

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

PJM Interconnection, L.L.C.

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Docket No. ER21-2582-000

MOTION TO SUBMIT LIMITED REPLY OF PJM POWER PROVIDERS GROUP TO ANSWER TO PROTEST OF PJM INTERCONNECTION, LLC AND LIMITED REPLY OF PJM POWER PROVIDERS GROUP ATTACHING REPLY AFFIDAVIT OF DR. ROY SHANKER, PH.D. TO ANSWER TO PROTEST OF PJM INTERCONNECTION, LLC ATTACHING ANSWERING AFFIDAVIT OF DR. PETER CRAMTON, PH.D.

Pursuant to Rules 212 and 213 of the Commission’s Rules of Practice and Procedure,¹ the PJM Power Providers Group (“P3”)² respectfully requests leave to submit this limited reply in response to the September 7, 2021 Motion to Leave to Answer and Answer of PJM Interconnection, L.L.C. (“PJM”). Specifically, P3 seeks leave to submit a reply affidavit from Dr. Roy Shanker in response to PJM’s answer to P3’s protest, which attaches an answering affidavit from Dr. Peter Cramton in response to Dr. Shanker’s initial affidavit, which described fundamental analytical flaws in the modeling and results presented in Dr. Cramton’s initial affidavit. The attached Reply Affidavit of Roy J. Shanker Ph.D. responds to some of the major flaws in Dr. Cramton’s second affidavit.

I. MOTION

The Commission’s rules in 205 proceedings under FPA section 205 do not contemplate filings beyond the protest stage and permit answers to protests only by leave of the Commission.³

¹ See 18 C.F.R. §§ 385.212 & 213 (2021).

² 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. For more information on P3, visit www.p3powergroup.com. 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.

³ See 18 C.F.R. § 385.213(a)(2).

The Commission has not acted on PJM’s pending motion requesting leave to answer protests submitted by P3 and others. If the Commission grants PJM’s motion, and thereby accepts the second affidavit submitted by Dr. Cramton, P3 respectfully submits that permitting P3 to submit the attached reply affidavit from Dr. Shanker will not only greatly “assist the Commission in its decision-making process,”⁴ but is also necessary to preserve the integrity of the record in this proceeding. In addition, Dr. Cramton’s second affidavit includes additional information, notably the ninety-page working paper that indisputably should have been included in Dr. Cramton’s initial affidavit, that P3 did not have a reasonable opportunity to address until now.⁵

II. DISCUSSION

As Dr. Shanker explains Dr. Cramton’s analysis continues to be flawed and should be ignored by the Commission or returned to the PJM stakeholder process for further consideration and development. As Dr. Shanker explains the Cramton analysis is based on an incomplete and untested model and relies on assumptions that are highly speculative at best, and its current form, it is of little value to the Commission.⁶ Further, as Dr. Shanker explains Dr. Cramton’s model validation and benchmarking remain flawed and unsupported. Additionally, as Dr. Shanker points out Dr. Cramton does not understand the purpose of the test case design that Dr. Shanker suggested to validate the inconclusive comparison (interval) results that Dr. Cramton did provide. Dr. Shanker further rebuts several aspects of Dr. Cramton’s analysis in several areas including: the key issue of transfers among the impacted parties (which was not considered); the flawed assumption made by Dr. Cramton that neither state sponsored resources nor state policies change

⁴ E.g., Rockies Express Pipeline LLC, 142 FERC ¶ 61,075, at P 4 (2013).

⁵ The Commission should send a clear message that it is not sufficient, as Dr. Cramton suggests, to take the position that documents supporting a model that was heavily relied upon, but not properly attached or cited, can be found by other parties via an internet search.

⁶ Reply Affidavit of Dr. Roy Shanker, Ph.D. at P 3.

with economics, policy or MOPR design changes; and Dr. Cramton's decision to completely ignore the impact of the ORDC.

P3 continues to believe that the MOPR proposed by PJM will result in unjust and unreasonable wholesale market rates.⁷ Dr. Cramton's flawed and incomplete analysis does not even attempt to address the essentially unrebutted conclusion that PJM's proposed MOPR leaves the market completely defenseless against the exercise of market power and fails to address the market impact of state subsidies. P3 remains open to changes to the current MOPR but the Commission cannot reasonably or lawfully accept PJM's half-baked proposal that lacks merit or any credible support.

Respectfully submitted,

On behalf of the PJM Power Providers Group

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⁷ Contrary to Dr. Cramton's baseless and offensive implication contained in paragraph 2 of his affidavit, P3 does not seek higher capacity prices and has consistently argued to reduce barriers to entry in the PJM markets. P3 members have invested billions of dollars in the PJM market and would like to continue to invest more at-risk capital (in storage, renewables, and other technologies) based on investment assumptions and regulatory policies that have historically been just and reasonable in PJM. These multi-billion dollar privately funded investments made by P3 members- have shifted the risk of financing new generation away from the states' ratepayers. PJM's narrow MOPR would discourage further unsubsidized investments by merchant investors unless the investment was supported or guaranteed by the states- reversing over 20 years of FERC mandated competitive wholesale markets- and shifting the risk of financing the massive investments in renewables back to the states' ratepayers and taxpayers. P3's comments should be considered in that light not the disrespectful and false one proffered by Dr. Cramton.

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 in accordance with the requirements of Rule 2010 of the Rules of Practice and Procedure, 18 C.F.R. § 385.2010 (2021).

Dated at Washington, DC this 20th day of September, 2021.

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