



Organization of PJM States, Inc. (OPSI)

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February 11, 2019

PJM Board of Managers
PJM Interconnection
PO Box 1525
Southeastern, PA 19399-1525

Dear PJM Board,

On December 5, 2018, the PJM Board of Managers announced that “[b]eginning in January 2019, and annually thereafter, stakeholders will have the opportunity to respond to a questionnaire about market monitoring in PJM.” The PJM Board indicates that this survey will contribute to a “two-tiered approach to provide a broad perspective, a committed level of accountability and a complete understanding of strengths and potential areas of improvement” in market monitoring. Ultimately, the PJM Board represents that “suggestions from members at the recent Liaison Committee meeting” resulted in the PJM Board deciding “to broaden and formalize the way it collects and assesses information about market monitoring in PJM and to provide an opportunity for all stakeholders to give feedback.”

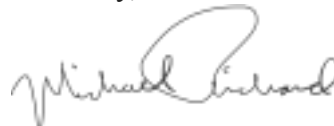
In January 2019, a survey was circulated among the PJM community. PJM’s State Affairs representatives provided copies of the survey to Organization of PJM States, Inc. (“OPSI”). Although OPSI is not a member of PJM, and although the Liaison Committee meetings have recently been closed to OPSI and its individual members, OPSI and its individual members are stakeholders in the PJM community. Moreover, among stakeholders in the PJM community, OPSI is uniquely well suited to give feedback on market monitoring in PJM. OPSI’s membership is comprised of state regulatory commissions, which are recognized by the Federal Power Act and the rules of the Federal Energy Regulatory Commission (“FERC”). By Order dated March 21, 2008, in docket numbers EL07-56 and EL07-58, FERC approved the creation of an OPSI Advisory Committee to “be comprised of five representatives selected by OPSI to provide advice to the Commission, MMU, PJM Board and PJM stakeholders regarding any matter con-

cerning the MMU, market monitor, or the Market Monitoring Plan.”¹ The PJM OATT also recognizes that “the OPSI Advisory Committee may provide advice to the Commission, Market Monitor, the PJM Board, stakeholder committees, and stakeholder working groups regarding any matter concerning the Market Monitor, Market Monitoring Unit or Market Monitoring Plan.”² Therefore, in accord with the correspondence from the PJM Board, and in the spirit of transparency, OPSI submits this public response to the market monitoring survey.

We are generally pleased with Monitoring Analytics’ performance and with the Board’s decision to extend its contract. We find the IMM staff responsive to our inquiries. We find that the IMM states positions clearly and, when there is a question, offers training sessions to OPSI. As a result, the IMM provides valuable insight into sustaining and improving competitiveness in the markets that are in place for the benefit of our ratepayers. The IMM’s State of the Market reports are timely, comprehensive and extremely valuable to OPSI. And, again, when we require even more detail, information or explanations, the IMM is responsive to our needs. As such, the IMM independently ensures transparency and public confidence in the markets.

Although the IMM is independent, we value its participation in the PJM stakeholder process. We rely on this stakeholder process to better understand PJM markets and operations. We find that the IMM provides a unique perspective that only adds to this understanding. And, oftentimes, since the IMM is the only entity other than PJM that is privy to confidential data and models, we rely on the IMM to provide a fully informed independent assessment of proposed changes to the markets. We also appreciate the IMM’s efforts to improve market transparency and ensure that markets are developed in a manner that can be confidently monitored. This applies both to the IMM’s involvement in the stakeholder process and its ability to file its views and concerns at FERC. Any limitation on the IMM’s ability to vigorously and effectively communicate its concerns to FERC either in the form of comments or through the filing of complaints where necessary to ensure proper market transparency and market function represents a serious threat to state commissions ability to fulfill their statutory responsibilities to retail customers. It is the combination of these contributions by this IMM that helps to instill confidence in the competitive markets that in turn attract needed investment and benefits ratepayers in our states.

Sincerely,

A handwritten signature in black ink that reads "Michael Richard". The signature is fluid and cursive, with the first name being more prominent.

Michael Richard
OPSI President

¹ Order Approving Uncontested Settlement And Denying Rehearing, 122 FERC ¶ 61,257 (Mar. 21, 2008).

² PJM OATT, Attachment M, Section III.G.