

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

PJM Interconnection, L.L.C.

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**Docket No. EL19-100-000
ER20-584-000
(not consolidated)**

**COMMENTS OF THE ENERGY STORAGE ASSOCIATION
IN SUPPORT OF PJM INTERCONNECTION L.L.C.’S MOTION**

Pursuant to Rule 212 of the Federal Energy Regulatory Commission’s (“FERC” or the “Commission”) Rules of Practice and Procedure,¹ the Energy Storage Association (“ESA”) hereby submits these Comments in support of PJM Interconnection, L.L.C.’s (“PJM”) Motion to Hold Proceedings in Abeyance and for Shortened Comment Period and Expedited Action (the “Motion”) in the above- captioned proceedings.²

The issues under consideration in these dockets pertain to how to effectively and fairly calculate the capability of Capacity Storage Resources (“CSR”) in PJM’s Reliability Pricing Model (“RPM”), which is necessary for compliance with FERC’s Order Nos. 841 and 841-A³ and is the subject of the Section 206 paper hearing proceeding the Commission initiated on its own motion in Docket No. EL19-100-000.⁴ As delineated in its Motion, PJM has had discussions with ESA and other stakeholders to evaluate a more appropriate mechanism to determine a CSR’s effective contribution to resource adequacy. PJM states that its primary objective in initiating a subsequent stakeholder proceeding is to develop a capability construct

¹ 18 C.F.R. § 385.212 (2020).

² *Motion of PJM Interconnection, L.L.C. To Hold Proceedings in Abeyance and For Shortened Comment Period and Expedited Action*, Docket Nos. EL19-100-000, ER20-584-000 (Feb. 27, 2019) (“PJM Motion”).

³ *Electric Storage Participation in Markets Operated by Regional Transmission Organizations and Independent System Operators*, 162 FERC ¶ 61,127 (2018) (“Order No. 841”), *order on reh’g*, 167 FERC ¶ 61,154 (2019) (“Order No. 841-A”).

⁴ *PJM Interconnection, L.L.C.*, 169 FERC ¶ 61,049 (October 17, 2019) at PP 140-143 (“October 17 Order”).

using Effective Load Carrying Capability (“ELCC”) as its analytical basis, which is a method used currently by the Midcontinent Independent System Operator, Inc., the New York Independent System Operator, Inc., and the California Independent System Operator Corporation.⁵

ESA supports PJM’s direction and its intention to undertake a stakeholder initiative to evaluate the application of an ELCC approach to CSRs in the RPM, provided there is also a clear path to a timely resolution. Since holding Docket No. EL19-100-000 in abeyance would delay a determination of a just and reasonable duration requirement for measuring the capability of CSRs in the RPM, it is imperative that subsequent PJM and Commission activity definitively limit continuing uncertainty that is detrimental to energy storage participation in PJM’s capacity market. ESA has previously argued that PJM’s status quo leads to rates that are unjust and unreasonable,⁶ and unbounded delay would result in a de facto acceptance by the Commission of that status quo. To its credit, PJM seeks to move away from that status quo to an ELCC-based framework. A properly administered ELCC approach can enable accurate recognition of the contribution of storage resources of both shorter and longer durations to system resource adequacy and thus address the unjust and unreasonable shortcomings of PJM’s status quo.⁷ PJM states an intention to initiate its stakeholder process on or before March 26, 2020, and to file appropriate revisions to its governing documents by January 29, 2021. Provided that there is not further delay in Commission decision on the PJM Motion, ESA supports setting January 29, 2021, as the date by which PJM will submit an FPA Section 205 filing to establish a capacity qualification method for CSRs or, in the absence of such filing, the date on which the abeyance period will cease and briefing schedule in

⁵ PJM Motion at PP 3-5.

⁶ *Motion for Leave to Answer and Answer of the Energy Storage Association*, Docket No. ER19-469-000 (April 12, 2019).

⁷ In addition to the ELCC studies cited in the PJM Motion, an ELCC study of the capacity value of energy storage in PJM was part of FERC’s rationale for issuing the October 17 Order. See “Affidavit of Kevin Carden” in *Motion for Leave to Answer and Answer of the Energy Storage Association*, Docket No. ER19-469-000 (April 12, 2019).

Docket No. EL19-100-000 should recommence.

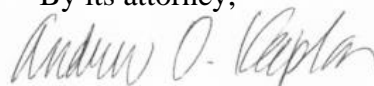
ESA agrees with PJM that the ongoing stakeholder process has been fruitful to date. To best encourage timely resolution, ESA believes that the Commission should further clarify the how Docket No. EL19-100-000 will proceed in its decision on the PJM Motion. First, assuming PJM makes an FPA Section 205 filing with the Commission that could resolve the issue set for hearing in Docket No. EL19-100-000, the Commission should continue to hold that proceeding in abeyance until such time as the Commission accepts PJM's alternative proposal as just and reasonable. Second, if the stakeholder process does not result in PJM making an FPA Section 205 filing with the Commission, the Commission should either (1) direct PJM to promptly submit a motion to set a briefing schedule when it determines an FPA Section 205 filing will not be made, which necessarily be prior to January 29, 2021, or (2) set briefing dates at this time (*e.g.*, with initial briefs due January 29, 2021, or shortly thereafter), with the understanding that PJM can submit an additional motion as appropriate should it expect to make an FPA Section 205 filing.

Accordingly, ESA respectfully requests that the Commission grant the PJM Motion, with the further recommendations herein. If, however, the Commission chooses not to grant the PJM Motion, ESA respectfully requests that the Commission extend the deadline for opening briefs in Docket No. EL19-100-000 by 30 days, as parties have been focused on procedures to resolve the instant proceeding rather than positions they may take in the instant proceeding.

Respectfully submitted,

ENERGY STORAGE ASSOCIATION

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CERTIFICATE OF SERVICE

I, Anne O'Hanlon, hereby certify that the foregoing Comments of the Energy Storage Association were served via electronic mail to the service list.

Dated in Boston, MA this 2nd day of March 2020.



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