

Andy Beshear  
Governor

Rebecca W. Goodman  
Secretary  
Energy and Environment Cabinet



Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

Kent A. Chandler  
Chairman

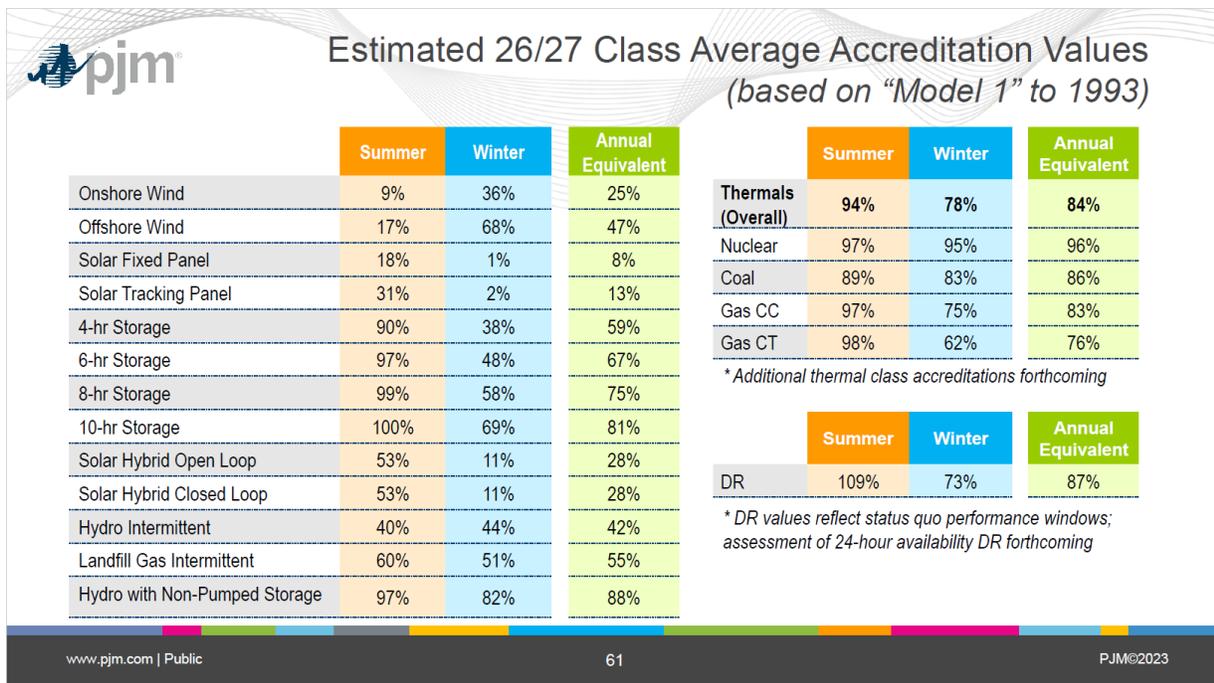
Angie Hatton  
Vice Chairman

Mary Pat Regan  
Commissioner

August 18, 2023

### Comments of the Kentucky Public Service Commission on the PJM Critical Issue Fast Path (“CIFP”) – Resource Adequacy

There are risks that the current annual construct does not address. PJM’s seasonal proposal is a step in the right direction in that it accounts for the risk of resource unavailability between summer and winter months. These risks were made clear in the CIFP with PJM’s presentation of marginal ELCCs across resources.<sup>1</sup>



<sup>1</sup> Capacity Market Reform: PJM Proposal, CIFP – Resource Adequacy meeting on July 27, 2023, slide number 61 titled “Estimated 26/27 Class Average Accreditation Values,” available at [20230727-item-02a---cifp---pjm-proposal-update---july-27.ashx](https://www.pjm.com/20230727-item-02a---cifp---pjm-proposal-update---july-27.ashx).

The relative unavailability of resources throughout the year must be accounted for in planning and paying for resource adequacy. Merely assigning a single, annual equivalent factor is no longer an acceptable method given the complexity and changing nature of our bulk electric system. As PJM's calculations show, nearly every resource in PJM provides less benefit to reliability in the winter than we ascribe using an annual equivalent. Therefore, the PJM Board's filing at FERC should either include provisions that address those varied risks, like PJM's seasonal proposal, or at a minimum include defined processes or a clear pathway to get to a more granular construct that acknowledges and addresses risks throughout the year. Customers cannot afford to pay for reliability that is not actually there.

Respectfully,



---

Justin M. McNeil  
Executive Advisor Attorney  
Kentucky Public Service Commission  
211 Sower Blvd  
Frankfort, KY 40601  
Telephone: (502) 782-0881  
Email: [Justin.McNeil@ky.gov](mailto:Justin.McNeil@ky.gov)