on PJM’s requirement that the Commission accept the December 9th Filing and also implies a contingent reliance on the offer of settlement in the Talen RMR matter.⁶ In addition to the fact that the December 9th Filing has components that

⁵ February 10th Answer at 3–4.

⁶ See Docket Nos. ER24-1787-000, ER25-1790-000.

are unrelated to the RMR issue, there is no reason for the RMR proposal in the Supplemental Filing to be contingent on the December 9th Filing. The proposed new tariff language in the December 9th Filing provides too much discretion to PJM in determining whether to include RMR capacity in the supply curve. In addition, it is inappropriate to link the Talen offer of settlement in its RMR case to the inclusion of RMR resources in the capacity market supply curve. That offer of settlement is objectionable, will be contested, does not need to be and should not be litigated here. If the Talen resources are RMR resources they should be included in the supply of capacity for the relevant capacity auctions, regardless of how the Talen RMR case is resolved.

Complainants also provide (at 7 & Attachment C) a Second Affidavit of Justin Vickers, which explains that “Sierra Club has amended its agreement with Talen to make explicit that the Brandon Shores facility may operate under the terms of an RMR arrangement on file with the Commission without running afoul of the agreement.” The Market Monitor agrees that the amended agreement “resolves a concern that PJM highlighted in its opposition to the Complaint.”

PJM’s position on the relevance of the Sierra Club agreement in this case has clearly changed and the cited affidavit is the basis for that change. However, PJM correctly points out that the amended agreement has a defined duration. The Market Monitor’s position is that the issue was not relevant in the first place and therefore the duration is not relevant.⁷

Nonetheless, the information submitted by Complainants does directly address points made by PJM and is highly relevant to this matter.

The information submitted by Complainants facilitates the decision making process and should be included in the record.

The Complaint should be granted and appropriate relief should be provided.

⁷ See Comments of the Independent Market Monitor for PJM, EL24-148-000 (October 10, 2024).

I. 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,



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Dated: February 11, 2025

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 11th day of February, 2025.



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