

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

PJM Interconnection L.L.C.)

Docket No. ER23-1996-000

COMMENTS OF THE PJM POWER PROVIDERS GROUP

Pursuant to Rule 212¹ of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) Rules of Practice and Procedure, the PJM Power Providers Group (“P3”)^{2 3} respectfully submits these comments in response to PJM Interconnection, L.L.C.’s (“PJM”) filing submitted to the Commission on May 30, 2023, pursuant to Section 205 of the Federal Power Act (“FPA”),⁴ regarding proposed revisions to the PJM Open Access Transmission Tariff (“Tariff”) in order to refine the Emergency Actions used for the purpose of determining Performance Assessment Intervals (“PAIs”) (“PJM PAI Trigger Filing”). On May 31, 2023, the Commission issued an Errata Notice Shortening Comment Period, setting June 9, 2023, at 5 p.m. Eastern Time as the date and time for motions to intervene or protests.

As discussed herein, P3 supports PJM’s PAI Trigger Filing as just and reasonable revisions to the Tariff in order to provide a tighter definition as to define when PJM should issue a PAI to ensure that an Emergency Action is better synchronized with instances where capacity shortage

¹ 18 C.F.R. §385.212 (2022).

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. 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

³ P3 timely submitted a doc-less Motion to Intervene on June 2, 2023.

⁴ 16 U.S.C. § 824d (2000).

emergency conditions exist. P3 also agrees that the Commission should act quickly so that the entire 2023/24 Delivery Year will have consistent tariff provisions related to PAI triggers.

I. COMMENTS

There is no question that Winter Storm Elliott has caused PJM, market participants, state public service commissions and other PJM stakeholders to reflect on and support potential changes to PJM's Capacity Performance ("CP") construct in order to ensure optimal generator performance and enhanced reliability measures. PJM's PAI Trigger Filing is only one of what is expected to be many needed changes along these lines.⁵

As PJM explains in further detail, Winter Storm Elliott was the first time in the six years since PJM's CP construct was established that an RTO-wide Emergency Action was declared. PJM states that although the CP construct helped PJM avoid mandatory load shed during the unprecedented event, the event "did illustrate the need for PJM to further refine the definition of Emergency Action"⁶ because, as PJM concedes, "triggering PAIs based upon certain emergencies situations may not be appropriate because not only is there no capacity shortage, but there are low energy prices."⁷

Therefore, to prospectively have PAI triggers that are reflective of market conditions, PJM is proposing to narrow the definition of Emergency Action in two respects:

- 1) there is a Primary Reserve shortage for a Reserve Zone or Reserve Sub-zone coupled with a voltage reduction warning and reduction of non-critical plant load, manual load dump warning, maximum emergency generation action, curtailment of non-essential business load and voltage reduction;⁸ or

⁵ P3 is fully supportive of PJM's Critical Issues Fast Path process and hopes to see PJM file a meaningful filing in later this year that will address multiple concerns facing the PJM capacity construct. See, <https://www.pjm.com/-/media/about-pjm/who-we-are/public-disclosures/20230307-p3-letter-regarding-critical-issue-fast-path-process-addressing-the-capacity-market.ashx>

⁶ PJM PAI Trigger Filing, p. 3.

⁷ PJM PAI Trigger Filing; Affidavit of Michael E. Bryson ("Bryson Affidavit") at P 13.

⁸ *Id.*, pp. 4-5, citations omitted.

- 2) whenever PJM employs more drastic emergency procedures, such as issuing a deploy all resources action, voltage reduction action, manual load dump action, or load shed directive for an entire Reserve Zone or Reserve Sub-zone.⁹

PJM stresses that it is only seeking to update the definition of Emergency Actions *based on PJM's actions*, not on Capacity Market Seller actions, for purposes of triggering PAIs. P3 agrees that nothing in this filing changes the expectation of committed Capacity Resources' expected performance and obligations during a PAI.¹⁰

In this regard, PJM's PAI Trigger Filing is truly narrowly tailored to only redefine when a PAI can be triggered. Changing the triggers as suggested by PJM will more appropriately define when capacity shortages actually exist and avoid some of the "false positives" that PJM has seen in the past. For the reasons articulated by PJM, linking PAI's to pre-emergency load management reduction, and emergency voluntary energy only Demand Response Reductions leads to results that are difficult to administer and may not be reflective of system conditions. As PJM's Mike Bryson succinctly offers, "not all emergency steps mean that there is a capacity shortage emergency that warrants the determination of a PAI."¹¹

Instead, the PJM proposal logically and appropriately links PAIs to reserve shortages.

As Mike Bryson explains,

"Under the proposed revision, there would be an Emergency Action when a shortage of the Primary Reserve requirement occurs in a Reserve Zone or Reserve Subzone and is coupled with a voltage reduction warning and reduction of non-critical plant load, manual load dump warning, maximum emergency generation action, curtailment of non-essential business load and voltage reduction. The reason that these four particular steps coupled with the Primary Reserve shortage is appropriate is because these steps are

⁹ *Id.*, p. 5, citations omitted.

¹⁰ *Id.*, p. 6. P3 notes that changes to capacity performance obligations and penalties could emerge as part of the Critical Issue Fast Path process.

¹¹ PJM PAI Trigger Filing, p. 11.

taken when there is a significant risk to shedding load and are more representative of an actual capacity emergency.”¹²

Appropriately linking PAIs to reserve shortages also better aligns triggers with scarcity, thereby sending transparent price signals to Market Participants so they can be better prepared that the system is trending toward PJM calling a PAI.

PJM’s recommended changes to the PAI triggers were included in a broader PJM proposal that was approved by the Members Committee on May 11, 2023, by a vote of 3.489 out of 5 in favor.¹³ PJM’s focus on only refining the PAI triggers at this time is also supported by the PJM Board of Managers, who stated, in part, that “. . . PJM operators require the latitude to declare and maintain emergency procedure steps given the uncertainties inherent during times of system stress. As the intent of the capacity performance rules is to hold resources accountable for performance during times when resources are most needed, trigger reform is sensible, particularly in light of the Winter Storm Elliott event.”¹⁴

While P3 supports the policy of moving to PAI triggers that are more reflective of system conditions, P3 specifically rejects the portion of PJM’s filing related to the filed rate doctrine. PJM’s arguments rest heavily on PJM Interconnection, L.L.C., 182 FERC ¶ 61,109 (2023), which P3 believes was wrongly decided by the Commission based on an ill-conceived filing from PJM. While P3 is confident that the courts will reverse this illegal Commission decision, P3 cannot and will not support the use of this precedent to support other PJM actions. Since no parties have

¹² Bryson Affidavit, P 14.

¹³ PJM’s broader proposal, endorsed by the Members Committee on May 11, 2023, would have provided changes to reduce the Non-Performance Charge rate and associated stop loss for the 2023/24 and 2023/25 Delivery Years. PJM, Minutes from Special MC Meeting (May 11, 2023), <https://www.pjm.com/-/media/committees-groups/committees/mc/2023/20230531/20230531-consent-agenda-b---draft-special-mc-minutes---5112023.ashx>.

¹⁴ PJM Board Letter, dated May 23, 2023, p. 1. <https://www.pjm.com/-/media/about-pjm/who-we-are/public-disclosures/20230523-pjm-board-response-to-several-letters-regarding-cp-penalty-rate-stop-loss-and-trigger-changes.ashx>

raised concerns related to the file rate doctrine in this proceeding, P3 will refrain from addressing those issues at this time. P3 reserves the right to respond to those concerns if they are raised by another party as objections to approval of this filing.

II. CONCLUSION

PJM's PAI Trigger Filing is a narrowly-tailored and well-balanced proposal to redefine when a PAI can be triggered. The impetus for these Tariff revisions were made evident by the actual events of Winter Storm Elliott, as well as the passage of time since the implementation of PJM's CP construct in which PJM and its system operators have gained valuable insight and experience of the best ways to manage emergency conditions.

Wherefore, P3 supports PJM's PAI Trigger Filing, requests that the Commission find that its proposed amendments to the Tariff are just and reasonable and grant its request for a Commission Order by July 14, 2023.

Respectfully submitted,

On behalf of The PJM Power Providers Group

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Dated: June 9, 2023

CERTIFICATE OF SERVICE

I hereby certify that I have this day 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.

Dated at Washington, D.C., this 9th day of June, 2023.

Laura Chappelle
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