

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

PJM Interconnection, L.L.C.) Docket No. ER17-335-000

COMMENTS
OF THE PJM POWER PROVIDERS GROUP

Pursuant to Rule 212 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("FERC" or the "Commission"), 18 C.F.R. § 385.212 (2016), the PJM Power Providers Group ("P3")¹ respectfully submits these comments regarding the November 9, 2016, filing by PJM Interconnection, L.L.C. ("PJM"), pursuant to Section 205 of the Federal Power Act ("FPA")² that proposes revisions to PJM Open Access Transmission Tariff ("Tariff"), Attachment DD to allow for the release, in the Third Incremental Auction for the 2017/2018 Delivery Year, of excess committed capacity resulting from the clearing of new, previously uncommitted capacity in the Capacity Performance Transition Incremental Auction ("Transition Auction") for the 2017/2018 Delivery Year ("PJM Filing").³

¹ 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 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.

² 16 U.S.C. §824d.

³ *PJM Interconnection, L.L.C.*, Docket No. ER17-335-000, November 9, 2016 ("PJM Filing").

The Federal Energy Regulatory Commission (“Commission” or “FERC”) issued a Combined Notice of Filings #2 on November 9, 2016, setting November 30, 2016, as the deadline to file comments, interventions and protests.

On November 21, 2016, pursuant to Rule 214 of the Rules of Practice and Procedure of the Commission, 18 C.F.R. § 385.214 (2016), P3 submitted a doc-less motion to intervene.

P3 respectfully submits comments in general support of the methodology proposed by PJM as a correction to an issue found in transitioning to a Capacity Performance market.⁴

I. COMMENTS

P3 appreciates that PJM identified a concern with the Transition Auction and provided a reasonable solution to a temporary problem. As PJM stated, the revisions allow for the release, in the Third Incremental Auction for the 2017/2018 Delivery Year, of excess committed capacity resulting from the clearing of new, previously uncommitted capacity in the Transition Auction for the 2017/2018 Delivery Year. PJM further explains that its proposed methodology for the release of excess committed capacity for the 2017/2018 Delivery Year differs from the methodology the Commission previously accepted for the 2016/2017 Delivery Year, because substantially more new, previously uncommitted capacity cleared the relevant Transition Auction for the 2017/2018 Delivery Year than for the 2016/2017 Delivery Year.⁵

⁴ 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.

⁵ PJM Filing at p. 1.

This issue has been the subject of extensive PJM stakeholder discussions.⁶ P3 agrees with PJM that the overarching rationale and purpose of developing alternative pricing methodologies is acknowledging the potential benefit to load of retaining excess committed capacity, which could take the form of reduced energy and ancillary service costs.⁷ P3 also agrees that releasing the excess committed capacity at \$0 per megawatt-day is not the correct solution.⁸

As PJM specified, the PJM proposed modification received overwhelming stakeholder approval. The PJM Markets and Reliability Committee endorsed these proposed Tariff revisions at its September 29, 2016 meeting by acclamation with three objections and one abstention, and the PJM Members Committee approved/endorsed these proposed Tariff revisions at its October 27, 2016 meeting by acclamation with three objections and 0 abstentions.⁹

If accepted, PJM's proposal would not, importantly, undermine the fundamental purposes of Capacity Performance (promoting generator performance during system emergencies), but instead would provide PJM the tools it needs to appropriately respond to a temporary situation. Moreover, the proposed revisions appropriately release excess committed capacity for the 2017/2018 Delivery Year. P3 supports PJM's proposed temporary methodology to be applied in this instance and that the proposed modifications are just and reasonable and not unduly discriminatory or preferential.

⁶ PJM Filing at p. 6.

⁷ *Id.*

⁸ PJM Filing at p. 7.

⁹ PJM Filing, at p. 14.

II. CONCLUSION

P3 respectfully requests that the Commission consider these comments and approve the PJM November 9, 2016 Filing.

Respectfully submitted,

On behalf of the PJM Power Providers Group

By: /s/ Glen Thomas

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November 30, 2016

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 30th day of November, 2016.

On behalf of the PJM Power Providers Group

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