

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

PJM Interconnection, L.L.C.)	Docket Nos.	ER15-623-000
)		EL15-29-000

**MOTION TO INTERVENE AND COMMENTS
OF THE SOLAR ENERGY INDUSTRIES ASSOCIATION**

The Solar Energy Industries Association (“SEIA”), pursuant to Rules 211 and 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission” or “FERC”), 18 C.F.R. §§ 385.211 and 385.214, hereby respectfully moves to intervene and comments on how the subject Capacity Performance proposal would permit offers by renewable resources such as solar energy generators. In support thereof SEIA states as follows:

MOTION TO INTERVENE

On December 12, 2014, PJM Interconnection, L.L.C. (“PJM”), pursuant to section 205 of the Federal Power Act (“FPA”), 16 U.S.C. § 824d, filed changes to the Reliability Pricing Model (“RPM”) and associated rules in the PJM Open Access Transmission Tariff (“Tariff”) and Reliability Assurance Agreement Among Load Serving Entities (“RAA”) to implement what has been described as PJM’s “Capacity Performance” proposal.

SEIA is the national trade association of the solar energy industry. Through advocacy and education, SEIA and its 1,000 members are building a strong solar industry to power America. As the voice of the industry, SEIA works to make solar a mainstream and significant energy source by expanding markets, removing market barriers, strengthening the industry and educating the public on the benefits of solar energy. SEIA represents solar companies across a variety of solar energy technologies, including photovoltaic (PV), solar water heating, and

concentrating solar power (CSP). It is estimated that 7.2 GW of grid-tied solar energy was deployed throughout the United States in 2014.¹

Many of SEIA's members own and operate generation assets located within PJM. Therefore, SEIA has a direct and substantial interest in the instant proceeding that cannot be adequately represented by any other party. Allowing SEIA to actively participate in this proceeding would be in the public interest. Accordingly, SEIA respectfully requests that the Commission grant this timely motion to intervene.

The following persons are authorized to receive service and all correspondence and communication regarding this filing:

Katherine Gensler
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COMMENTS AND REQUESTS FOR CLARIFICATION

SEIA recognizes the factors motivating PJM to make changes to its Reliability Pricing Model (“RPM”). However, care must be taken to ensure that these proposed tariff changes do not unduly discriminate against renewable energy resources generally, and solar generation specifically. SEIA’s comments primarily request clarification as to the applicability of PJM’s revisions to solar generators offering into the capacity market.

¹ <http://www.seia.org/research-resources/us-solar-market-insight>

A. PJM Should Clarify Its Calculation of Capacity Value

Renewable, or intermittent, resources² have participated in PJM's capacity markets for more than a decade, even predating the existing Reliability Pricing Model. Currently, the capacity value of a renewable energy resource is determined by its average output during summer peak-period hours (initially a "class average" for the type of resource that is replaced over time by the actual output of the specific resource). This methodology is set forth in Appendix B of PJM Manual 21³ and set forth in ReliabilityFirst Regional Criteria MOD-024-1 C2.2.3 for purposes of determining resource adequacy for the ReliabilityFirst region.⁴

In the instant filing, PJM dramatically expands the hours a capacity resource must be available to include winter months, which is clearly specified in its proposed tariff revisions. However, in follow-up conversation with stakeholders, labeled "Frequently Asked Questions" on its website, PJM appears to add additional hours to the calculation for determining a solar plant's capacity factor.⁵ If the additional guidance offered in PJM's answer is to govern the capacity offer of a solar generator, it must be documented in the PJM tariff.

² PJM offers a new definition of "Intermittent Resources" in proposed tariff section 2.36: "'Intermittent Resource' shall mean a Generation Capacity Resource with output that can vary as a function of its energy source, such as wind, solar, run of river hydroelectric power and other renewable resources."

³ *Rules and Procedures for Determination of Generating Capability*, available here, <http://pjm.com/~media/documents/manuals/m21.ashx>. The revision notes to Manual 21 indicate that Appendix B was added on April 30, 2004.

⁴ *Verification and Data Reporting of Generator Gross and Net Real Power Capability*, available here, https://www.rfirst.org/standards/Documents/RFC_Criteria_MOD-024-01.pdf.

⁵ The FAQs are available here: <http://pjm.com/~media/committees-groups/committees/elc/postings/capacity-performance-filing-faqs.ashx>. For a more detailed discussion of this issue, see comments submitted by Community Energy in this docket.

B. PJM Should Clarify that Solar Generators May Serve As Capacity Performance Resources or Are Exempt from the Must-Offer Requirement

PJM proposes a “must-offer” requirement for Capacity Performance Resources, wherein “the installed capacity of every Generation Capacity Resource that is capable (or that reasonably can become capable) of qualifying as a Capacity Performance Resource shall be offered as a Capacity Performance Resource.”⁶

Yet PJM characterizes intermittent resources in such a way that indicates that intermittent resources cannot serve as Capacity Performance Resources, i.e., that they “may not be capable of sustained, predictable operation and be able to provide energy during both summer and winter emergency conditions.”⁷ PJM then offers intermittent generators the ability to participate in the capacity market by coupling with other intermittent resources.

Given these two seemingly contradictory requirements, PJM should clarify that solar generators either (a) can alone serve as a Capacity Performance Resource or (b) are exempt from the Must-Offer requirement.

⁶ Proposed Tariff section 6.6A(a).

⁷ Transmittal Letter at p. 33.

CONCLUSION

SEIA respectfully requests that its motion to intervention be granted and the Commission require PJM to clarify how its proposal will affect renewable resources seeking to offer as Capacity Performance Resources into future auctions.

Respectfully submitted,

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January 20, 2015

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 20th day of January, 2015.

/s/ Katherine Gensler
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