



finance solar projects and act, in coordination with AWEA, to advance joint goals before the Commission and the nation’s regional transmission organizations and independent system operators. Members of the Joint Parties are active participants in PJM’s energy and capacity markets. Their interests cannot be represented by any other party, and their interventions are therefore in the public interest.

## II. COMMENTS

PJM submitted the Compliance Filing to “incorporate rules pertaining to qualifications for all Capacity Resources”,<sup>3</sup> as ordered by the Commission in its October 17 Order<sup>4</sup> on PJM’s compliance filing implementing Order No. 841.<sup>5</sup> Relevant to these Comments, PJM stated:

Consistent with the Commission’s opening of a separate Section 206 proceeding, PJM requests that stakeholders, and ultimately the Commission, address issues surrounding the reasonableness of the application of PJM’s existing ten hour duration requirement for generating units with limited energy capability *after* PJM submits its separate brief on this topic. In short, PJM urges the Commission to find that this filing meets the narrow compliance obligation set forth in paragraph 140 of the October 17 Order, while reserving the reasonableness of the ten hour duration requirement in the separate paper hearing as provided in paragraph 142 of that order.<sup>6</sup>

PJM also noted that it interpreted “the Commission’s directive to incorporate the ‘minimum run-time’ rules for all resources in the tariff to mean the PJM Manual provisions that the current RAA, Schedule 9 refers to as the ‘rules and procedures [that] recognize the difference in types of generating units and the relative ability of units to maintain output at stated capability over a specified period of time.’”<sup>7</sup> PJM went on to

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<sup>3</sup> *See id.* at 1. For the purpose of this filing, capitalized terms not defined herein shall have the meaning as contained in the PJM Open Access Transmission Tariff, Amended and Restated Operating Agreement of PJM Interconnection, L.L.C., or the Reliability Assurance Agreement Among Load Serving Entities in the PJM Region (“RAA”).

<sup>4</sup> *PJM Interconnection, L.L.C.*, 169 FERC ¶ 61,049 (Oct. 17, 2019) (“October 17 Order”).

<sup>5</sup> *Electric Storage Participation in Markets Operated by Regional Transmission Organizations and Independent System Operators*, Order No. 841, 162 FERC ¶ 61,127 (2018), order on reh’g, Order No. 841-A, 167 FERC ¶ 61,154 (2019) (“Order No. 841”).

<sup>6</sup> Compliance Filing at 2.

<sup>7</sup> *See id.* at 3.

propose “existing rules for determining the capacity values of Capacity Resources that are currently in the PJM Manual into RAA, Schedule 9,” and specifically, proposed rules “for three categories of resources, i.e., generating units: (1) that are able to maintain a stated level of output without interruption for an extended period of time, (2) with limited energy capability, or (3) with output that varies as a function of energy source that is non-continuous and cannot be directly controlled.”<sup>8</sup>

With respect to the second category of resources, which include all Capacity Storage Resources,<sup>9</sup> PJM proposed revisions to the RAA that codify the “ten hour duration requirement” therein. However, as PJM acknowledges, the justness and reasonableness of the ten hour duration requirement and its application to Capacity Storage Resources is a matter that will be addressed by all stakeholders, and ultimately decided by the Commission, in the upcoming paper hearing in Docket No. EL19-100-000 that was ordered by the Commission in the October 17 Order (the “Paper Hearing”).<sup>10</sup>

Notably, PJM’s interpretation of the October 17 Order, and its conclusion that it is required by the October 17 Order to incorporate the ten hour duration requirement in the RAA as part of its Compliance Filing, rests on the implicit assumption that its current manuals require and authorize the imposition of the ten hour requirement on Capacity Storage Resources. However, as detailed in protests and comments previously submitted by the Joint Parties, both individually and collectively, the Joint Parties do not agree that PJM’s currently effective manuals or governing documents require or authorize the

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<sup>8</sup> See *id.* at 5.

<sup>9</sup> See *id.* at 6.

<sup>10</sup> See October 17 Order at P 142.

imposition of the ten hour duration requirement on Capacity Storage Resources.<sup>11</sup> Joint Parties submit that the imposition of a ten-hour duration requirement for Capacity Storage Resources has not been found to be just and reasonable, and may be unjust and unreasonable pending the outcome of the Paper Hearing. Accordingly, Joint Parties request that the Commission reject or suspend the ten-hour duration requirement without prejudice. Upon conclusion of the upcoming Paper Hearing, the Commission should require PJM to submit a compliance filing codifying in its Tariff the just and reasonable duration requirement for Capacity Storage Resources.

Notwithstanding the foregoing, Joint Parties recognize that all interested parties will have the opportunity to address the justness and reasonableness of the ten hour duration requirement in the upcoming Paper Hearing. Additionally, Joint Parties look forward to re-engaging PJM in a dialogue to explore alternative approaches to capacity qualification, and to hopefully resolve or narrow the issues of concern that will be before the Commission in the upcoming Paper Hearing during the additional time initially requested by PJM, and afforded by the Commission.<sup>12</sup>

Accordingly, rather than protesting the Compliance Filing, Joint Parties simply request that to the extent that the Commission accepts the revisions proposed in the Compliance Filing that would codify the ten hour duration requirement in the RAA,<sup>13</sup> that the Commission clarify that in accepting such revisions, it is not making a determination that the ten hour duration as applied to Capacity Storage Resources is in fact just and reasonable, as this important issue will be before the Commission in the upcoming Paper Hearing.<sup>14</sup> Alternatively, the Joint Parties

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<sup>11</sup> See e.g. Protest of the American Wind Energy Association and the Solar Council, Docket No. ER19-469-000, at 10-16 (Feb. 7, 2019); see also Protest and Comments of the Energy Storage Association, Docket No. ER19-469-000, at 2-10 (Feb. 7, 2019).

<sup>12</sup> See e.g., Notice of Extension of Time, Docket No. EL19-100-000 (Dec. 6, 2019).

<sup>13</sup> Joint Parties do not oppose other RAA revisions proposed in the Compliance Filing.

<sup>14</sup> Joint Parties also note that in not formally protesting PJM's Compliance Filing, that they are not altering any of their previously stated positions or arguments related to the ten hour duration requirement, nor are they waiving any

would not object to the Commission granting the relief sought by Nextera Energy Resources, LLC (“Nextera”), and specifically Nextera’s request to consolidate the above-captioned proceeding with the upcoming Paper Hearing.<sup>15</sup>

### III. CONCLUSION

For the aforementioned reasons, the Joint Parties request that the Commission consider its Comments herein.

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and all rights and privileges associated with asserting those positions before the Commission or any court of competent jurisdiction now or in the future.

<sup>15</sup> See e.g. Motion to Consolidate and Comments of Nextera Energy Resources, LLC, Docket No. ER20-584-000, at 1 (Jan. 6, 2020).



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