

I. ANSWER

This matter concerns Applicants' petition for approval of a proposed transaction pursuant to Section 203 of the Federal Power Act and Part 33 of the Commission's Regulations in the above proceedings ("Transaction").³ The Transaction involves the Energy Capital Partners ("ECP") purchase of the ArcLight and Blackstone jointly owned Lightstone resources. It also involves Javelin's proposed joint ownership with ECP of one of the Lightstone resources, the Gavin coal plant.

The Market Monitor's January 8th Answer reiterated the need for behavioral commitments from ECP to address local market power in the PJM market. The January 8th Answer also emphasized the need for a vertical market power analysis due to Javelin, a coal commodity trading company, acquiring an ownership interest in the Gavin plant. The vertical market power analysis was also required by the Commission in the Deficiency Letter. The January 17th Response does not include a vertical market power analysis. Instead it explains that Javelin will, as a result of the questions, now propose to acquire less than 10 percent of Gavin and will not have the right to appoint a board member.

The January 17th Response fails to explain what the relationship between Gavin and Javelin will be and whether that relationship will involve any control or influence over day to day operations. Any contractual arrangement that conveys influence over the fuel supply or operations of Gavin to Javelin would mean Javelin has some control. Any control over Gavin fuel supply or operations calls for completion of the vertical market power analysis.

The January 21st Answer continues to fail to address the fundamental issue which is that this transaction increases the structural market power of ECP in the PJM markets. The

³ As a result of the proposed transaction, funds controlled by ECP and Javelin Global Commodities US Holdings Inc. ("Javelin") will indirectly acquire 100 percent of the voting equity interests in Gavin Power, LLC ("Gavin"), and funds controlled by ECP will indirectly acquire 100 percent of the voting equity interests in the remaining Lightstone Public Utilities, consisting of Darby Power, LLC, Lawrenceburg Power, LLC, and Waterford Power, LLC.

January 21st Answer ignores the need for a vertical market power analysis. The Commission should require that the Applicants implement the recommendations of the Market Monitor that would mitigate that market power as a condition of approval of the Transaction. The Commission should continue to find the application deficient without the vertical market power analysis.

II. MOTION FOR LEAVE TO ANSWER

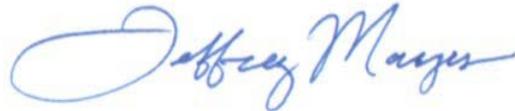
The Commission's Rules of Practice and Procedure, 18 CFR § 385.213(a)(2), do not permit answers to answers or protests unless otherwise ordered by the decisional authority. The Commission has made exceptions, however, where an answer clarifies the issues or assists in creating a complete record.⁴ In 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.

⁴ 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,



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Dated: February 5, 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 5th day of February, 2025.



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