

under Section 205 of the Federal Power Act by Midcontinent Independent System Operator, Inc. (MISO) transmission owners to end generator compensation for the provision of reactive power within the standard power factor range.²

In the *MISO* order, the Commission allowed MISO to adopt the same approach that is used by the California Independent System Operator, Inc. (“CAISO”) and Southwest Power Pool (“SPP”).³ In the NOPR, the Commission proposes to establish the policy effective in CAISO, SPP and MISO, in all markets within its jurisdiction.

The appeal of the *MISO* decision does not provide good cause to delay consideration of the NOPR. The issues raised in the *MISO* case are particular to that case, and do not apply to this proceeding.

On brief, petitioners state the following issues:

1. Whether FERC acted contrary to law by approving Transmission Owners’ proposal to eliminate millions of dollars in reactive power compensation for independent generators in MISO through a filing under Section 205 of the Federal Power Act.
2. Whether FERC acted contrary to law by approving the proposal even though Transmission Owners undisputedly offered no evidence that their proposal was just and reasonable.
3. Whether FERC acted arbitrarily and capriciously by approving the proposal in reliance on determinations made in prior orders in lieu of record evidence, and without adequately responding to specific concerns raised by protestors.⁴

None of the issues raised on appeal by petitioners have any bearing on consideration of the NOPR in this proceeding. The first issue concerns who, between the MISO transmission

² *Midcontinent Independent System Operator, Inc.*, 182 FERC ¶ 61,033 (2023), *order on reh’g*, 184 FERC ¶ 61,022.

³ See 182 FERC ¶ 61,033 at P 58, citing *California Independent System Operator Corp.*, 160 FERC ¶ 61,035 (2017); *Southwest Power Pool, Inc.*, 119 FERC ¶ 61,199 (2007).

⁴ Joint Brief of Petitioners, U.S.C.A. D.C. Cir. Case No. 23-1234 (December 22, 2023) at 2.

owners and the MISO generation owners, have filing rights over the MISO tariff provisions in Schedule 2. The NOPR originated with the Commission, and the Commission's authority to issue the NOPR is not at issue in this proceeding.

The second two issues stated by petitioners concern the adequacy of the record as a basis for the decision in the *MISO* case. The Commission will establish a separate record basis for its decision on the NOPR. No good cause has been shown for not moving forward with the establishment of a robust record in this proceeding without delay.

There is no reason to suppose that even an adverse outcome of the *MISO* case would prevent the Commission from establishing a rule on compensation for reactive capability that confirms and consistently applies longstanding Commission policies.

The longstanding need for a just and reasonable approach, based on competition principles, to reactive compensation in all jurisdictional markets remains unaddressed. The request for an extension by suppliers should be recognized as tactic to delay this proceeding, and to prolong overpayment for reactive capability. Suppliers should not be paid for service they are already obligated to provide. Delay in order to prolong the receipt of unjust and unreasonable payments is inappropriate and contrary to the public interest. It is in the public interest that this proceeding be resolved as expeditiously as possible.

The Market Monitor also opposes the motion for limiting the period for answering the Motion. Good cause has not been shown for a shortened comment period. Shortening the comment period is prejudicial to potential respondents to the Motion.

The Motion should be denied.

II. CONCLUSION

The Market Monitor respectfully requests that the Commission afford due consideration to these comments as the Commission resolves the issues raised in the Motion.

Respectfully submitted,



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Dated: May 1, 2024