

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

Old Dominion Electric Cooperative, and Direct)	Docket No. EL17-32-000
Energy Business, LLC, on behalf of itself and)	
its affiliate, Direct Energy Business Marketing, LLC)	
and American Municipal Power, Inc.)	
)	
v. PJM Interconnection, L.L.C.)	
)	
Advanced Energy Management Alliance)	Docket No. EL17-36-000
v. PJM Interconnection, L.L.C.)	

(Not Consolidated)

**POST-TECHNICAL CONFERENCE COMMENTS
OF THE PJM POWER PROVIDERS GROUP**

On June 13, 2018, the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) issued a Notice Inviting Post-Technical Conference Comments regarding the April 24, 2018 Technical Conference in the above referenced docket. On April 11, 2018, the PJM Power Providers Group (“P3”)¹ submitted the Pre-Technical Conference Comments of Roy J. Shanker, Ph.D. P3 respectfully submits these post-technical conference comments to provide

¹ P3 is a non-profit organization dedicated to advancing federal, state and regional policies that promote properly signed and well-functioning electricity markets in the PJM Interconnection, L.L.C. (“PJM”) region. Combined, P3 members own over 84,000 MWs of generation assets, produce enough power to supply over 20 million homes and employ over 40,000 people 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.

information received from the RPM Base Residual Action (“BRA”) results which took place in May 2018 following the April 24, 2018 Technical Conference.

I. COMMENTS

The Commission in its Notice inviting Post-Technical Comments asked several questions. P3 in its Pre-Technical Conference Comments of Roy J. Shanker, Ph.D. addressed several of the items asked by the Commission, and P3 wishes to incorporate its earlier comments in this filing. P3 also respectfully submits the below comments in order to address additional information received from the May 2018 RPM BRA.

Old Dominion Electric Cooperative, *et al* (“ODEC”) in its original complaint made the argument that seasonal capacity performance resources “cannot meaningfully participate” in RPM without the opportunity to participate as Base Capacity and further argued that PJM’s modified aggregation will not remedy the loss of Base Capacity for Seasonal Capacity Performance resources.² Similarly, Advanced Energy Management Alliance (“AEMA”) stated in its original complaint that “many Base Capacity Resources do not appear to be making the transition to full Capacity Performance”³ and further stated that there would be “significant barriers to entry for a portion of summer seasonal resources and insurmountable barriers for a significant portion of summer seasonal resources, including residential demand response programs. . . .”⁴ As the recent PJM RPM BRA results show, the claims of ODEC and AEMA

² *Complaint Requesting Fast Track Processing of Old Dominion Electric Cooperative and Direct Energy Business, LLC, on Behalf of Itself and Its Affiliate Direct Energy Business Marketing LLC and American Municipal Power Inc.*, Docket No. EL17-32-000, December 23, 2016, at pp 20-21.

³ *Complaint and Motion for Consolidation of Advanced Energy Management Alliance*, Docket No. EL17-36, January 5, 2017, at page 7.

⁴ *Id.* at page 9.

simply are incorrect as the 2021/22 BRA results revealed dramatic increases in cleared aggregated capacity offers and cleared annual demand response commitments. What was experienced was a classic example of market participants responding to changed (and materially improved) incentives. In this case the adjustment appears to have occurred in a remarkably fast time frame (e.g. just the second BRA with full CP requirements). This makes it likely we will continue to see increased participation by annual demand response and other previously seasonal products (paired together) that are finally closer to comparability with all other CP products.

The results of the PJM 2021/2022 RPM BRA were posted about a month following the April 24 Technical Conference. The evidence provided by the the 2021/2022 BRA results undermines arguments made by ODEC and AEMA. As PJM reported on May 23, 2018, 715.5 MW of seasonal capacity resources cleared in an aggregated manner to form a year-round commitment.⁵ PJM reported that this is an *increase* of 317.5 MW over the 398 MW of seasonal capacity resources that cleared in an aggregated manner in the 2020/2021 BRA.⁶ Of these aggregated capacity offers that cleared were 452.3 MW of summer DR, 209.3 MW of summer EE and 53.9 MW of intermittent resources. These summer resources were paired with mostly winter only wind resources.⁷

In addition, annual demand resource participation increased dramatically from the 2020/21 BRA. The total unforced capacity of DR offered into the 2021/2022 BRA was

⁵ <http://www.pjm.com/-/media/markets-ops/rpm/rpm-auction-info/2021-2022/2021-2022-base-residual-auction-report.ashx> at p 27. (“PJM 2021/2022 RPM BRA Auction Results”)

⁶ *Id.*, emphasis added.

⁷ *Id.*

11,886.8 MW which was an *increase* of 20.7% from the DR offered into the prior year BRA.⁸ Furthermore, the cleared DR was 3,305.4 MW *greater* than the prior year.⁹ Of the 11,125.8 MW of DR that cleared, 10,673.5 MW was cleared as annual Capacity Performance Product and 452.3 MW were cleared as summer seasonal Capacity Performance product.¹⁰ In other words virtually all offered qualified DR products cleared and reflect an annual MW level very similar to the amount of the previous inferior seasonal products that had cleared in the past.

The results of the 2021/2022 RPM BRA auction make it clear that demand response suppliers are fully capable of participating in the Capacity Performance construct. As evinced in the auction, Demand Response has two viable paths to meet its Capacity Performance obligations: 1. Becoming capable of meeting an annual obligation (as 11,000 MWs did this year) or 2. Partnering with another seasonal resource to form a single annual commitment (as 452 MWs of “summer only” DR did this year). Both paths are viable and this year’s auction results prove it. Simply stated, this year’s BRA results confirm that ODEC and AEMA’s arguments do not hold up – the MWs of seasonal capacity resources cleared in an aggregated manner increased from the prior year, and the MWs of DR as an annual Capacity Performance product also increased showing higher participation. The Commission should take notice of this material development as yet additional proof that both ODEC and AEMA complaints should be dismissed.

⁸ *Id.* at p 8, *emphasis added.*

⁹ *Id.*, *emphasis added.*

¹⁰ *Id.*

II. CONCLUSION

For the foregoing reasons, P3 respectfully requests that the Commission consider these Post-Technical Conference Comments, as well as its earlier filed Pre-Technical Conference Comments, and reject both complaints.

Respectfully submitted,

On behalf of the PJM Power Providers Group

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Dated: July 13, 2018

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 13th day of July, 2018.

On behalf of the PJM Power Providers Group
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