

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

Sayreville Power, LLC)))	Docket No. ER25-2162-000
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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 answers to the comments submitted by PJM on May 13, 2025 (“PJM Comments”), to the request for waiver submitted by Sayreville Power, LLC on May 6, 2025 (“Sayreville”). Sayreville requests an extension of the deadline for the expiration of existing rules of the Capacity Interconnection Rights (“CIRs”) currently allowed for its unit. The waiver is requested as a result of delays in developing an administrative consent order (“ACO”) with the New Jersey Department of Environmental Protection (“NJDEP”) that would permit Sayreville to operate despite the fact that it cannot meet the NJDEP emissions limits.³

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 waivers should include specific conditions to ensure that the intent of the waiver is realized. The conditions are

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 *See, e.g., Control & Prohibition of Carbon Dioxide Emissions*, 55 N.J.R. 14(a) (Jan. 3, 2023).

required to ensure that PJM customers are not harmed. One of the criteria for evaluating whether or not a waiver should be granted is the potential harm to third parties.⁴ None of the waivers should be granted unless they include specific conditions designed to protect PJM customers who pay the costs of capacity.

I. ANSWER

Sayreville's request for a waiver of the CIR expiration deadline cites delays in reaching an agreement with the NJDEP about ways to mitigate Sayreville's emissions. The Market Monitor supports additional capacity in the PJM markets. The Sayreville 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 Sayreville has not established that its return to service is a better source of capacity and energy than the alternatives that it would displace. Sayreville states (at 4) that "These units are rarely dispatched, and their energy revenues are simply not sufficient to justify their return to service as energy-only resources." PJM needs reliable and economic energy and not just nameplate capacity.

The retention of CIRs by Sayreville does have an opportunity cost. The retained CIRs will not be available to new generation in the interconnection queue seeking capacity status in PJM. Sayreville has not demonstrated or even addressed the question of whether the retention by Sayreville of the CIRs would be better, more efficient or more cost effective for the provision of reliable energy in the PJM markets than returning the CIRs to the market and permitting competitive new entry.

⁴ 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).

Neither Sayreville 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.⁵

Neither Sayreville nor PJM explain how the resource would be offered in the capacity market and how it would be paid for by PJM customers. Sayreville wants to offer in the Base Residual Auction (“BRA”) for the 2026/2027 Delivery Year. Sayreville requests a three month extension of its CIRs through August 31, 2025. Sayreville recognizes that there is still uncertainty about whether and when an agreement with the NJDEP will be finalized. Sayreville does not state what actions they would take if the plant is not allowed in service on or before August 31, 2025.

Sayreville asserts but does not support its claim that it will be economic given higher capacity market prices. Sayreville states that “These units are rarely dispatched, and their energy revenues are simply not sufficient to justify their return to service as energy-only resources.” Sayreville provided no details as to the expected costs associated with its return to service.

Neither Sayreville 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 and cleared 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:

- There should be no payment for capacity until the unit is in commercial service.

⁵ See OATT § 230.3.

- 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.⁶ 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.

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.

⁶ 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).

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Respectfully submitted,



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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.



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