

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

SOO Green HVDC Link Project Co, LLC)	
)	Docket No. EL21-103-000
)	
v.)	
)	
PJM Interconnection, L.L.C.)	

**MOTION FOR LEAVE TO ANSWER AND
ANSWER OF THE PJM POWER PROVIDERS GROUP**

Pursuant to Rules 212 and 213(a)(2) of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“FERC” or “Commission”),¹ the PJM Power Providers Group (“P3”)² respectfully file this answer³ to the October 22, 2021 answer of PJM Interconnection, L.L.C. (“PJM”) (“PJM Answer”),⁴ as well as the October 22, 2021 comments of the Independent Market Monitor for PJM (“IMM”) (“IMM Comments”)⁵ regarding the complaint filed on September 21, 2021, by SOO Green HVDC Link Project Co, LLC (“SOO Green”) (“Complaint”).

¹ 18 C.F.R. § 385.212; 18 C.F.R. § 385.213(a)(2).

² P3 is a non-profit organization that supports the development of properly designed and well-functioning markets in the PJM region. Combined, P3 members own approximately 67,000 megawatts of generation assets, produce enough power to supply over 50 million homes in the PJM region covering 13 states and the District of Columbia. For more information on P3, visit www.p3powergroup.com. The comments contained in this filing represent the position of P3 as an organization, but not necessarily the views of any particular member with respect to any issue.

³ On October 13, 2021, P3 filed a doc-less Motion to Intervene Out-of-Time in Docket No. EL21-103-000. This Motion to Intervene Out-of-Time was filed one day after the Commission’s September 24, 2021 Combined Notice of Filings #1, that set a comment date of October 12, 2021. On October 4, 2021, the Commission granted PJM’s Motion for Extension of Time to file comments, setting the comment date as October 22, 2021.

⁴ Answer of the PJM Interconnection, L.L.C., Docket No. EL21-103-000, dated October 22, 2021 (“PJM Answer”).

⁵ Comments of the Independent Market Monitor for PJM, Docket No. EL21-103-000, dated October 22, 2021 (“IMM Comments”).

For the reasons as more fully explained below, P3 fully supports PJM’s Answer and the IMM’s Comments and requests that SOO Green’s Complaint be denied.

I. MOTION FOR LEAVE TO ANSWER

P3 respectfully moves for leave to answer PJM’s Answer and the IMM’s Comments. P3 respects that it is not otherwise entitled to provide additional comments in this proceeding, but submits that this answer will aid in providing a more full and robust record for the Commission’s consideration. While the Commission’s regulations generally prohibit answers to answers,⁶ the Commission will waive the prohibition and accept such an answer when it provides information that assists the Commission in its decision-making process or clarifies the record. P3 submits that its answer below meets these criteria.

II. ANSWER

SOO Green’s Complaint requests that the Commission require PJM to change its external capacity rules to allow external resources, such as SOO Green’s project, located in the Midcontinent Independent System Operator’s (“MISO”) footprint, to deliver into PJM via a combination of network alternating current (“AC”) transmission lines leading through a high voltage direct current (“HVDC”) tie line to qualify as capacity resources offered into PJM’s capacity market. SOO Green states that external capacity resources would qualify to sell capacity by selling over the HVDC line as an alternative to satisfying the pseudo-tie provisions of the existing external capacity rules.⁷

⁶ See, e.g., *Algonquin Gas Transmission, LLC*, 154 FERC ¶ 61,048, at P 2 n.6 (2016) (“[B]ecause Algonquin’s answers have assisted in our decision-making process, we will waive Rule 213(a)(2) to admit its answers.”); *Enable Gas Transmission, LLC*, 153 FERC ¶ 61,055, at P 7 (2015) (waiving the “regulatory proscription against answers to requests for rehearing” because an answer “assisted in our decision-making process”).

⁷ Complaint, p. 49.

SOO Green argues, in part, that applying PJM’s external capacity rules to external resources importing capacity via controllable HVDC transmission lines creates unjust and unreasonable barriers to entry for such resources and constraints on interregional trade without providing offsetting reliability benefits.⁸ Instead of being subject to PJM’s external capacity rules, SOO Green proposes an “alternative structure” that allegedly meets PJM’s reliability needs while aligning PJM’s Tariff with existing FERC-approved constructs for capacity imports via HVDC facilities in other regions.⁹

Both PJM and the IMM oppose SOO Green’s Complaint and counter SOO Green’s statements and positions, particularly those relating to a distinction for purposes of the applicability of PJM’s external capacity rules between HVDC transmission lines and AC transmission lines.¹⁰

As an initial matter, P3 submits that the Commission has just recently rejected the very same claim that SOO Green asserts in its Complaint – i.e., that PJM’s external capacity rules, particularly those that require pseudo-ties, are unjust and unreasonable and create a barrier to entry for resources located outside of the PJM region. Specifically, MISO’s IMM, Potomac Economics (“Potomac”), similarly asserted that PJM’s requirement that external resources obtain a pseudo-tie to participate in PJM’s capacity market was unjust and unreasonable. In rejecting that argument, the Commission stated, in part, that “PJM’s capacity market is not unjust and unreasonable because it requires external resources to be responsible for their own capacity obligations, just as internal resources are responsible for their capacity obligations. Such a model is also consistent with the

⁸ Complaint, p. 1.

⁹ *Id.*

¹⁰ PJM Answer, pp. 3-4; IMM Comments, p. 3.

Capacity Performance construct in PJM.”¹¹ As SOO Green’s Complaint essentially raises the same issues with PJM’s pseudo-tie requirements as those raised in the Potomac Complaint, the SOO Green Complaint should be rejected as the issue in controversy has previously been decided by the Commission.

Equally as important, SOO Green presents no substantive or legal basis that qualifies its particular project for an exception to PJM’s external capacity rules, including those rules relating to Capacity Performance for capacity resources.¹² Substantively, P3 agrees with both PJM and the IMM in dismissing SOO Green’s assertion that PJM implemented the external capacity rules in order to merely address reliability concerns with external capacity imports across the uncontrolled AC transmission system, and that external capacity transactions across controllable HVDC transmission facilities do not raise similar reliability concerns. As PJM notes, “[T]he fact that SOO Green is developing an HVDC transmission line that may operate differently than transmission AC transmission systems is a red herring. . . the mere presence of an HVDC line does not address PJM’s operational and deliverability concerns with such external resources.”¹³ Similarly, the IMM clarifies that “[T]he fact that there is an HVDC line does not create a new or different issue for the Commission. The HVDC line does not change anything fundamental about the proposed slice of system transaction. The Commission has addressed and decided these issues.”¹⁴ Along these same lines, P3 also notes that resources must use AC network lines in order to reach the HVDC path and then must use Network AC lines when exiting the path. The

¹¹ Potomac Economics, Ltd. v. PJM Interconnection, L.L.C., 171 FERC ¶ 61,039 (2020) (“Potomac Economics”).

¹² PJM Interconnection, L.L.C., 151 FERC ¶ 61,208 (2015) (“CP Order”).

¹³ PJM Answer, p. 3.

¹⁴ IMM Comments, p. 3.

combination faces the same type of limitations as any external resource that wants to be truly deliverable as capacity into PJM.

P3 also completely agrees with PJM that SOO Green’s attempts to evade external capacity requirements would amount to a competitive advantage for its generation project over all other capacity market sellers in the PJM market. Allowing SOO Green, as a capacity market participant, to be excused from the plethora of necessary PJM capacity market rules, including those of Capacity Performance obligations and pseudo-tie requirements, to name a few, would amount to discriminatory treatment for SOO Green’s resource with anti-competitive effects for all other generation resources. As PJM states, sellers of resources without capacity market obligations “would therefore have a competitive edge over all other PJM Capacity Resources and would be incented to offer a lower price for what is in essence a lesser product.”¹⁵ Along these same lines, P3 agrees with the IMM that “SOO Green does not propose to increase competition or geographic diversity in the capacity market. SOO Green proposes to subvert the PJM Capacity Market by permitting an inferior product that does not meet any of the requirements to be a capacity resource to crowd out PJM capacity resources that meet all the requirements to be capacity resources. SOO Green’s approach would suppress capacity market prices and undermine reliability.”¹⁶

III. CONCLUSION

For all of these reasons, P3 agrees with PJM and the IMM that SOO Green’s Complaint is unsubstantiated and its proposed relief would be discriminatory and anti-competitive. SOO Green’s Complaint, therefore, should be denied.

¹⁵ *Id.*, p. 7.

¹⁶ IMM Comments, pp. 1-2.

Respectfully submitted,

On behalf of the PJM Power Providers Group

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October 29, 2021

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 29th day of October, 2021.

On behalf of the PJM Power Providers Group

By: *Laura Chappelle* _____

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