

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

PJM Interconnection, L.L.C.

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Docket Nos. ER24-99-000  
ER24-99-001

**REQUEST FOR REHEARING AND CLARIFICATION  
OF AMERICAN MUNICIPAL POWER, INC.**

Pursuant to Rules 713 and 212 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission” or “FERC”),<sup>1</sup> and section 313 of the Federal Power Act (“FPA”),<sup>2</sup> American Municipal Power, Inc. (“AMP”) hereby requests rehearing and clarification of the Commission’s January 30, 2024 order in the above-captioned docket,<sup>3</sup> in which the Commission accepted changes to the PJM Interconnection, L.L.C. (“PJM”) Open Access Transmission Tariff (“Tariff”) and Reliability Assurance Agreement Among Load Serving Entities (“RAA”) to implement changes to PJM’s administrative capacity construct, the Reliability Pricing Model (“RPM”).

Many of the Tariff and RAA changes accepted in the January 30 Order relate to PJM’s implementation of a marginal effective load carrying capability (“ELCC”) approach to accrediting capacity resource classes in the RPM construct. As discussed below, the Commission should grant rehearing of the January 30 Order to ensure that PJM’s marginal ELCC accreditation methodology is transparent to RPM participants and that stakeholders have the necessary information and data to understand and replicate the accreditation of capacity resources.<sup>4</sup>

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<sup>1</sup> 18 C.F.R. §§ 385.713 and 385.212.

<sup>2</sup> 16 U.S.C. § 825*l*.

<sup>3</sup> *PJM Interconnection, L.L.C.*, 186 FERC ¶ 61,080 (2024) (“January 30 Order”).

<sup>4</sup> See January 30 Order at P 55.

Further, regardless of whether the Commission grants rehearing, it should clarify that, in addition to the information PJM has already committed to share regarding its marginal ELCC methodology, PJM must:

- Develop and share the ELCC Class Ratings for all resource classes calculated based on a methodology that has been specified in the PJM Business Manuals (“Manuals”) with sufficient time and clarity for stakeholders to understand and replicate the results well in advance of the auction.
- Enable verification of PJM’s marginal ELCC Class Rating results by the Independent Market Monitor for PJM (“IMM”). Such review will help assure stakeholders that PJM’s model is reasonably derived and properly implemented.

## **I. INTRODUCTION**

As a not-for-profit entity serving the power supply needs of its members at the lowest reasonable cost consistent with environmental stewardship, AMP has a strong interest in a capacity resource mix that ensures reliability at reasonable prices, including the ability for AMP to self-supply capacity from its own resources. AMP maintains a diverse resource portfolio to provide reliable and reasonably priced service to its customers, including one of the largest deployments of clean, renewable run-of-the-river hydroelectric generation in the country.

AMP’s pleadings in this docket identified significant concerns with the complexity and opacity of PJM’s proposed marginal ELCC accreditation methodology, observing that it would be difficult for market participants to anticipate likely outcomes of the methodology or to analyze those results.<sup>5</sup> AMP argued that PJM’s marginal ELCC method would effectively be a “black box” methodology for market participants given its complexity and lack of transparency.<sup>6</sup> Parties also noted that the Manuals, in which PJM

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<sup>5</sup> See, e.g., AMP, Protest and Comments at 12-13, Docket No. ER24-99-000 (November 9, 2023).

<sup>6</sup> See *id.* at 9; see also January 30 Order at P 47; *id.* at PP 45-46, 48, 50.

said the details of the marginal ELCC accreditation approach would be described, had not yet been updated with these specifics.<sup>7</sup> AMP and others objected in particular to PJM's proposal for a December 12, 2023 effective date for the new Tariff and RAA provisions to be applied to the BRA for the 2025/2026 Delivery Year given the uncertainty and lack of transparency associated with the new provisions.<sup>8</sup>

The Commission approved PJM's marginal ELCC proposal in the January 30 Order, notwithstanding parties' concerns about its transparency and complexity.<sup>9</sup> The Commission rejected objections that the proposed PJM Tariff and RAA provisions implementing the ELCC methodology lacked adequate detail, concluding that "PJM strikes the appropriate balance between providing sufficient detail in its Tariff and leaving implementation details to the PJM Manuals."<sup>10</sup> The Commission also dismissed concerns that PJM's requested December 12, 2023 effective date provided insufficient time for PJM to update the Manuals to provide stakeholders with important implementation details.<sup>11</sup> In reaching these conclusions, however, the Commission specifically pointed to PJM's commitment "to providing the necessary information and data for its marginal ELCC accreditation methodology,"<sup>12</sup> reasoning that the information to be provided by PJM "will allow stakeholders to replicate PJM's results with reasonable accuracy."<sup>13</sup>

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<sup>7</sup> See January 30 Order at PP 45-46 (describing comments).

<sup>8</sup> See *id.* at P 297.

<sup>9</sup> See, e.g., *id.* at PP 53-58.

<sup>10</sup> *Id.* at P 54.

<sup>11</sup> See *id.* at PP 297-301; see also *id.* at PP 45-46 (summarizing objections to approving the new marginal ELCC methodology without corresponding updates to the Manuals).

<sup>12</sup> *Id.* at P 55.

<sup>13</sup> *Id.*

PJM is now in the process of implementing the marginal ELCC methodology for the 2025/2026 Delivery Year, and, unfortunately, the process has validated AMP’s concerns about the complexity and lack of transparency in the new accreditation approach. The PJM Manuals that were supposed to provide important implementation details of the marginal ELCC methodology have not yet been updated, and PJM does not expect to complete this critical task until most, if not all, of the pre-auction deadlines have passed.

Of particular note, PJM posted updated 2025/2026 ELCC Class Ratings for its various resource classes on February 2, 2024, which reflected significant changes from PJM’s preliminary estimates, as shown in the table below:<sup>14</sup>

ELCC Class	Prelim Ratings	Feb. 2024 Ratings	Change (in %)
Onshore Wind	21%	35%	14%
Offshore Wind	39%	60%	21%
Solar Fixed Panel	15%	9%	-6%
Solar Tracking Panel	25%	14%	-11%
Landfill Gas Intermittent	56%	55%	-1%
Hydro Intermittent	41%	36%	-5%
4-hr Storage	76%	59%	-17%
6-hr Storage	85%	67%	-18%
8-hr Storage	89%	69%	-20%
10-hr Storage	92%	78%	-14%
DR	95%	77%	-18%
Nuclear	96%	96%	0%
Coal	86%	85%	-1%
Gas CC	87%	80%	-7%
Gas CT	74%	62%	-12%
Gas CT Dual Fuel	90%	78%	-12%
Diesel	91%	90%	-1%
Steam	78%	70%	-8%

<sup>14</sup> See PJM, ELCC Education Presentation (“PJM Presentation”), <https://www.pjm.com/-/media/committees-groups/committees/pc/2024/20240216-special/elcc-education.ashx>. The Commission may appropriately consider the updated marginal ELCC Class Ratings and information concerning PJM’s marginal ELCC implementation efforts in reviewing AMP’s request for rehearing and clarification insofar as this information was “not available for consideration by the Commission at the time of” the January 30 Order. 18 C.F.R. § 385.713(c)(3).

In the wake of these revised ELCC Class Ratings, AMP and other stakeholders have continued to raise concerns about the lack of transparency into PJM's assumptions, the ELCC methodology itself, and PJM's calculations of the updated ratings, arguing that stakeholders, and Capacity Resource owners in particular, urgently need to know why the ELCC Class Ratings changed so significantly from PJM's preliminary calculations.

For AMP, the marginal ELCC implementation concerns are exemplified by the unexplained (and counterintuitive) drop in the ELCC Class Rating for Intermittent Hydropower Resources from 41% to 36%. AMP and its member, City of Hamilton, Ohio, own a significant amount (261 MW) of Intermittent Hydropower resources in PJM, and the large reduction in the ELCC Class rating for these resources could meaningfully impact AMP's capacity supply options and costs. AMP is coordinating with PJM to obtain additional information about the calculation of the revised ELCC Class Rating for Intermittent Hydropower, but AMP's questions currently remain outstanding.

Another important issue for AMP is PJM's treatment of pseudo-tied external resources in RPM, as AMP uses a pseudo-tie arrangement for its share of the Prairie State generating plant in Marissa, Illinois to qualify as an external Capacity Resource in PJM.<sup>15</sup> PJM did not so much as mention pseudo-tied resources in its filings in this docket, but more recently, PJM has suggested that the marginal ELCC accreditation for pseudo-tied resources may change subsequent to the February 2, 2024 posting. AMP has similarly requested additional information from PJM on this issue.

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<sup>15</sup> See, e.g., *Potomac Economics, Ltd. v. PJM Interconnection, L.L.C.*, 171 FERC ¶ 61,039, at P 104 (2020).

AMP and others voiced concerns about the complexity, intelligibility, and transparency of the marginal ELCC accreditation approach, and raised particular doubts about attempting to rush its implementation for the 2025/2026 Delivery Year RPM auctions. The Commission accepted PJM's proposal notwithstanding these objections, albeit with the understanding that PJM had "commit[ed] to provid[e] the necessary information and data for its marginal ELCC methodology."<sup>16</sup> PJM's implementation of the new accreditation approach thus far has confirmed AMP's concerns. As discussed below, the Commission should grant rehearing of the January 30 Order to help ensure that any implementation of the marginal ELCC accreditation methodology provides adequate transparency for stakeholders. In addition, the Commission should clarify the January 30 Order.

## **II. REQUEST FOR REHEARING**

PJM failed to demonstrate that its marginal ELCC accreditation policy is just and reasonable and not unduly discriminatory or preferential insofar as PJM's highly-complex proposal was not adequately transparent to and understandable by affected stakeholders. The Commission's acceptance of PJM's proposal notwithstanding these deficiencies constitutes legal error, and the Commission should grant rehearing of the January 30 Order to ensure that stakeholders have sufficient information to understand and replicate the marginal ELCC methodology.

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<sup>16</sup> January 30 Order at P 55.

## A. Statement of Issues

In accordance with Rule 713(c)(2),<sup>17</sup> AMP provides the following enumerated statement of issues, including citations to representative Commission and court precedent on which it relies:

1. The Commission's acceptance of PJM's marginal ELCC methodology notwithstanding its lack of transparency and intelligibility for affected stakeholders was arbitrary and capricious.<sup>18</sup>

2. The Commission erred in not requiring PJM to include the details of the marginal ELCC methodology in the Tariff and/or RAA.<sup>19</sup>

3. It was arbitrary and capricious for the Commission to accept the marginal ELCC accreditation methodology based in part on a finding that implementation details would be available in the PJM Business Manuals without a commitment that the Manuals would be updated to include such implementation details before the pre-auction deadlines for the 2025/2026 Delivery Year BRA.<sup>20</sup>

4. The Commission's acceptance of PJM's marginal ELCC methodology based in part on PJM's commitment "to providing the necessary information and data for its marginal ELCC accreditation methodology," which "will allow stakeholders to replicate PJM's results with reasonable accuracy" was arbitrary and capricious and not based on

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<sup>17</sup> 18 C.F.R. § 385.713(c)(2).

<sup>18</sup> 5 U.S.C. § 706(2); *Motor Vehicle Mfrs. Ass'n of the United States, Inc. v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29 (1983); *New England Power Generators Ass'n v. FERC*, 881 F.3d 202 (D.C. Cir. 2018); *KeySpan-Ravenswood, LLC v. FERC*, 348 F.3d 1053 (D.C. Cir. 2003); *Midwest Indep. Transmission Sys. Operator, Inc.*, 122 FERC ¶ 61,283, at P 400, *order on compliance*, 125 FERC ¶ 61,062 (2008).

<sup>19</sup> *City of Cleveland v. FERC*, 773 F.2d 1368 (D.C. Cir. 1985); *Energy Storage Ass'n v. PJM Interconnection, L.L.C.*, 162 FERC ¶ 61,296, at P 103 (2018).

<sup>20</sup> 5 U.S.C. § 706(2); *Motor Vehicle Mfrs. Ass'n*, 463 U.S. 29; *New England Power Generators Ass'n*, 881 F.3d 202; *KeySpan-Ravenswood, LLC*, 348 F.3d 1053; *Midwest Indep. Transmission Sys. Operator, Inc.*, 122 FERC ¶ 61,283, at P 400.

substantial evidence given the material concerns raised about the complexity and lack of transparency associated with the ELCC model.<sup>21</sup>

## **B. Argument**

### **1. The Commission Erred in Concluding that PJM's Proposal Was Consistent with the Rule of Reason.**

The Commission did not provide a reasoned response to AMP's objections concerning the complexity and lack of transparency of the marginal ELCC methodology. The Commission did not dispute the principle that PJM's ELCC methodology should be transparent and intelligible to affected stakeholders, yet the Commission's primary response to transparency concerns was simply to state that PJM's Tariff and RAA provisions governing the marginal ELCC method satisfied the Commission's rule of reason, and that PJM could leave the implementation details to the PJM Manuals.<sup>22</sup>

The Commission erred in concluding that the proposed Tariff and RAA provisions governing the marginal ELCC methodology satisfied the rule of reason and that important implementation requirements could be relegated to the PJM Manuals. The Commission's rule of reason requires that a public utility's filed tariff include all provisions that significantly affect rates, terms, and conditions of service, and that are readily susceptible of specification, and not generally understood in a contractual agreement.<sup>23</sup> Section 9.2 of the RAA – the primary operative section governing the marginal ELCC accreditation methodology – includes only a relatively high-level description of the marginal ELCC

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<sup>21</sup> 5 U.S.C. § 706(2); *Motor Vehicle Mfrs. Ass'n*, 463 U.S. 29; *New England Power Generators Ass'n*, 881 F.3d 202; *KeySpan-Ravenswood, LLC*, 348 F.3d 1053.

<sup>22</sup> January 30 Order at PP 53-54. Commissioner Christie observed, however, that “[o]ne could . . . make a credible argument that [RPM's] sheer complexity renders it unjust and unreasonable.” January 30 Order, Comm'r Christie Concurrence at P 7.

<sup>23</sup> See, e.g., *Energy Storage Ass'n*, 162 FERC ¶ 61,296, at P 103.



methodology, omitting details of matters that significantly affect rates, terms, and conditions of service, and that are readily susceptible of specification, and, thus must be included in the Tariff or RAA. Consistent with the Commission's rule of reason, the Commission should have required PJM to include additional details concerning calculation of the marginal ELCC in the Tariff or RAA, including details on how the marginal ELCC for Intermittent Hydropower resources will be calculated.

**2. It Was Arbitrary and Capricious for the Commission to Find that PJM Could Leave Implementation Details to the Manuals Without Any Assurance the Manuals Would Be Updated for the 2025/2026 Delivery Year BRA.**

Even if it was appropriate to include all additional implementation details in the Manuals, it was arbitrary and capricious to accept PJM's proposal – at least as to the BRA for the 2025/2026 Delivery Year – when there were no extant Manual provisions for the marginal ELCC methodology to guide PJM and its stakeholders. Parties raised concerns about application of the marginal ELCC methodology without the opportunity to review relevant implementation details to be included in the PJM Manuals.<sup>24</sup> The Commission's rejection of these arguments was not only at odds with relevant precedent,<sup>25</sup> it was arbitrary insofar as the PJM Manuals cannot provide affected stakeholders with necessary transparency when the Manuals have not been updated.

PJM is only now engaged in drafting the relevant Manuals provisions for the marginal ELCC methodology. PJM initially indicated that the updated Manuals may not be voted upon until May – only a month before the BRA for the 2025/2026 Delivery Year, and after virtually all the pre-auction task deadlines expire. The Tariff waiver granted by

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<sup>24</sup> See January 30 Order at PP 45-46, 297.

<sup>25</sup> See, e.g., *Midwest Indep. Transmission Sys. Operator, Inc.*, 122 FERC ¶ 61,283, at PP 400, 412.

the Commission to permit an extension of the 2025/2026 BRA deadlines may provide additional time for stakeholder engagement,<sup>26</sup> but PJM has indicated that the anticipated timeline for updating the Manuals will be similarly extended, leaving stakeholders without updated Manuals or any other written business practices governing implementation of the ELCC accreditation methodology during the critical pre-auction process.

**3. PJM’s Commitment to Post Relevant Information Was Not a Reasoned Basis for Finding that the Marginal ELCC Approach Would Be Sufficiently Transparent to PJM Stakeholders.**

In support of its conclusion that PJM’s Tariff and RAA revisions satisfied the rule of reason, the Commission also rested its approval of PJM’s marginal ELCC methodology upon PJM’s commitment “to providing the necessary information and data for its marginal ELCC accreditation methodology,”<sup>27</sup> observing that the information to be provided by PJM “will allow stakeholders to replicate PJM’s results with reasonable accuracy.”<sup>28</sup> It was not reasonable for the Commission to conclude that PJM’s commitment would address the transparency and complexity objections of AMP and others.

The scope of PJM’s obligations under this commitment are ill-defined, and there remains a lack of clarity concerning the “necessary information and data” that PJM should provide in connection with the marginal ELCC methodology as well as the mechanisms that should be available to help replicate the results. Certainly stakeholders do not yet

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<sup>26</sup> *PJM Interconnection, L.L.C.*, 186 FERC ¶ 61,144 (2024); see also PJM Tariff Waiver Filing at Attachment A, Docket No. ER24-1242-000 (February 12, 2024) (listing existing and proposed pre-auction task deadlines).

<sup>27</sup> January 30 Order at P 55. The Commission noted that “PJM intends to post a model and sufficient data, consistent with PJM’s confidentiality provisions, by which parties may continue to replicate PJM’s results with reasonable accuracy, including: (1) hourly output shapes for every year in the model for unlimited, variable, limited duration, and combination resource types; (2) forced, planned, and maintenance outages for Unlimited Resources; (3) simulated dispatch of Demand Resources; (4) hourly load shapes for each year; and (5) temperature bins.” *Id.*

<sup>28</sup> *Id.*

have adequate information or tools to understand the recent ELCC Class Ratings posted by PJM, let alone “to replicate PJM’s results with reasonable accuracy”<sup>29</sup> for the 2025/2026 Delivery Year. Even if all relevant data were available, the lack of implementation details in the Tariff or the Manuals leaves stakeholders without adequate guidance on how such data are used in deriving the marginal ELCC Class Ratings.

While PJM has undertaken belated efforts to educate stakeholders on the details of the marginal ELCC methodology, and has identified certain information relating to the ELCC calculation that it will post,<sup>30</sup> these efforts have not fully addressed stakeholder concerns, and at times have raised even more questions. At a February 6, 2024, Planning Committee meeting, for example, PJM allocated only twenty minutes to discuss ELCC implementation, and PJM staff was unable to provide all of the answers stakeholders sought, after an extended discussion. PJM also convened ELCC educational sessions on February 16, 2024 and February 21, 2024. These sessions were helpful as far as they went, yet they also raised additional questions, particularly relating to the very significant changes in ELCC Class Ratings reflected in the February 2, 2024 posting.

The significant drop in the 2025/2026 ELCC Class Rating for Intermittent Hydropower to 36% from the preliminary figure of 41% highlights the ongoing lack of transparency.<sup>31</sup> In PJM’s recent ELCC educational sessions, PJM explained that the principal drivers for the ELCC Class Rating changes posted on February 2, 2024 were an updated load forecast with higher winter loads and an updated projected resource mix.<sup>32</sup>

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<sup>29</sup> *Id.*

<sup>30</sup> See PJM Presentation at 51.

<sup>31</sup> *Id.* at 34; see also PJM Deficiency Letter Response at 27, Docket No. ER24-99-001 (December 1, 2023) (showing a preliminary ELCC Class Rating of 41% for Intermittent Hydropower).

<sup>32</sup> PJM Presentation at 35-36.

But PJM did not specifically explain the basis for the change in the Intermittent Hydropower class, and it is not at all clear why the drivers cited by PJM would contribute to such a significant drop in the ELCC Class Rating for these resources, which tend to perform well in the winter.<sup>33</sup> In the Critical Issue Fast Path process on resource adequacy that preceded PJM's filing in this docket, for example, a PJM seasonal accreditation analysis showed a higher accreditation for Intermittent Hydropower in the winter than in the summer.<sup>34</sup> This trend is consistent with AMP's experience, including net-over-performance by AMP's Intermittent Hydropower resources during Winter Storm Elliott Performance Assessment Intervals.

Further, PJM calculates the ELCC Class Rating for resources in the Intermittent Hydropower class differently than other resource classes,<sup>35</sup> making it all the more important that PJM's methodology be fully transparent, and making the absence of updated Manuals language all the more prejudicial. In its initial filing in this docket, PJM indicated that performance of Intermittent Hydropower resources would be modeled using "historical availability observations (for units that existed at the time the historical observation was recorded starting on June 1, 2012) and class average availability values (for units that did not exist at the time the historical observation was recorded) instead of

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<sup>33</sup> PJM's own after action report on Winter Storm Elliott showed that hydropower resources had an availability percentage of 95% (630 GWh out of 660 GWh) during the event. PJM, *Winter Storm Elliott: Event Analysis and Recommendation Report* at 55 (July 17, 2023), <https://www.pjm.com/-/media/committees-groups/committees/mrc/2023/20230724/20230724-winter-storm-elliott-event-analysis-and-recommendation-report.ashx>.

<sup>34</sup> See Capacity Market Reform: PJM Proposal at 61 (July 27, 2023), <https://www.pjm.com/-/media/committees-groups/cifp-ra/2023/20230727/20230727-item-02a---cifp---pjm-proposal-update---july-27.ashx>.

<sup>35</sup> See PJM Presentation at 10; see also PJM Filing, Rocha-Garrido Affidavit at ¶ 27.b, Docket No. ER24-99-000 (October 13, 2023) ("PJM Filing").

the ‘sample-from-bins’ approach described above for other Variable Resources.”<sup>36</sup> In its recent stakeholder presentations, PJM further notes that Intermittent Hydropower resource performance will be modeled based on “[a]nnual draw of performance since 2012 as a function of closest matching seasonal peak loads.”<sup>37</sup> It is not clear whether and to what extent this unique modeling approach used for Intermittent Hydropower resources may result in disparate treatment of these resources in the overall marginal ELCC methodology. The lack of clear implementation guidance means that AMP is unable to determine the reason for the change in the ELCC Class Rating for Intermittent Hydropower, including whether the change is impacted by the unique approach used to measure resource performance for this class.

On February 20, AMP asked PJM for additional details regarding calculation of the ELCC Class Rating for Intermittent Hydropower resources.<sup>38</sup> PJM has indicated that they intend to respond, but, as of the date of this filing, PJM has not provided the requested information. Appropriate accreditation of Intermittent Hydropower resources is a matter of considerable importance to AMP and the members it serves, inasmuch as AMP (along with City of Hamilton) owns approximately 261 MW (nameplate) of capacity in the Intermittent Hydropower class (approximately 35% of the class total). Thus, PJM’s accreditation approach for this capacity is likely to meaningfully impact AMP’s capacity supply options and costs, and it is therefore important that PJM provide transparency regarding the class ratings for Intermittent Hydropower.

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<sup>36</sup> PJM Filing, Rocha-Garrido Affidavit at ¶ 27.b.

<sup>37</sup> PJM Presentation at 10.

<sup>38</sup> See Exhibit A hereto (providing a copy of the questions AMP submitted to PJM on this issue).

PJM's recent suggestion that implementation of the new marginal ELCC accreditation could change the capacity value of pseudo-tied external resources is also of concern to AMP, given that AMP uses a pseudo-tie arrangement for its share of the Prairie State generating facility to qualify as an external Capacity Resource. Nothing in PJM's filings in this docket suggested that PJM's Tariff and RAA changes could impact pseudo-tied resources, and PJM has not clearly explained how this issue could affect entities like AMP who utilize pseudo-tied resources.

### **III. REQUEST FOR CLARIFICATION**

Regardless of whether the Commission grants rehearing as requested above, the Commission should clarify the January 30 Order to help ensure that PJM's marginal ELCC methodology is implemented in a manner consistent with the Commission's understanding that stakeholders would have access to the necessary information and data underlying the marginal ELCC accreditation methodology such that they can understand and "replicate PJM's results with reasonable accuracy."<sup>39</sup>

As an important threshold matter, it is critical that stakeholders have access to updated Manuals that clearly spell out the marginal ELCC accreditation methodology for all resource classes well in advance of any BRA. Without these implementation details, information and data posted by PJM will lack the context necessary to understand the ELCC Class Rating calculations.

Further, to ensure that providing stakeholders access to information and data underlying the ELCC Class Ratings will provide a meaningful ability to assess and replicate PJM's results, the Commission should clarify that PJM must allow for third-party

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<sup>39</sup> January 30 Order at P 55.

verification of the ELCC Class Rating results by the IMM. Such review will help assure stakeholders that PJM's model is reasonably derived and properly implemented.

Thus, the Commission should grant clarification of the January 30 Order and specify that, in addition to the information it has already committed to share, PJM must:

- Develop and share the ELCC Class Ratings for all resource classes calculated based on a methodology that has been specified in the Manuals with sufficient time and clarity for stakeholders to understand and replicate the results well in advance of the auction.
- Enable verification of PJM's marginal ELCC Class Rating results by the IMM.

#### **IV. CONCLUSION**

WHEREFORE, for the foregoing reasons, American Municipal Power, Inc. respectfully requests that the Commission grant rehearing and clarification of the January 30 Order as described herein.

Respectfully submitted,

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February 29, 2024

# **EXHIBIT A**



**From:**  
**Sent:**  
**To:**  
**Cc:**  
**Subject:**

Tuesday, February 20, 2024 1:02 PM  
elcc@pjm.com  
Questions re: Intermittent Hydro Class

Thank you for providing the ELCC education material on Friday, February 16<sup>th</sup>. Like many others, we have been reviewing our unit-specific ELCC values and individual resource performance history to prepare for the upcoming auction and have questions. The material has been very helpful.

As we analyze our units' performance history and the additional information PJM posted, we still have some questions and request further information in writing or within the training material:

1. **Modeling Approach for Resource Classes** – On slide 10, an overview was provided of how each resource class was modeled and the methodology that would be utilized to measure performance against temperature and weather. Specifically for the Intermittent Hydro class, it will be modelled based on “the annual draw of performance since 2012 as a function of closest matching seasonal peak loads”. From the training material it appears other resource classes will utilize different methods, binning or simulated dispatch, for sampling.
  - a. **Please provide further details to explain the method for intermittent hydro in more detail.**
  - b. **Please provide further examples to illustrate the method for the intermittent hydro resource class. In the 2/16 material, slides 11-17, specific illustrations were only provided for binning and simulated dispatch. We did not see slides with details on the methodology for intermittent hydro units. Please direct us to the training material or provide examples to illustrate the methodology for intermittent hydro units.**
  - c. **Please confirm if this method of modeling the intermittent hydro resource class was used in the past:**
    - i. **To create ELCC values using the average ELCC methodology as reported in the previous analyses.**
    - ii. **To create illustrated examples during CIFP, that show the marginal ELCC methodology to create seasonal ELCC values.**
    - iii. **To create preliminary ELCC values during the filing process and prior final order from FERC.**
  
2. **Difference Between Preliminary and Updated ELCC Values** – It has been explained that differences (mainly decrease) in values are a result of updated values in the load forecast and the projected resource mix that resulted in an increase to the share of winter risk in the model. The education session provided illustrations and further showed ELCC ratings decreased for most resource classes but did increase for specific classes due to their winter performance (e.g., Wind). The intermittent hydro class was, however, omitted from the explanation below.




# Preliminary and Updated ELCC Class Ratings

ELCC Class	Prelim Ratings	Feb. 2024 Ratings	Change (in %)
Onshore Wind	21%	35%	14%
Offshore Wind	39%	60%	21%
Solar Fixed Panel	15%	9%	-6%
Solar Tracking Panel	25%	14%	-11%
Landfill Gas Intermittent	56%	55%	-1%
Hydro Intermittent	41%	36%	-5%
4-hr Storage	76%	59%	-17%
6-hr Storage	85%	67%	-18%
8-hr Storage	89%	69%	-20%
10-hr Storage	92%	78%	-14%
DR	95%	77%	-18%
Nuclear	96%	96%	0%
Coal	86%	85%	-1%
Gas CC	87%	80%	-7%
Gas CT	74%	62%	-12%
Gas CT Dual Fuel	90%	78%	-12%
Diesel	91%	90%	-1%
Steam	78%	70%	-8%

- Increase in ELCC ratings for wind units
- Decrease for solar, storage, DR and gas units

Based on our data from our intermittent hydro fleet, this class of units performed well during the winter season similar to wind resources, as can be exhibited during WSE and even the Polar Vortex of 2014. During the CIPF, this appears to also be the conclusion drawn from preliminary analysis provided by PJM on July 27, 2023 (Slide # 61 in the [PJM's presentation](#)).



## Estimated 26/27 Class Average Accreditation Values

(based on "Model 1" to 1993)

	Summer	Winter	Annual Equivalent
Onshore Wind	9%	36%	25%
Offshore Wind	17%	68%	47%
Solar Fixed Panel	18%	1%	8%
Solar Tracking Panel	31%	2%	13%
4-hr Storage	90%	38%	59%
6-hr Storage	97%	48%	67%
8-hr Storage	99%	58%	75%
10-hr Storage	100%	69%	81%
Solar Hybrid Open Loop	53%	11%	28%
Solar Hybrid Closed Loop	53%	11%	28%
Hydro Intermittent	40%	44%	42%
Landfill Gas Intermittent	60%	51%	55%
Hydro with Non-Pumped Storage	97%	82%	88%

	Summer	Winter	Annual Equivalent
<b>Thermals (Overall)</b>	<b>94%</b>	<b>78%</b>	<b>84%</b>
Nuclear	97%	95%	96%
Coal	89%	83%	86%
Gas CC	97%	75%	83%
Gas CT	98%	62%	76%

\* Additional thermal class accreditations forthcoming

	Summer	Winter	Annual Equivalent
DR	109%	73%	87%

\* DR values reflect status quo performance windows; assessment of 24-hour availability DR forthcoming

- Please provide additional details about what changes in the latest update to the capacity accreditation for intermittent hydro units for the 25/26 BRA resulted in the Intermittent Hydro class receiving decreased accreditation.

Thank you in advance,



## CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C., this 29th day of February, 2024.

*/s/ John McCaffrey* \_\_\_\_\_  
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