# UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

PJM Interconnection, L.L.C.	)	Docket No. EL18-34-000
	)	
	}	

## COMMENTS IN RESPONSE TO PJM'S MOTION FOR EXTENSION OF TIME OF THE PJM POWER PROVIDERS GROUP AND THE ELECTRIC POWER SUPPLY ASSOCIATION

Pursuant to Rule 212 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("FERC" or "Commission"), the PJM Power Providers Group ("P3")<sup>2</sup> and the Electric Power Supply Association ("EPSA")<sup>3</sup> respectfully file these comments in response to the July 5, 2019 Motion of PJM Interconnection, L.L.C. ("PJM") For Extension of Time and Request for Shortened Answer Period ("PJM Motion for Extension"). PJM seeks a one-month extension of time to submit its compliance filing and informational report in compliance with the Commission's April 18, 2019

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 65,000 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 <a href="www.p3powergroup.com">www.p3powergroup.com</a>. 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>&</sup>lt;sup>1</sup> 18 C.F.R. § 385.212 (2019).

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>&</sup>lt;sup>4</sup> Motion of PJM Interconnection, L.L.C. For Extension of Time and Request for Shortened Answer Period, PJM Interconnection, L.L.C., Docket No. EL18-34-000 ("PJM Motion for Extension"), filed on July 5, 2019.

Order on Paper Hearing concerning the pricing of fast-start resources in PJM's energy Market ("Fast-Start Order").<sup>5</sup> PJM thus requests to submit its compliance filing and informational report by August 30, 2019, instead of the current due date of July 31, 2019.

#### I. COMMENTS

P3 and EPSA have been active interested parties to this proceeding, and have consistently cited energy price formation (including the pricing of fast start resources) as an area where market reforms are long overdue.<sup>6</sup>

While P3 and EPSA do not formally object to PJM's request for additional time to consider compliance related issues, P3 and EPSA are concerned about further slippage of the implementation date for the long overdue market reforms associated with PJM's fast start pricing practices. In December of 2017, the Commission determined that PJM's fast start pricing practices "may be unjust and unreasonable because the practices do not allow prices to reflect the marginal cost of serving load, and the Commission identified changes to PJM's Tariff that, upon initial review, would result in rates that are just and reasonable." The December 2017 Order followed a Notice of Proposed Rulemaking that was issued a year before in December 2016 questioning whether certain RTO practices related to fast start pricing were just and reasonable. In other words, the

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<sup>&</sup>lt;sup>5</sup> PJM Interconnection, L.L.C., 167 FERC 61,058 (April 18, 2019) ("Fast-Start Order").

P3 incorporates by reference its comments; reply brief; and answer, filed on February 12, 2018; March 14, 2018; and April 30, 2018, respectively, as well as comments it previously made to fast-start pricing in Docket Nos AD14-14-000 and RM17-3-000. EPSA incorporates by reference its initial comments and reply brief, filed on February 12, 2018, and March 14, 2018, respectively, as well as comments it previously filed regarding fast-start pricing in Docket Nos. AD14-14-000 and RM17-3-000.

https://www.ferc.gov/whats-new/comm-meet/2019/041819/E-3.pdf at 1 citing PJM Interconnection, L.L.C., 161 FERC ¶ 61,295 (2017) ("December 2017 Order").

Fast-Start Pricing in Markets Operated by Regional Transmission Organizations and Independent System Operators, 81 Fed. Reg. 96,391 (Dec. 30, 2016), 157 FERC ¶ 61, 213, at PP 3, 36-37 (2016) ("Fast Start NOPR").

Commission identified a potential problem in 2016, determined there was an actual problem in 2017 and yet, halfway through 2019, the problem is still not resolved.

P3 and EPSA acknowledge that it is important to get fast start pricing rules correct and appreciate that the Commission's April 18, 2019 Fast-Start Order provides direction to PJM to get those rules correct. Based on the Commission's Fast-Start Order in April, and PJM's representation later that month that fast start pricing rules could be implemented in November of 2019, P3 and EPSA members were hopeful that revised fast start pricing rules would be in place in 2019. However, given the issues raised in PJM's request for additional time and subsequent representations by PJM, it is apparent that implementation will now wait until 2020.

If the Commission accepts PJM's request for additional time to submit its compliance filing, it should insist on an implementation date in January 2020. P3 and EPSA understand that such an implementation date would require certain timely decisions by PJM and the Commission. However, given the nearly three-year process to correct an identified market shortcoming, the Commission should bring this matter to a close and effectuate these much needed market reforms related to fast start pricing.

#### II. CONCLUSION

P3 and EPSA respectfully request that the Commission consider these comments and impose an implementation date of PJM's fast start compliance filing in January 2020.

PJM Fast Start Pricing Order Update, April 25, 2019, at p. 6. <a href="https://pjm.com/-/media/committees-groups/committees/mrc/20190425/20190425-item-09-fast-start-pricing-order-update.ashx">https://pjm.com/-/media/committees-groups/committees/mrc/20190425/20190425-item-09-fast-start-pricing-order-update.ashx</a>.

## Respectfully submitted,

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July 15, 2019

### **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 15th day of July 2019.

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