

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

PJM Load Parties

v.

PJM Interconnection, LLC

Docket No. EL24-104

Comments In Support Of Declaring Delmarva South Rates To Be Unjust and Unreasonable, and Establishing A Refund Effective Date Of April 22, 2024

Public Citizen timely intervened in this proceeding on April 26, 2024.¹ On May 6, the Commission issued an Order affirming PJM to let stand the results of its 2024/2025 Base Residual Auction,² with consumers living in the Delmarva Power & Light South Locational Deliverability Area subjected to an estimated \$178 million in unjust and unreasonable rates.³ FERC Chairman Willie L. Phillips, in his concurring statement to the May 6 Order, correctly referred to these rates as a financial “windfall” for generation owners.⁴ Indeed, in our comments filed back on January 19, 2023, we observed:

the unjust and unreasonable outcome of the capacity auction is the result of market manipulation—in the form of intentional capacity withholding—in the Delmarva Power & Light South Locational Deliverability Area . . . NRG Energy’s generation assets in Delmarva South—600 MW divvied between its coal-fired Indian River and its oil-fueled Vienna facilities—should be noted as part of any hearing under Section 206, as it appears to be a pivotal supplier . . . the Commission must set this matter for hearing and establish a refund effective date, per 16 USC § 824e; determine as part of that hearing whether market participants in Delmarva South engaged in intentional capacity withholding; and improve PJM’s tariff by requiring capacity auction results to be filed as a stand-alone Section 205 rate filing subject to public notice, inspection and protest.⁵

Given that the FERC Chairman has accurately described the auction results as a “windfall” profit for generation owners in Delmarva South—particularly for NRG

¹ https://elibrary.ferc.gov/eLibrary/filelist?accession_number=20240426-5047

² Docket No. ER23-729-002, <https://elibrary.ferc.gov/eLibrary/filedownload?fileid=2E2C6444-2882-C7FC-96BE-8F5040400000>

³ May 24, 2024 *Order On Rehearing*, at ¶ 8, Docket No. ER23-729-003 <https://elibrary.ferc.gov/eLibrary/filedownload?fileid=A4254AB6-6837-C473-913E-8FAC2E000000>

⁴ Docket No. ER23-729-002, at ¶ 4, <https://elibrary.ferc.gov/eLibrary/filedownload?fileid=2E2C6444-2882-C7FC-96BE-8F5040400000>

⁵ *Public Citizen Protest*, Docket Nos. EL23-19 and ER23-729, https://elibrary.ferc.gov/eLibrary/filelist?accession_number=20230119-5025

Energy—the Commission must find the auction results to be unjust and unreasonable; establish a refund effective date of April 22, 2024, per 16 USC § 824e; set the matter for hearing; and improve PJM’s tariff by requiring future capacity auction results to be filed as a stand-alone Section 205 rate filing subject to public notice, inspection and protest.

Respectfully submitted,

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