

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

PJM Interconnection LLC

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ER18-1314-000

**JOINT MOTION FOR EXTENSION OF TIME TO FILE REPLY COMMENTS  
AND REQUEST FOR EXPEDITED TREATMENT  
OF THE  
JOINT CAPACITY COALITION**

Pursuant to Rule 212 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (the “Commission”), 18 C.F.R. § 385.213 (2016), the Office of the People’s Counsel for the District of Columbia, Delaware Division of the Public Advocate, Delaware Public Service Commission, Illinois Citizens Utility Board, Illinois Attorney General’s Office, Indiana Office of Utility Consumer Counselor, Maryland Office of People's Counsel, New Jersey Division of Rate Counsel, New Jersey Board of Public Utilities, Public Staff – North Carolina Utilities Commission, Pennsylvania Office of Consumer Advocate, PJM Industrial Customer Coalition, and West Virginia Consumer Advocate (collectively, the “Joint Capacity Coalition” or “JCC”) hereby respectfully submit this Joint Motion for Extension of Time to File Reply Comments and Request for Expedited Treatment in response to the application filed by PJM Interconnection, LLC (“PJM”) the above-referenced docket.<sup>1</sup> As discussed below, PJM’s Application is significant and will require substantial time and effort by interested stakeholders to digest and analyze.<sup>2</sup> PJM proposes a “jump ball” approach whereby the Commission would

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<sup>1</sup> PJM Interconnection, LLC, *Capacity Repricing or in the Alternative MOPR-Ex Proposal: Tariff Revisions to Address Impacts of State Public Policies on the PJM Capacity Market*, Docket No. ER18-1314-000 (April 9, 2018) (“Application”).

<sup>2</sup> This motion takes no position on PJM’s Application or what is the proper course for the Commission to pursue. Each party reserves its rights to advance whatever procedural or substantive position that it may wish to take in this matter.

consider, and stakeholders would need to evaluate and prepare comments on, *two* different options for addressing revisions to PJM's capacity market. A comprehensive review by stakeholders of just one proposal presents a challenge in the normal 21-day time frame; asking stakeholders to review the potential ramifications of not just different proposals but different approaches in this time frame will result in a hurried process that will not produce the type of thoughtful comments the Commission needs or expects when addressing an issue of this import. Reviewing this detailed information and formulating thoughtful comments to assist in the Commission's consideration of PJM's filing will be time and resource intensive. Therefore, the JCC requests that the Commission extend the deadline to file reply comments to 30 days after notice of PJM's Application, or May 9, 2018. Additionally, in order to provide stakeholders with adequate notice and time to prepare responses to PJM's Application, the JCC respectfully asks that the Commission act on this motion no later than April 13, 2018.

## **I. BACKGROUND**

Beginning in March 2017, PJM and its stakeholders undertook a comprehensive review of the impact of state public policy initiatives on the capacity market. The Capacity Construct/Public Policy Senior Task Force ("CCPPSTF") held twenty-two separate meetings over the course of the next eight months. Stakeholders offered ten different proposals. Each proposal sponsor was given an opportunity to present, debate, and amend its proposal. In November 2017, the CCPPSTF proceedings concluded in a vote on the remaining proposals. After hours of discussion, proposal revisions, and debate, the final results were 63.4% support for the status quo (non-binding),

63.03% support for the Independent Market Monitor’s (“IMM”) MOPR-Ex proposal, and 26.1% support for PJM’s Capacity Repricing proposal.<sup>3</sup>

On January 16, 2018, PJM sent a letter to its members and stakeholders stating that it would recommend to its Board of Managers that it file the Repricing proposal.<sup>4</sup> On January 25, 2018, the Markets and Reliability Committee (“MRC”) rejected the PJM proposal by a wide margin (1.07 out of 5 sectors in favor). The MRC also rejected the IMM proposal by a narrower vote (3.19 out of 5 sectors in favor).<sup>5</sup> Further discussion of the PJM and IMM proposals occurred at the February 13, 2018 Liaison Committee meeting.<sup>6</sup> On February 16, 2018, PJM announced that its Board of Managers had decided to file both the Capacity Repricing proposal and the MOPR-Ex proposal with the Commission.<sup>7</sup>

## **II. THE COMMISSION SHOULD EXTEND THE COMMENT PERIOD TO 30 DAYS AFTER NOTICE OF PJM’S APPLICATION TO ENSURE ADEQUATE CONSIDERATION OF EACH OF THESE PROPOSALS**

As evidenced by the synopses above, proposed revisions to the capacity market have stimulated serious discussion in the PJM stakeholder community for over a year. This is not surprising given the fundamental question presented – the effects of state policy objectives on the efficient functioning of the capacity market. While stakeholders have been actively involved in

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<sup>3</sup> CCppSTF Vote Results, Presented at Nov. 21, 2017 CCppSTF Meeting, <http://www.pjm.com/-/media/committees-groups/task-forces/ccppstf/20171121/20171121-ccppstf-vote-results.ashx>.

<sup>4</sup> PJM Letter to Members and Stakeholders, Dated Jan. 16, 2018 (“January 16 Letter”), <http://www.pjm.com/~/media/about-pjm/who-we-are/public-disclosures/20180116-pjm-president-and-ceo-letter-regarding-capacity-market-repricing-proposal.ashx>.

<sup>5</sup> MRC Summarized Voting Report (Jan. 26, 2017), <http://www.pjm.com/-/media/committees-groups/committees/mrc/20180125/20180125-mrc-summarized-voting-report.ashx>.

<sup>6</sup> Liaison Committee Agenda (Feb. 2, 2018), <http://www.pjm.com/-/media/committees-groups/committees/lc/20180213/20180213-agenda.ashx>.

<sup>7</sup> PJM Letter to Members and Stakeholders, Dated Feb. 16, 2018 (“February 16 Letter”), <http://www.pjm.com/~/media/about-pjm/who-we-are/public-disclosures/20180216-letter-from-pjm-president-and-ceo-on-behalf-of-the-board-of-managers-regarding-capacity-market-reforms.ashx>.

this discussion, there is still a great deal of uncertainty as to the potential impact of the proposals put forward in the PJM Application. PJM has continued to revise its Capacity Repricing proposal since the end of the CCPPSTF meetings<sup>8</sup>, so while the general idea is not new, these later revisions have not been appropriately vetted by stakeholders. The picture is even less clear when it comes to MOPR-Ex, a proposal which, until the February 2018 Board of Managers meeting, PJM strongly opposed. PJM has filed a version of MOPR-Ex, but stakeholders will need some time to determine how closely it adheres to what the IMM proposed or to any of the three versions that were considered at the January 25 MRC meeting.

Further confusion exists because PJM, as discussed in its February 16 Letter, proposes a two-step process whereby the Commission would first choose a general direction followed by a settlement judge proceeding to “bring refinement, compromise and more consensus support.”<sup>9</sup> Because the ultimate parameters of any proposal are still unknown, even to PJM, stakeholders will need even more time to consider the possible infinite variations that might come from this refinement, compromise, and consensus support.

Finally, the non-binding “status quo” received more stakeholder backing than either proposal did. Many of these parties must now consider whether this remains their preference and, if so, how to best support their arguments.

PJM’s Application comes at an unusually busy time for the Commission. Many stakeholders are actively involved in any number of other Commission proceedings, including rule

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<sup>8</sup> PJM’s Capacity Market Repricing Proposal – Updated (Jan. 16, 2018), <http://www.pjm.com/-/media/library/reports-notices/special-reports/2018/20180116-capacity-market-repricing-proposal-updated.ashx?la=en>.

<sup>9</sup> See, February 16 Letter.

makings on resilience<sup>10</sup> and tax reform,<sup>11</sup> both of which have comment periods that run contemporaneously with this docket. The Commission's interest in obtaining considered responses in these other proceedings, as well as the instant one, would best be served by allowing interested stakeholders, many of whose resources are already taxed, additional time. The extra time would allow stakeholders to give PJM's filing the careful attention it deserves and formulate reply comments that will provide a more comprehensive record to assist the Commission in evaluating these capacity proposals.

Furthermore, no harm will come from a modest extension of time. In its Application, PJM asks the Commission to act on its filing by June 29, 2018.<sup>12</sup> Even with the extended reply period proposed in this motion, the Commission will have over 45 days after comments have been filed to issue its order. PJM has stated that it does not plan to introduce whichever capacity proposal is ultimately chosen until the May 2019 Base Residual Auction. Even with PJM's proposed two-step process of first identifying a course of action and then refining it, there will be sufficient time to complete a thorough review of the Commission's initial action and still file a tariff by late-fall 2018. In fact, giving stakeholders additional time will contribute to the completeness of that review, both at the initial level – the crucial step when PJM determines the direction it intends to go – and at the later refinement stage.

Finally, PJM has taken 52 days from the issuance of its February 16 Letter to file its Application, evidence of the challenging nature of the issues presented. The JCC does not

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<sup>10</sup> Grid Reliability and Resilience Pricing, 162 FERC ¶ 61,012 (2018).

<sup>11</sup> Interstate and Intrastate Natural Gas Pipelines; Rate Changes Relating to Federal Income Tax Rate, 162 FERC ¶ 61,226 (2018), and Inquiry Regarding the Effect of the Tax Cuts and Jobs Act on Commission-Jurisdictional Rates, 162 FERC ¶ 61,223 (2018).

<sup>12</sup> PJM Application at 116.

begrudge PJM this time; however, we respectfully submit that stakeholders deserve *at least half* that length of time to develop thoughtful responses.

**III. TO PROVIDE STAKEHOLDERS WITH ENOUGH TIME TO RESPOND, THE COMMISSION SHOULD ACT ON THIS REQUEST AS SOON AS PRACTICABLE AND NO LATER THEN APRIL 13, 2018**

The JCC requests that the Commission act on this motion as soon as practicable and, in any event, by no later than April 13, 2018. If the Commission is not inclined to grant the extension, stakeholders need certainty in this regard as soon as possible so that they can plan accordingly.

**IV. CONCLUSION**

For the foregoing reasons, the JCC respectfully requests the Commission grant this motion to extend the initial comment period to a minimum of 30 days after notice of PJM's Application, and the motion for expedited treatment.

Respectfully submitted,

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