

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

)	Docket No. ER23-729-000
PJM Interconnection L.L.C.)	Docket No. EL23-19-000
)	(Not Consolidated)

**NOTICE OF INTERVENTION AND
COMMENTS OF THE ORGANIZATION OF PJM STATES, INC.**

Pursuant to Rules 212 and 214 of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) Rules of Practice and Procedure, 18 C.F.R. § 212 and 214, the Organization of PJM States, Inc. (“OPSI”),¹ respectfully submits this Notice of Intervention and Comments that are generally supportive of the PJM Interconnection, L.L.C.’s (“PJM”) Tariff Revisions² and Federal Power Act Section 206 filing³ in these dockets. Further, OPSI supports the filing of the Delmarva Zone Parties⁴ and urges the Commission to accept PJM’s Section 205 filing or grant PJM’s Section 206 filing and set a refund effective date of December 23, 2022.

I. NOTICE OF INTERVENTION

OPSI is an inter-governmental organization of utility regulatory commissions from the 14

¹ OPSI’s following members support these comments: the Delaware Public Service Commission, Public Service Commission of the District of Columbia, Illinois Commerce Commission, Indiana Utility Regulatory Commission, Kentucky Public Service Commission, Maryland Public Service Commission, Michigan Public Service Commission, New Jersey Board of Public Utilities, North Carolina Utilities Commission, Pennsylvania Public Utility Commission, Tennessee Public Utility Commission, Virginia State Corporation Commission, and Public Service Commission of West Virginia. The Public Utilities Commission of Ohio abstained in the vote on this filing.

² PJM Interconnection, L.L.C. “Proposed Amendment to the Locational Deliverability Area Reliability Requirement Filed Pursuant to section 205 of the Federal Power Act, Request for Waiver of Notice Requirement, and Request for an Extended Comment Period of 28 Days” Docket No. ER23-729 (Dec. 23, 2022) (“Section 205 Filing”).

³ PJM Interconnection, L.L.C. “Section 206 Filing Alleging that the Locational Deliverability Area Reliability Requirement is Unjust and Unreasonable as Applied in a Particular Locational Deliverability Area in the 2024/2025 Base Residual Auction And Requesting that the Commission Establish a Refund Effective Date of December 23, 2022, and Request for an Extended Comment Period of 28 Days” Docket No. EL23-19 (Dec. 23, 2022) (“Section 206 Filing”).

⁴ PJM Interconnection, L.L.C., “Comments in Support of PJM’s Proposal to Address the Locational Deliverability Area Reliability Requirement” Docket Nos. ER23-729-000 and EL23-19-000 (Jan. 20, 2023) (Delmarva Zone Parties’ Filing”).

state and local jurisdictions either, wholly or partly, in the service area of PJM, a Commission-approved regional transmission operator. PJM operates the high-voltage electric transmission grid and wholesale electricity market within its service area. OPSI's activities include, but are not limited to, coordinating data/issues analyses and policy formulation related to PJM, its operations, its Independent Market Monitor, and related Commission matters. OPSI's activities and actions include formal engagement at FERC as well as engagement in the PJM Stakeholder process.

As such, OPSI files its Notice of Intervention in the dockets above under Rule 214(a)(2), 18 C.F.R. §385.214(a)(2), of the Commission's Rules of Practice and Procedure.

Service of pleadings, documents, and communications in this proceeding should be made on the following:

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II. COMMENTS

PJM argues that the calculation of the Locational Deliverability Area Reliability Requirement ("LDARR") in its Tariff Manuals produces an unjust and unreasonable outcome when Planned Generation Capacity Resources, including large thermal resources and Intermittent Resources, are modeled in a small Locational Deliverability Area ("LDA") and such resources do not participate in the Base Residual Auction (BRA).⁵ The complaint argues that because the LDARR is driven by forecasted load and expected supply, it was significantly overstated for the

⁵ PJM Section 205 Filing at 1-6; PJM Section 206 Filing at 1-6.

2024/2025 BRA which caused the clearing price to be unjust and unreasonable because it did not reflect the actual reliability needs of the affected zones.⁶

PJM's proposes revisions would allow PJM to exclude Planned Generation Capacity Resources from the calculation of the LDARR during the auction process if the addition of such resources would materially increase the reliability requirement and such resources do not participate in the Reliability Pricing Model ("RPM") Auctions.⁷ PJM argues this amendment is needed to allow the RPM Auctions to use an accurate LDARR in clearing auctions.⁸ PJM argues the proposed changes are needed to ensure just and reasonable outcomes that are consistent with the reliability requirements of each LDA.⁹

On January 20, 2023, the Delaware Public Service Commission ("DE PSC"), the Delaware Division of the Public Advocate ("DE DPA"), the Delaware Municipal Electric Corporation, the Maryland Public Service Commission, and the Virginia State Corporation Commission (collectively, the "Delmarva Zone Parties") filed comments supporting PJM's approach of addressing a potential aberrant auction outcome before the conclusion of the 2024/2025 BRA.¹⁰ They argue that high BRA prices alone do not indicate unjust and unreasonable rates and are well aware that PJM's filings occurred during an auction clearing.¹¹ They argue that commission action is necessary when PJM demonstrates that the clearing price does not reflect the underlying supply and demand fundamentals of the BRA, resulting in unjust and unreasonable rates. They support PJM's proposed remedy in its Section 205 filing, which is narrow and tailored to produce outcomes that are just, reasonable, not unduly discriminatory, and do not delay the BRA timeline.¹² They

⁶ PJM Section 206 filing at 2.

⁷ *Id.* at 5.

⁸ *Id.* at 4-5.

⁹ *Id.* at 5.

¹⁰ Delmarva Zone Parties' Filing.

¹¹ *Id.* at 4.

¹² *Id.* at 4-5.

urge the Commission to accept PJM's filing or, if the Commission chooses to tailor its own remedy, recommend a refund effective date of December 23, 2022, as requested by PJM.¹³

OPSI supports the filing of the Delmarva Zone Parties and urges the Commission to accept PJM's Section 205 filing or grant PJM's Section 206 filing and set a refund effective date of December 23, 2022.

III. CONCLUSION

For the reasons stated above OPSI supports the Delmarva Zone Parties' January 20, 2023, filing and respectfully request that the Commission accept PJM's Section 205 Filing or, alternatively, grant PJM's Section 206 Filing and set a refund effective date of December 23, 2022.

Respectfully Submitted,

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Dated: January 20, 2023

¹³ *Id.* at 6.

CERTIFICATE OF SERVICE

I hereby certify that the foregoing has been served in accordance with 18 C.F.R. Section 385.2010 upon each person designated on the official service list compiled by the Secretary in this proceeding.

/s/ Gregory V. Carmean

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Dated at Newark, Delaware this January 20, 2023.