

be rejected as beyond the scope of this filing. There would be regulatory chaos and significant due process concerns if entities were simply allowed to raise new issues at the thirteenth hour in an attempt to transform a section 205 filing beyond its limited scope.

I. MOTION TO STRIKE OR REJECT THE MARKET MONITOR'S ANSWER

The issues raised in the Market Monitor's Answer are not only unrelated to PJM's proposed revisions at hand, but procedurally should have been submitted over a month ago to afford PJM and other interested stakeholders a meaningful opportunity to respond. Instead, the Market Monitor attempts to couch its late comments as an Answer to comments submitted by DC Energy, LLC ("DC Energy")⁴ and PJM's Answer in response to those comments.⁵ At the outset, the Market Monitor's Answer is factually incorrect as it indicates that DC Energy submitted its comments on March 6, 2023, and that PJM filed an the answer to DC Energy on March 13, 2023.⁶ To the contrary, DC Energy filed its timely comments on February 10, 2023,⁷ while PJM submitted its motion for leave to answer and answer on March 6, 2023.⁸

In any event, while the Market Monitor's Answer briefly notes the posting requirements relevant to the DC Energy comments and acknowledges that PJM already posts the information requested by DC Energy,⁹ the main contention of the Market Monitor's Answer pertains to an entirely new and different issue not previously raised in this docket. Namely, the Market Monitor's

⁴ *PJM Interconnection, L.L.C.*, Motion to Intervene and Comments of DC Energy, LLC, Docket No. ER23-918-000 (Feb. 10, 2023) ("DC Energy Comments").

⁵ *PJM Interconnection, L.L.C.*, Motion for Leave to Answer and Answer of PJM Interconnection, L.L.C., Docket No. ER23-918-000 (Mar. 6, 2023) ("PJM's March 6 Answer").

⁶ Market Monitor Answer at 1.

⁷ See DC Energy Comments.

⁸ See PJM's March 6 Answer.

⁹ Market Monitor Answer at 1-2.

Answer is instead focused on modeling operating line ratings in the market.¹⁰ Unfortunately, raising such a last minute issue mere days before the Commission is required to act simply does not allow a comprehensive rebuttal at this late hour. To make matters worse, the Market Monitor's Answer is void of any explanation for such a late filed comment, which only further demonstrates that no good cause exists for the Commission to accept this last minute answer.

Under the Rule 213 of the Commission's Rules of Practice and Procedure, the Commission does not permit answers to an answer as a matter of right, "unless otherwise ordered by the decisional authority."¹¹ Notwithstanding, the Commission's precedent interpreting Rule 213 permits answers to an answer when doing so facilitates the decision-making process, helps to clarify complex issues, and helps to ensure a full and complete record.¹²

Here, there is no reasonable argument that an answer filed four business days before the Commission is statutorily required to act on a filing submitted under section 205 of the Federal Power Act can somehow facilitate the Commission's decision-making process. Rather, such a last minute answer raising an entirely new topic would only complicate and frustrate the Commission's decision-making process. Moreover, the Market Monitor's answer does not clarify any issues to PJM's simple and narrow filing that would allow PJM to lower the Transmission Constraint Penalty Factor in limited circumstances (*i.e.*, transmission outage necessitated by a Regional Transmission Expansion Plan or an interconnection upgrade). There is nothing complex about the proposal at hand that requires clarification. Instead, the Market Monitor's arguments represents

¹⁰ *Id.* at 2-3.

¹¹ 18 C.F.R. § 385.213(a)(2).

¹² *Midcontinent Indep. Sys. Operator, Inc.*, 147 FERC ¶ 61,022, at P 12 (2014) ("We will accept MISO's answer because it has provided information that has assisted us in our decision-making process."); *Ameren Servs. Co.*, 100 FERC ¶ 61,135, at P 15 (2002) ("[G]iven the complex nature of this proceeding and because the answer aids in clarifying certain issues, we will accept GridAmerica's answer."); *Cottonwood Wind Project, LLC v. Neb. Pub. Power Dist., Inc.*, 155 FERC ¶ 61,285, at P 26 (2016).

an attempt to go far beyond the scope of PJM's filing by injecting an entirely different issue as to how PJM models transmission constraint limits in the energy markets today. Lastly, the Market Monitor's Answer does not help to ensure a full and complete record as it proposes wholesale changes to the implementation of Transmission Constraint Penalty Factors that are entirely outside the scope of PJM's narrowly proposed revisions. In other words, the Market Monitor's Answer does not add anything to this record that is relevant to PJM's proposed revisions.

Accordingly, given the circumstances presented here, the Commission has ample reason to reject the Market Monitor's Answer and should do so.

II. MOTION FOR LEAVE TO ANSWER

Should the Commission decline to strike or reject the Market Monitor's Answer from this record, PJM moves for leave to submit a brief answer in response. The Commission's rules provide that a party may answer comments where the decisional authority permits an answer for good cause shown. The Commission has accepted responses to protests when doing so will ensure a more accurate and complete record or will assist the Commission in its deliberative process by clarifying the issues.¹³ As demonstrated below, all of these criteria are met here as PJM's answer helps to clarify the newly raised issues in the Market Monitor's Answer. Therefore, PJM respectfully requests that the Commission grant its Motion because the Answer will help clarify the record and contribute to an understanding of the issues.

¹³ The Commission regularly allows answers in such cases. *See, e.g., PJM Interconnection, L.L.C.*, 139 FERC ¶ 61,165, at P 24 (2012) (accepting answers to a protest because "they have provided information that assisted [the Commission] in [its] decision-making process"); *Cal. Indep. Sys. Operator Corp.*, 129 FERC ¶ 61,241, at P 16 (2009) ("[w]e will accept the answers and responses to the requests for rehearing because they provide information that assisted us in our decision-making process"); *PJM Interconnection, L.L.C.*, 104 FERC ¶ 61,031, at P 10 (2003) (accepting answer because "it will not delay the proceeding, will assist the Commission in understanding the issues raised, and will [e]nsure a complete record upon which the Commission may act"); *KN Wattenberg Transmission LLC*, 94 FERC ¶ 61,189, at 5 (2001) (finding good cause to accept an answer to a request for rehearing "in order to insure a complete record in this proceeding"); *Tex. E. Transmission, LP*, 131 FERC ¶ 61,164, at P 1, n.3 (2010) (accepting answer to a request for rehearing that aided the Commission's decision-making); *Southwest Power Pool, Inc.*, 126 FERC ¶ 61,153, at P 18 (2009) (accepting answers that aided the Commission's decision-making).

III. ANSWER

A. PJM's Proposed Tariff Revisions Provide Clear Triggers That Would Allow PJM to Reduce the Transmission Constraint Penalty Factor.

The Market Monitor alleges that PJM's "proposed rules would provide PJM with considerable discretion in changing the [Transmission Constraint Penalty Factor] with little accountability."¹⁴ To the contrary, as explained in PJM's January 20 Filing, and consistent with the proposed Tariff and Operating Agreement revisions, PJM would only be allowed to reduce the Transmission Constraint Penalty Factor in limited and specific circumstances defined in the filing. Namely, under this proposal, PJM would have the ability to lower the Transmission Constraint Penalty Factor when there is a transmission constraint that is caused by a transmission upgrade as part of PJM's Regional Transmission Expansion Plan process or a transmission upgrade necessitated by a generator interconnection and there are insufficient resources available in the localized area to alleviate this congestion. It is only when these circumstances are present that PJM would be able to reduce the Transmission Constraint Penalty Factor. Thus, contrary to the Market Monitor's assertion, the proposed revisions do not provide PJM "consideration discretion" in changing the Transmission Constraint Penalty Factor with little accountability.

B. The Market Monitor's Filing Raises Alternatives That Were Previously Considered and Rejected In the Stakeholder Process as an Unviable Alternative to the PJM Proposal.

As noted above, the Market Monitor's answer is simply an indiscrete attempt to circumvent the PJM stakeholder process by proposing elements of its stakeholder proposal that was already soundly rejected by the stakeholders. Specifically, the Market Monitor proposed a stakeholder alternative that contained the same element of modeling actual transmission line ratings in PJM's

¹⁴ Market Monitor Answer at 1.

Energy Price Formation Senior Task Force, which received 1% support from stakeholders.¹⁵ The reason PJM and the overwhelming majority of stakeholders could not support the Market Monitor’s proposal is because modeling transmission constraints based on their actual operating limits for market purposes would unacceptably increase reliability risks to the grid. If transmission constraints are modeled based on the actual line ratings, the only time the Transmission Constraint Penalty Factor would be applied would be when those line ratings are violated. PJM endeavors to avoid violating line ratings for obvious reliability reasons and the existing application of the Transmission Constraint Penalty Factor helps to avoid such line violations. Therefore, the Market Monitor’s approach as proposed was not viewed to be a viable option.

To be clear, PJM does not “adjust” line ratings. Rather, PJM operates the system to prevent exceeding line ratings by configuring the security constrained economic dispatch software to operate at less than 100% of those ratings to account for system volatility and resource limitations, which could cause flows to exceed the actual ratings and put the system in an unreliable state. As an example, when there is a post-contingency violation on a transmission facility with a 1,000 MVA rating, PJM may control the line rating by setting the constraint control to 95% due to ramp limitations for the controlling resources in the area. The Market Monitor claims that this is “artificially” lowering the line rating to 950 MVA. However, PJM must always control constraints with respect to the limits submitted by the Transmission Owner to account for system volatility and resource limitations that can cause constraint flows to vary above and below the controlled level over time. This is necessary to adhere to NERC standards by controlling constraints in a timely fashion.

¹⁵ See EPSTF Update: Transmission Constraint Penalty Factor, slide 4, <https://www.pjm.com/-/media/committees-groups/committees/mrc/2022/20221116/item-01---1-epfstf-tcpf-update---presentation.ashx>.

In any event, the Market Monitor's contentions are entirely outside the scope of PJM's narrow enhancements, which specify certain conditions where PJM may lower the Transmission Constraint Penalty Factor. Instead, the Market Monitor criticizes PJM's existing and necessary practice of modeling transmission line limits in markets, which has nothing to do with what PJM is proposing in this docket. Here, PJM demonstrated that the proposal at hand is just and reasonable in the January 20 Filing so the inquiry ends there and no further consideration of the Market Monitor's proposal is necessary.

IV. CONCLUSION

For the reasons provided herein, the Commission should accept PJM's Answer and accept PJM's Section 205 filing without modification.

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On behalf of
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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 Audubon, PA this 16th day of March 2023.

/s/ Chenchao Lu

Chenchao Lu