

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

PJM Interconnection, L.L.C.

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Docket No. ER21-2877-000

**JOINT MOTION FOR LEAVE TO ANSWER
AND JOINT ANSWER OF PJM INTERCONNECTION, L.L.C. AND THE
INDEPENDENT MARKET MONITOR FOR PJM**

PJM Interconnection, L.L.C. (“PJM”) and the Independent Market Monitor for PJM (“Market Monitor”), pursuant to Rule 213 of the Federal Energy Regulatory Commission (“Commission”),¹ submit this joint Motion for Leave to Answer (“Motion”) and Answer (“Answer”) to respond to the protest of the Public Utilities Commission of Ohio (“PUCO”) dated September 20, 2021.² As further explained below, PJM and the Market Monitor urge the Commission to grant the requested waiver to delay the upcoming Base Residual Auction (“BRA”) by a modest 55 days, along with accepting PJM’s proposed revised pre-auction deadlines impacted by the revised Market Seller Offer Cap.

I. MOTION FOR LEAVE TO ANSWER

The Commission’s rules provide that a party may answer comments where the decisional authority permits the answer for good cause shown. The Commission has accepted responses to protests when doing so will ensure a more accurate and complete record or will assist the Commission in its deliberative process by clarifying the issues.³ Here, PJM and the Market

¹ 18 C.F.R. § 385.213.

² PJM Interconnection, L.L.C., *Protest of the Public Utilities Commission of Ohio*, Docket No. ER21-2877-000 (filed September 20, 2021) (“PUCO Protest”).

³ The Commission regularly allows answers in such cases. See, e.g., *PJM Interconnection, L.L.C.*, 139 FERC ¶ 61,165, at P 24 (2012) (accepting answers to a protest because “they have provided information that assisted [the Commission] in [its] decision-making process”); *PJM Interconnection, L.L.C.*, 104 FERC ¶ 61,031, at P 10 (2003)

Monitor respectfully request that the Commission grant this Motion because the answer will help clarify the record and contribute to an understanding of the issues.

II. ANSWER

PUCO's protest correctly points out the interdependencies of the PJM RPM Auctions and state default service auctions, which depend on the results of the BRA. PUCO's protest also underscores the importance of the BRA moving forward on a timely basis and without the significant delays that have occurred to date. However, in this limited instance, the modest 55-day delay requested by PJM is necessary to ensure that there is an adequate opportunity for both PJM and the Market Monitor to thoroughly review the anticipated significant increase in the number of unit specific offer cap submittals. As a result, although PJM and the Market Monitor concur with the concerns about extended delays outlined by the PUCO, this waiver is critically necessary so that the pre-auction processes are undertaken thoughtfully and correctly with protection of due process rights for all Market Participants.

PJM and the Market Monitor have thoroughly explored this issue and concluded that PJM's proposed revised pre-auction timelines cannot be further condensed. Given that the upcoming BRA would be the first time the majority of Capacity Market Sellers will have had to request a unit-specific offer cap, it is reasonable to provide Capacity Market Sellers until October 1, 2021 to prepare and submit the requisite unit-specific offer cap documentation. Likewise, PJM and the Market Monitor would not be able to complete a thorough and accurate review of the unit-specific offer cap requests within a shorter period of time. Therefore, PJM's proposed revised pre-auction timelines already represent best efforts to compress the deadlines impacted by the revised Market

(accepting answer because "it will not delay the proceeding, will assist the Commission in understanding the issues raised, and will [e]nsure a complete record upon which the Commission may act").

Seller Offer Cap rules. In short, it is simply not possible to further condense the proposed pre-auction timelines. A rushed process with inadequate time for review would only work to erode confidence in the market results.

Given that the proposed pre-auction timelines give PJM until November 25, 2021, to provide final determinations on whether to approve or reject a requested unit-specific offer cap, it is prudent to provide Market Sellers and the Market Monitor with the opportunity to meaningfully seek Commission review in advance of the auction. Without such a delay, Capacity Market Sellers and the Market Monitor simply would not have sufficient time to seek review from the Commission, and the Commission would not have enough time to issue orders on such complaints, prior to the completion of the next BRA. As a result, while all of the pre-auction activities would be completed in advance of the currently scheduled December 1, 2021, BRA, PJM and the Market Monitor believe that, on balance, a modest 55-day delay of the upcoming BRA is appropriate to ensure the orderly administration of the upcoming auction. This modest delay will help to avoid the uncertainty of auction results due to unresolved petitions on unit-specific offer caps at the Commission.

III. CONCLUSION

Based on the foregoing, PJM and the Market Monitor request that the Commission grant the motion for leave to answer and take this answer into consideration when reviewing the PUCO's protest. To provide market certainty, PJM and the Market Monitor urge the Commission to expeditiously grant PJM's requested waiver as filed, along with the proposed revised pre-auction timelines impacted by the revised Market Seller Offer Cap rules.

Respectfully submitted,



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Dated September 22, 2021

CERTIFICATE OF SERVICE

I hereby certify that I have this 22nd day of September, 2021 caused a copy of the foregoing document to be served upon each person designated on the official service list compiled by the Secretary in this proceeding.

/s/ Chenchao Lu

Chenchao Lu

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