PJM Load Parties
v. Docket No. EL24-104
PJM Interconnection, LLC

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. On May 6, the Commission issued an Order affirming PJM to let stand the results of its 2024/2025 Base Residual Auction, with consumers living in the Delmarva Power & Light South Locational Deliverability Area subjected to an estimated $178 million in unjust and unreasonable rates. 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. 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
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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