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## C'mon, PJM. Our beef has been with FERC Enforcement. Not you. Well, not until your recent shenanigans.

**West Chester, PA - 2/10/15 -- For immediate release:** Last week, PJM Interconnection stated that Powhatan Energy Fund's response to FERC's order to show cause illustrates our "failure to appreciate the unique legal and regulatory framework governing organized wholesale electricity markets." Yeah, perhaps we do not understand this "uniqueness" – we were under the impression that constitutional protections applied to all regulated markets in this country, including theirs. We've raised our voice against the bullying tactics that FERC has employed in this investigation as they have completely ignored these protections, including our rights to due process and fair notice. Powhatan is in the news and people feel compelled to respond to us because we're not unique – a lot of people know there's a fundamental problem here.

The industry struggles to understand the rules and the laws under which they can operate their businesses. PJM's recent statements add to their confusion. PJM's pronouncement that FERC's regulatory mission "to protect consumers and other market participants" is held to a "higher standard" than the SEC's mission to protect investors is simply wrong. We do not believe PJM could cite any authority to support this claim. The SEC's mission to protect investors is every bit as stringent and important as FERC's. FERC has even stated that its market manipulation rule is modeled after the SEC's 10b-5 precedent.

We wish PJM would stop pretending that this investigation has anything to do with "just and reasonable prices" for power, as they put it. There is no allegation that we increased power prices. As a matter of fact, Alan's trading had no negative effect on prices or on the power markets at all. If PJM wants to argue, we suggest they find a different straw man.

PJM made the rules, and Alan traded under those rules. Our activities were perfectly legal. And the thing is – PJM knows it. Even after August 2, 2010, when Alan stopped trading, PJM continued to wire funds to us for the very trades that are the subject of the investigation. If they really thought there was anything illegal about the trades, we wonder why they repeatedly sent us money.

We suspect that every single UTC trader made money in the summer of 2010. Instead of vilifying us in the press, PJM should thank us for identifying the goose that was laying these golden eggs. If PJM feels compelled to run any more simulations, Powhatan suggests they quantify how much money the big utilities would have "lost" the last five years had PJM continued to pay UTC traders to take transmission service out of the system. It will show the big utilities are better today, in part, because of Alan's trading.

Throughout this five-year investigation, we've been very cooperative. Over the last year, we've been very open. The analysis of our experts, the interactions we've had with the FERC and even our legal correspondence are available to the leadership team at PJM, who can see it all at [www.ferclitigation.com](http://www.ferclitigation.com). We encourage a visit.