

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

Essential Reliability Services and	)	Docket No. RM16-6-000
the Evolving Bulk-Power System	)	Docket No. RM16-6-001
Primary Frequency Response	)	

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

Pursuant to Rules 212 and 213 of the Federal Energy Regulatory Commission's ("Commission") Rules and Regulations<sup>1</sup> the PJM Power Providers Group ("P3")<sup>2</sup> and the Electric Power Supply Association ("EPSA")<sup>3</sup> (together, "Competitive Suppliers") submit this answer to PJM Interconnection, L.L.C.'s ("PJM") Request for Clarification Or, In the Alternative, Request for Rehearing submitted on March 16, 2018 ("PJM Request for Clarification/Rehearing").<sup>4</sup> PJM's Request for Clarification/Rehearing regarding the Commission's determination "not to impose primary frequency response requirements on

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<sup>1</sup> 18 CFR §§ 385.212 and 385.213 (2017).

<sup>2</sup> 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](http://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.

<sup>3</sup> Launched over 20 years ago, EPSA is the national trade association representing leading independent power producers and marketers. EPSA members provide reliable and competitively priced electricity from environmentally responsible facilities using a diverse mix of fuels and technologies. Power supplied on a competitive basis collectively accounts for 40 percent of the U.S. installed generating capacity. EPSA seeks to bring the benefits of competition to all power customers. This pleading represents the position of EPSA as an organization, but not necessarily the views of any particular member with respect to any issue.

<sup>4</sup> PJM Interconnection, L.L.C., Request for Clarification or, in the alternative, Request for Rehearing, Docket No. RM16-16-000, dated March 16, 2018 ("PJM Request for Clarification/Rehearing").

existing generating facilities that do not submit new interconnection requests”<sup>5</sup> should be denied. Order No. 842<sup>6</sup> was clear in its determination that primary frequency response (“PFR”) requirements would not be imposed at this time on existing generating facilities that do not submit new interconnection requests that do not result in an executed or unexecuted interconnection agreement.<sup>7</sup> As PJM merely seeks to relitigate that determination, without more, its Request for Clarification/Rehearing should be denied.

## **I. MOTION FOR LEAVE TO ANSWER**

Pursuant to the Commission’s Rules of Practice and Procedure, 18 CFR § 385.213(a)(2), answers to requests for rehearing are not permitted unless otherwise ordered by the decisional authority. However, the Commission has discretion to accept answers not otherwise permitted by right and has done so when a party’s answer helps to clarify complex issues, provide additional information, or are otherwise helpful in the Commission’s decision-making process.<sup>8</sup> In this answer, Competitive Suppliers seek to provide the Commission with information helpful to the Commission’s decision-making process in deciding upon PJM’s Request for Clarification/Rehearing. Competitive Suppliers, therefore, respectfully request that this answer be permitted.

## **II. ANSWER**

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<sup>5</sup> *Id.*, p. 1.

<sup>6</sup> *Essential Reliability Services and the Evolving Bulk-Power System – Primary Frequency Response*, 162 FERC ¶ 61,128, 83 Fed. Reg. 9,636 (2018) (“Order No. 842”).

<sup>7</sup> Order No. 842, at P 143.

<sup>8</sup> *New York Independent System Operator, Inc.*, 123 FERC ¶ 61,044 at P 39 (2008) (accepting answers to answers because they provided information that aided the Commission’s decision-making process); *Morgan Stanley Capital Group, Inc. v. New York Independent System Operator, Inc.*, 93 FERC ¶ 61,017 at 61,036 (2000) (accepting an answer that was “helpful in the development of the record. . .”).

**A. Order No. 842’s Determination Not To Impose New PFR Requirements On Existing Generating Facilities Was Correctly Decided On the Basis Of A Full and Complete Record.**

PJM’s Request for Clarification/Rehearing, while seeking clarification of several, miscellaneous issues centered around PFR issues as they relate to existing generators is, at its core, a request that the Commission reverse its determinations in Order No. 842 and instead, issue a new order “requiring that the primary frequency response requirements in Order No. 842 apply to all existing generating facilities that already have governors or equivalent controls capable of providing primary frequency response.”<sup>9</sup> PJM’s request for clarification and/or rehearing should be denied in its entirety.

The issue of whether or not to impose PFR requirements on existing generators was one of the focused issues for comment in this proceeding.<sup>10</sup> After the establishment of a full and complete record, this Commission specifically affirmed that existing generators would not be required to institute new PFR requirements, absent a new interconnection request. Thus, the Commission found that:

We will not impose primary frequency response requirements on existing generating facilities that do not submit new interconnection requests that result in an executed or unexecuted interconnection agreement. We conclude that applying the proposed requirements only to newly interconnecting generating facilities will adequately address the Commission’s concerns regarding primary frequency response. We are persuaded by commenters that requiring existing generating facilities that have not submitted a new interconnection request to install and operate governors or equivalent controls would be overly expensive and unnecessarily burdensome. The record indicates that costs of installing primary frequency response capability is minimal for newly interconnecting generating facilities, and as such, we do not believe that a mandate for compensation is needed at this time. However, the record also indicates that the expense to some existing facilities may be cost prohibitive, for example if retrofits are needed, and

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<sup>9</sup> PJM Request for Clarification/Rehearing, p. 5.

<sup>10</sup> Notice of Inquiry, *Essential Reliability Services and the Evolving Bulk-Power System – Primary Frequency Response*, 154 FERC ¶ 61,117, 81 Fed. Reg. 9,182 (2016) (“NOI”), p. 2.

accordingly we believe that applying the requirements to existing generating facilities may be unduly burdensome.<sup>11</sup>

The Commission referenced several parties' comments in finding that it was "persuaded by commenters that requiring existing generating facilities that have not submitted a new interconnection request to install and operate governors or equivalent controls would be overly expensive and unnecessarily burdensome."<sup>12</sup> The Commission also cited record evidence that "the expense (of providing PFR) to some existing facilities may be cost prohibitive."<sup>13</sup> PJM disagrees with the Commission's determinations in this regard and thus seeks clarification and/or rehearing.

PJM simply reiterates its position that PFR requirements should apply to all existing generators. PJM not only notes that this position was stated in several of its pleadings in this docket, including in response to the Commission's notice of inquiry, notice of proposed rulemaking, and request for supplemental comments for this rulemaking proceeding,<sup>14</sup> but also cites at length one of its core arguments in this regard that was contained in its joint comments with several other regional transmission providers and independent system operators.<sup>15</sup> PJM's Request for Clarification/Rehearing is clearly nothing more than a reiteration of its stated

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<sup>11</sup> Order No. 842, P 143, citations omitted.

<sup>12</sup> Comments of the American Public Power Association, Large Public Power Council and Transmission Access Policy Study Group, Docket No. RM16-6-000, dated April 25, 2016 ("APPA"), pp 7-8; National Rural Electric Cooperative Association ("NRECA"), Docket No. RM16-6-000, dated April 25, 2016, p. 10; Comments of Public Interest Organizations, Docket No. RM16-6-000, dated April 25, 2016, p. 4; and Comments of the Electricity Consumers Resource Council ("ELCON"), Docket No. RM16-6-000, dated April 25, 2016, pp. 5-6.

<sup>13</sup> Comments of the Bonneville Power Administration, Docket No. RM16-6-000, dated January 24, 2017, p. 3.

<sup>14</sup> *Id.*, p. 6, citations referenced in footnote 11.

<sup>15</sup> *Id.*, p. 6, citing Joint Comments of ISO New England Inc., New York Independent System Operator, Inc., PJM Interconnection, L.L.C., Southwest Power Pool, Inc. and Independent Electricity System Operator, FERC Docket No. RM16-6-000, pp. 2, 7-8, 11 (April 25, 2016) ("PJM NOI Comments")

positions in this proceeding that were properly considered and, given a review of the full record, were rejected by the Commission.

PJM's arguments that "the same requirements imposed on new resources should be imposed on existing resources"<sup>16</sup> were thoroughly vetted in its various comments to this proceeding.

### III. CONCLUSION

PJM's Request for Clarification/Rehearing seeks to relitigate determinations that this Commission made after a full and complete record was created. As such, PJM's Request for Clarification/Rehearing should be denied in its entirety.

Respectfully submitted,

On behalf of the PJM Power Providers Group

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<sup>16</sup> PJM NOI Comments, p. 2, *see also* pp. 2-9, 11.

## CERTIFICATE OF SERVICE

I hereby certify that on this 30<sup>th</sup> day of March, 2018, I have served the foregoing document on each person designated on the official service list compiled by the Secretary of the Federal Energy Regulatory Commission in this proceeding.

*/s/Laura Chappelle* \_\_\_\_\_  
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