



May 21, 2021

GlidePath Comments in Support of PJM's Revised ELCC Filing

GlidePath Development LLC (together with its affiliates, "GlidePath") submits these comments per PJM's request for stakeholder feedback in response to FERC's April 30 Order rejecting the ELCC tariff revisions filed by PJM in docket ER21-278.

GlidePath is a developer and independent power producer based in Chicago, IL. GlidePath, its predecessor companies, and its management team members have collectively developed and/or operated nearly 100MW of energy storage projects in PJM, and it currently operates approximately 185MW of wind generation in PJM. GlidePath is currently developing a pipeline primarily consisting of standalone storage in PJM, as well as wind and solar resources.

GlidePath's interest in this stakeholder proceeding has primarily been focused on the disastrous impact of the 10-hour rule to the deployment of storage in PJM. This rule was not in the tariff until very recently, is a relic from outdated rules for a different and unrelated technology, and by numerous analyses does not reflect the actual ability of storage to provide the capacity product. As noted by FERC, clarification of this rule should have been included in PJM's Order 841 compliance filing, and should have been discussed by stakeholders at that time.

We supported the ELCC filing as an expeditious way to replace the 10-hour rule with something based in reality. We still support PJM re-submitting under Section 205 of the FPA a revised version of the ELCC methodology without the "Transition Mechanism" that was included in the previous tariff, on or before the 6/1/2021 deadline with an effective date so that these resources can participate in the 2023/2024 BRA, and avoid a lengthy paper hearing. If necessary, to completely consider the impact to other resource classes, this should be only for storage resources, which are uniquely hurt by the status quo. However, PJM must recognize that the ELCC with transition mechanism was a negotiated package that balanced stakeholder interests. Without the certainty that the Transition Mechanism provided, those significant number of stakeholders that supported it most strongly, including GlidePath, are still conceding on major issues that need to be revisited. Most important of these are PJM's modeling transparency, and the applicability of ELCC.

First, PJM frames the ELCC model resource mix as being something that they cannot release. That is not necessarily the case, it reflects a choice by PJM to prioritize their view of a "good" forecast over transparency (by selecting a vendor that would not let them release the forecasts publicly). Stakeholders were not consulted in this decision, even though it has dramatic effects on stakeholders. The overwhelming feedback from stakeholders is that this decision by PJM was incorrect even with the floors in place and that the statement that we had everything we needed to replicate these results was simply not true. With the elimination of the floors, this

transparency becomes even more important. PJM needs to revisit this discussion with their vendor about releasing results or select a different vendor that will allow this to be publicly released. We appreciate recent verbal commitments by PJM staff to make this data more accessible but would strongly encourage PJM to define extensive data posting requirements in its revised tariff, transmittal letter to FERC, and in the updated manual.

Another modeling transparency concern is that, during the original development of ELCC, PJM took a collaborative approach that included listening to feedback from resource owners based on feedback from other markets, plus the feedback from Astrapé Consulting, a leading firm helping utilities evaluate portfolios using this method. Since then, PJM has obscured this process and made modeling assumption changes to the detriment of ELCC resources. Plainly, these should be undone, because they do not reflect the best assumptions as to how the system will operate and the contributions of ELCC resources, most specifically storage, as developed publicly with stakeholder and PJM staff input. This aspect of the modeling also needs to be clarified as part of this effort towards transparency, and subject to the same scrutiny of updating model resource mix assumption.

A second major change that PJM should include is a forward-looking commitment to include thermal resources in an ELCC resource class. Without the Transition Mechanism, those resources currently subject to ELCC capacity accreditation resources face a quantity risk of capacity megawatts that thermal generators do not. Put simply, either all generation and storage resources should face quantity risk in an ELCC analysis, or none should. FERC has made its preference between these two extremes clear when it rejected the Transition Mechanism for limited duration and intermittent resources. In order to fully capture the reliability impact of various generation sources, thermal resources must also be included in the ELCC portfolio analysis.

GlidePath appreciates the opportunity to participate in the PJM stakeholder process, and we look forward to continuing to work towards a amicable solution to the current pressing need for reform in this aspect of the PJM capacity market.

Sincerely,



Sean Baur
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