

emergencies warrant PJM's proposed change to the Capacity Performance penalty structure.³

The Commission correctly decided that when a participant fails to deliver capacity that a resource is obligated to provide, it should be treated as nonperforming, with no excuses.⁴

Operational parameters, including ramp rates, are not a reason to excuse nonperformance. Nonperformance means a failure to deliver, and the rules provide reasonable consequences for that failure. The inability of a resource to perform during the most critical times should be reflected in the relative value of its capacity, regardless of the operating parameters of the resource. If a resource does not perform, its value will and should be reduced. If a resource does perform, its value will and should reflect that performance. The proposal to accept excuses would undercut the core principle of Capacity Performance and favor resources that cannot perform over those that can perform. The record in this proceeding has established that the Commission's determination is just and reasonable, is a logical element of capacity performance market design, and consistent with a competitive and efficient capacity market that serves the public interest.

The reasons for the policy of no excuses have been thoroughly explained in the May 31st Order and in the principal capacity performance proceeding, Docket No. ER15-623-000 et al., and do not require reiteration here. The Commission has clearly articulated its rationale and PJM Utilities provide no reason for the Commission to change its approach. Accordingly, the request for rehearing should be denied.

³ See *PJM Interconnection, L.L.C., et al.*, 155 FERC ¶ 61,213 at P 25 (2016).

⁴ See *Id.* at PP 26–27.

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.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.

III. CONCLUSION

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

Respectfully submitted,



Jeffrey W. Mayes

General Counsel
Monitoring Analytics, LLC
2621 Van Buren Avenue, Suite 160
Valley Forge Corporate Center
Eagleville, Pennsylvania 19403
(610) 271-8053

Joseph E. Bowring
Independent Market Monitor for PJM
President
Monitoring Analytics, LLC
2621 Van Buren Avenue, Suite 160
Valley Forge Corporate Center
Eagleville, Pennsylvania 19403
(610) 271-8051

⁵ See, e.g., *Cal. Indep. Sys. Operator Corp.*, 129 FERC ¶ 61,241 at P 16 (2009) (“[w]e will accept the answers and responses to the requests for rehearing because they provide information that assisted us in our decision-making process”); *KN Wattenberg Transmission LLC*, 94 FERC ¶ 61,189 at 61,671 (2001) (finding good cause to accept an answer to a request for rehearing “in order to insure a complete record in this proceeding”); *Tex. E. Transmission, LP*, 131 FERC ¶ 61,164 at P 1, n.3 (2010) (accepting answer to a request for rehearing that aided the Commission's decision-making); *Southwest Power Pool, Inc.*, 126 FERC ¶ 61,153, at P 18 (2009) (accepting answers that aided the Commission's decision-making).

joseph.bowring@monitoringanalytics.com

jeffrey.mayes@monitoringanalytics.com

Dated: July 15, 2016

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 15th day of July, 2016.



Jeffrey W. Mayes

General Counsel

Monitoring Analytics, LLC

2621 Van Buren Avenue, Suite 160

Valley Forge Corporate Center

Eagleville, Pennsylvania 19403

(610)271-8053

jeffrey.mayes@monitoringanalytics.com