

132 FERC ¶ 61,169
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Marc Spitzer, Philip D. Moeller,
John R. Norris, and Cheryl A. LaFleur.

PJM Up-To Congestion Transactions

Docket No. IN10-5-000

ORDER OF NON-PUBLIC, FORMAL INVESTIGATION

(Issued August 25, 2010)

1. It is a matter of public record that PJM Interconnection, L.L.C. (PJM) and its independent market monitor, Monitoring Analytics, LLC, recently observed certain patterns of behavior associated with large volumes of Up-To Congestion transactions in PJM's markets.¹ Specifically, PJM alleges that "trades were undertaken with the intent of manipulating PJM market rules so as to gain an allocation of marginal loss surplus revenue without any corresponding usage of the transmission system."²

2. Pursuant to Federal Power Act sections 201, 307, and 309 (as amended by the Energy Policy Act of 2005)³ and Part 1b of the Commission's regulations,⁴ the Commission authorizes the Office of Enforcement to conduct a non-public, formal investigation, with subpoena authority, regarding violations of the Commission's regulations, including section 1c.2, Prohibition of electric energy market manipulation,⁵ that may have occurred in connection with, or related to, certain Up-To Congestion transactions in PJM.

¹ PJM Interconnection, L.L.C. Members Committee meeting of August 12, 2010. Copies of presentations given at the meeting are available at <http://www.pjm.com/committees-and-groups/committees/mc.aspx#4>.

² PJM Interconnection, L.L.C., Tariff Filing, Docket No. ER10-2280-000, at 6 (filed August 18, 2010).

³ 16 U.S.C. §§ 824, 825f, 825h (2000 & Supp. V (2005)).

⁴ 18 C.F.R. Part 1b (2010).

⁵ 18 C.F.R. § 1c.2 (2010).

3. In conducting such investigations, the Director of the Office of Enforcement, and employees designated by the Director, shall have authority to administer oaths and affirmations, subpoena witnesses, compel their attendance and testimony, take evidence, compel the filing of special reports and responses to interrogatories, gather information, and require the production of any books, papers, correspondence, memoranda, contracts, agreements, or other records.

The Commission orders:

The non-public, formal investigation described above is authorized, pursuant to which the Director of the Office of Enforcement, and officers designated by the Director shall have the powers and authorities listed above, and shall report the results of the investigation to the Commission.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.