

most effective means of ensuring a reliable supply of power to the PJM region, facilitating investments in alternative energy and demand response technology, and promoting prices that will allow consumers to enjoy the benefits of competitive electricity markets. Combined, P3 members own over 75,000 megawatts of power, own over 51,000 miles of transmission lines, serve nearly 12.2 million customers and employ over 55,000 people in the PJM region – encompassing 13-states and the District of Columbia. Thus, P3 has a substantial interest in this proceeding.

P3 is an interested party, and its intervention and participation will promote the public interest in viable and competitive wholesale markets. P3 is not now, nor will be, adequately represented by any other party in this proceeding, and may be bound or adversely affected by the Commission’s action herein.

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II. COMMENTS IN SUPPORT

PJM proposes to amend Manual 21 to allow winter verification by actual test or ambient adjustment of summer verification results, consistent with the winter capability verification requirement contained in Requirement R2 of Reliability First Corporation’s (“RFC”) Standard MOD-024-RFC-01. P3 supports PJM’s proposed amendment to Manual 21.

Under PJM's Reliability Pricing Model ("RPM"), generator owners are responsible for performing summer/winter Net Capability Verification, whose purpose is to demonstrate that the unit can achieve the claimed summer/winter net dependable rating of the unit. PJM uses this information in assessing whether a unit that was committed to RPM or FRR Alternative was able to achieve at least the Total Unit ICAP Commitment Amount in the summer/winter capability test. Tariff Section 7.1, Section 7.1 a) requires each Capacity Resource committed for a Delivery Year "to complete a generation resource capacity test, as described in the Manuals, for both the Summer and Winter Seasons."

On August 27, 2009, RFC enacted and made effective Mandatory Standard MOD-024-RFC-01 "Verification and Data Reporting of Generator Gross and Real Power Capability." Like the PJM Tariff, RFC MOD-024-RFC-01 requires seasonal capability verification for both summer and winter periods; however, under this standard, verification of Winter Capability can be accomplished by actual test or by adjustment of summer verification results to ambient winter conditions.

As a result of a stakeholder process initiated by PJM members, PJM proposes to harmonize the PJM's winter verification requirement with the recently enacted MOD-024-RFC-01. PJM asserts that this clarification is needed because the PJM Tariff states that each Capacity Resources committed for a Delivery Year must "complete a generation resource capacity test, as described in the Manuals, for both the Summer and Winter Seasons." PJM proposes to amend Tariff Attachment DD Section 7.1 a to eliminate the reference to the winter capacity test, consistent with MOD-024-RFC-01, by deleting from that section the words, "for both the Summer and Winter Seasons." PJM

also states that because the Tariff continues to require all generation capacity resources committed for a Delivery Year to complete a generation resource capacity test “as described in the PJM Manuals,” PJM will also modify Manual 21 in conjunction with this Tariff amendment also effective January 1, 2010.

P3 notes that the PJM stakeholders approved, without opposition, PJM’s proposed changes on November 30, 2009. Additionally, PJM’s Members require certainty regarding the application of the winter capability verification requirement. Accepting the proposed changes would save unnecessary expense. Finally, P3 points out that Commission acceptance of the proposed changes would reduce the need for generating units which burn fossil fuels, which would otherwise not be running based on system economics, from needlessly, and expensively, both financially and environmentally, being turned on to simply verify a winter capability that can easily be derived from the results of the immediately preceding summer capability verification test. As a result, P3 urges the Commission to approve PJM’s proposed Tariff revisions.

III. CONCLUSION

WHEREFORE, P3 respectfully requests that the Commission grant its intervention in the above captioned matter with full party status and that the Commission considers the matters identified in their comments in support.

Respectfully submitted,

On behalf of the PJM Power Providers Group

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Dated: December 23, 2009

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 King of Prussia, PA, this 23rd day of December, 2009.

On behalf of the PJM Power Providers Group

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