

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

Morgantown Power, LLC)))	Docket No. ER25-2190-000
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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”),² submits this answer to the comments submitted by PJM on May 13, 2025 (“PJM Comments”) to the request for waiver submitted by Morgantown Power, LLC on May 7, 2025 (“Morgantown”). The filing requests an extension of the deadline for the expiration of Capacity Interconnection Rights (“CIRs”). The waiver is requested because of a recent decision to return the units to service in response to increases in capacity market prices. The waiver request states: “Morgantown has been working diligently to complete the repairs necessary to return the Morgantown Units to service by June 1, 2025, when their CIRs are scheduled to terminate, but has experienced unanticipated delays in completing the repairs due to limited availability of replacement parts and repair shop time.”

The Market Monitor takes no position on whether the waiver should be granted. The Market Monitor does take the position that any order granting the waiver should include

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”).

specific conditions to ensure that the intent of the waiver is realized. The conditions are required to ensure that PJM customers are not harmed. One of the criteria for evaluating whether a waiver should be granted is the potential harm to third parties.³ Morgantown has not supported its assertion that there is no potential harm to PJM customers or potential competitive entrants. The waiver should not be granted unless it includes specific conditions designed to protect PJM customers who pay the costs of capacity.

I. ANSWER

The Morgantown request for a waiver of the CIR expiration deadline cites economic factors, primarily higher capacity prices, for the decision to return the unit to service and to remain a capacity resource. The Morgantown request and the PJM Comments leave a number of important questions unstated and unaddressed.

The Market Monitor supports additional economic capacity in the PJM markets that provides the reliable energy needed by customers. However Morgantown has not established that its return to service is a better source of capacity and energy than the alternatives that it would displace. PJM needs reliable and economic energy and not just nameplate capacity. Morgantown has not provided any support for its assertion that granting the waiver could potentially lower costs for customers.

The retention of CIRs by Morgantown does have an opportunity cost. The retained CIRs will not be available to new generation in the interconnection queue seeking capacity status in PJM. Morgantown has not demonstrated or even addressed the question of whether the retention by Morgantown of the CIRs would be better, more efficient or more cost

³ See PJM Comments at 5–6, citing Rush Solar Project II, LLC, 187 FERC ¶ 61,013, at P 26 (2024); *see also*, e.g., Lee County Generating Station, LLC, 186 FERC ¶ 61,089 at P 20 (2024); LS Power Dev., LLC, 186 FERC ¶ 61,145 at P 14 (2024); American Electric Power Service Corp., 186 FERC ¶ 61,086 at P 21 (2024); Dunkirk Power LLC, 147 FERC ¶ 61,146 at P 13 (2014).

effective for the provision of reliable energy in the PJM markets than returning the CIRs to the market and permitting competitive new entry.

Neither Morgantown nor PJM address whether the waiver would create a precedent for ignoring the CIR retention rule or why any such precedent would be a positive for the PJM markets. The CIR retention rule was intended to ensure that CIRs are not held out of the market, preventing new resources from competing to enter the market.⁴

Neither Morgantown nor PJM explain how the resource would be offered in the capacity market and how it would be paid for by PJM customers. Morgantown wants to offer in the Base Residual Auction (“BRA”) for the 2026/2027 Delivery Year. Morgantown requests a four month extension of its CIRs through September 30, 2025. Morgantown appears to recognize that there is still uncertainty about when the referenced repairs will be completed. Morgantown does not state what actions they would take if the repairs are not complete on or before September 30, 2025.

Morgantown asserts but does not support its claim that it will be economic given higher capacity market prices. In addition, Morgantown provided no details as to the expected costs associated with its return to service.

Neither Morgantown nor PJM explain what would happen if the unit did not return to service or returned to service after the start of the delivery year for which it offered capacity. If the unit sells capacity for a delivery year but is not in service, the unit is subject to either paying penalties or buying replacement capacity. The unit should not be permitted to offer and clear but then declare a forced outage because it is not yet back in service. That approach would require PJM customers to pay for capacity that is not in service and that does not contribute to actual reliability.

The waiver should not be approved unless it includes these explicit conditions:

⁴ See OATT § 230.3.

- There should be no payment for capacity until the unit is in commercial service.
- The unit should not be permitted to sell capacity and then declare a forced outage if it is not back in commercial service.
- If the unit clears in the capacity market but is not in commercial service for the relevant delivery year, the unit should pay deficiency charges or purchase replacement capacity until it returns to commercial service.
- If the unit clears in the capacity market but then determines it is not economic to return to commercial service for the relevant delivery year, the unit should pay deficiency charges or purchase replacement capacity until it returns to commercial service.

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 protests, answers, or requests for rehearing 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.

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).

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,



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

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

Dated: May 28, 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 28th day of May, 2025.



Jeffrey W. Mayes
General Counsel
Monitoring Analytics, LLC
2621 Van Buren Avenue, Suite 160
Eagleville, Pennsylvania 19403
(610) 271-8053
jeffrey.mayes@monitoringanalytics.com