

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

PJM Interconnection, L.L.C.

)

Docket No. ER22-2886-000

**COMMENTS OF THE PJM POWER PROVIDERS GROUP
ON PJM COMPLIANCE FILING CONCERNING CERTAIN
MARKET SELLER OFFER CAP PROVISIONS**

On September 20, 2022, PJM Interconnection, L.L.C. (“PJM”) submitted a limited compliance filing¹ (“PJM Filing”) pursuant to the Federal Energy Regulatory Commission (“FERC” or “Commission”) August 24, 2022 Order² (“Order”) in the above referenced proceeding in Docket No. EL22-22-000 concerning certain Market Seller Offer Cap provisions.

On September 20, 2022, the Commission issued a Combined Notice of Filings #1 setting October 11, 2022, as the deadline for filing an intervention or protest regarding the PJM Filing. On October 5, 2022, The PJM Power Providers Group (“P3”)³ filed a doc-less Motion to Intervene. P3 respectively submits these comments,⁴ in the above-captioned proceeding.

¹ *PJM Interconnection, L.L.C.*, Docket Nos. ER22-2886-000 (filed September 20, 2022) (“PJM Filing”).

² *PJM Interconnection, L.L.C.*, 180 FERC ¶ 61,120 (2021) (“August 24 Order”).

³ P3 is a non-profit organization dedicated to advancing federal, state and regional policies that promote properly designed and well-functioning electricity markets in the PJM Interconnection, L.L.C. (“PJM”) region. Combined, P3 members own over 67,000 MWs of generation assets and produce enough power to supply over 50 million homes in the PJM region covering 13 states and the District of Columbia.

⁴ The comments contained herein represent the position of P3 as an organization, but not necessarily the views of any particular member with respect to any issue. For more information on P3, visit www.p3powergroup.com.

COMMENTS

While P3 generally supports PJM's compliance filing, P3 respectfully suggests a narrow addition to further clarify the proposed change. Capacity Sellers need assurance that 80-days prior to the offer period of a capacity auction that they will be able to submit an offer at or below certain levels so appropriate decisions can be made related to the assets. While the proposed tariff provisions allow the Capacity Sellers and the IMM to "mutually agree" to any changes, Capacity Sellers should not be coerced to "mutually agree" to a revised offer cap for fear of referral to the Commission based on market power concerns. P3's suggested language seeks to make that clear.

P3 offers the following addition to the language proposed by PJM:

"Failure of the IMM and Capacity Seller to mutually agree on a revised offer cap within 80 days of the auction shall not be considered a Market Violation under Attachment M of the OATT and shall not be grounds for a referral to the Commission under Section I, Attachment M."

The proposed language is narrow and removes any potential ambiguity about the failure to agree to a revised offer cap within 80-days of the auction.

While P3 suggests this targeted revision and urges the Commission to accept it, P3 remains generally concerned with the current Market Seller Offer Cap rules in PJM and does not believe they are just, reasonable or sustainable. The current rules effectively deprive asset owners of the ability to independently determine the costs and risks of the assets in which significant capital has been invested. Market power can effectively be policed without going to the Commission-endorsed extreme view in which every decision related to future costs and risks of capacity resources is effectively set by the Market Monitor and not the asset owners.

Approving this compliance filing and P3's proposed amendment does nothing to resolve the underlying, unsustainable rules.⁵ P3 hopes to address these overall concerns related to the Market Seller Offer Cap in future proceedings; however, in this instant filing, P3 respectfully requests that the Commission accept P3's proposed revision.

Respectfully submitted,

On behalf of The PJM Power Providers Group

By: Glen Thomas

Glen Thomas

Diane Slifer

GT Power Group

101 Lindenwood Drive, Suite 225

Malvern, PA 19355

gthomas@gtpowergroup.com

610-768-8080

Dated: October 11, 2022

⁵ P3 currently has a petition for review of the Commission's September 2, 2021 Order (approving changes to PJM's Market Seller Offer Cap Tariff provisions, EL19-47, EL19-63) pending at the U.S. Court of Appeals for the D.C. Circuit. *See Vistra Corp, et al. v. FERC*, D.C. Cir. Case Nos. 21-1214, *et al.* ("P3 MSOC Appeal). Nothing contained herein shall constitute a waiver of any positions or statements made by P3 in the P3 MSOC Appeal.

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 Washington, D.C., this 11th day of October 2022.

On behalf of the PJM Power Providers Group

By: Diane Slifer
Diane Slifer
GT Power Group
101 Lindenwood Drive, Suite 225
Malvern, PA 19355
gthomas@gtpowergroup.com
610-768-8080