



MC Legal Report
Summary of Significant Filings, Legal Activity
and
Federal Energy Regulatory Commission (Commission) and Court Orders
(September 1, 2020 – October 9, 2020)

ORDERS

On October 9, 2020, the Commission accepted PJM's non-substantive, clerical, ministerial, and substantive revisions to correct, clarify, and/or make consistent certain provisions of the PJM Tariff, PJM Operating Agreement, and RAA. The revisions were developed and approved through PJM's Governing Document Enhancement & Clarification Subcommittee ("GDECS") process. The effective date for the revisions is November 2, 2020. (ER20-2799)

On September 23, 2020, the Commission issued an order granting PJM's request for a limited waiver of certain Open Access Transmission Tariff deadlines for deficiency review of New Service Requests received in PJM's AG1 queue window, which closes on September 30, 2020. (ER20-2914)

On September 17, 2020, the Commission issued an order on the petition for declaratory relief and complaint (collectively, the Petition) pertaining to PJM's station power provisions filed by Indiana Municipal Power Agency (IMPA) and the City of Lawrenceburg, against PJM. In the order, the Commission granted, in part, and denied, in part, the Petition. The Commission also instituted a proceeding pursuant to Federal Power Act (FPA), section 206 to require PJM to revise the PJM Tariff, and any parallel provisions in the PJM Operating Agreement, consistent with the findings made in the order or show cause why such changes are not needed. PJM must submit its filing within 60 days of the date of publication of the FPA, section 206 proceeding notice. An errata notice was issued by the Commission on October 2, 2020 to clarify language in the order regarding a refund effective date. (EL20-30 and EL20-56)

On September 17, 2020, the Commission issued Order No. 2222, a final rule regarding the participation of distributed energy resource aggregations in markets operated by Regional Transmission Organizations and Independent System Operators (RTOs/ISOs). In the order, the Commission defines a distributed energy resource (DER) as any resource located on the distribution system, any subsystem thereof or behind a customer meter, and specifies that DERs may include, but are not limited to, electric storage resources, distributed generation, demand response, energy efficiency, thermal storage, and electric vehicles and their supply equipment. Additionally, the Commission directs all RTOs/ISOs to submit a compliance filing containing specific tariff revisions. The rule is effective 60 days after publication in the *Federal Register*. Each RTO/ISO must file their tariff changes within 270 days after the effective date of the rule. Each RTO/ISO must propose in its compliance filing a reasonable implementation date, together with adequate support explaining how the proposal is appropriately tailored for its region and implements the final rule in a timely manner. The Commission will establish on compliance the effective date for each RTO/ISO's compliance filing. (RM18-9)

On September 17, 2020, the Commission issued a notice denying a request for rehearing from XO Energy, which was made in response to the Commission's July 16, 2020 order finding PJM's current uplift allocation rules to be unjust, unreasonable, and unduly preferential because they do not allocate uplift to UTCs. In compliance with the July 16, 2020 order, PJM on August 31, 2020 submitted revisions to the PJM Tariff and PJM Operating Agreement that: (i) revise PJM's uplift allocation rules to allocate uplift to UTCs in a manner that treats a UTC, for uplift allocation purposes, as if the UTC were equivalent to a DEC at the

sink point of the UTC; and (ii) ensure that UTCs will be allocated both real-time uplift and day-ahead uplift. (EL14-37)

On September 3, 2020, the Commission issued an order granting clarification filed by PJM of the August 2020 Order related to the method of filling the revised cost responsibility assignments stemming from the Order on Remand requiring PJM to file Tariff corrections necessary to reflect the rejection of the PJM Transmission Owners' Form No. 715 Cost Allocation Methodology. By way of clarification, the Commission confirmed that PJM may bill the reallocations of the Form No. 715 Projects by billing charges one calendar year per month beginning with PJM's August monthly bills and ending with the January 2021 monthly bill and issuing credits on a one-month lag starting with the September 2020 monthly bill and ending with the February 2021 monthly bill. (ER15-1387 and ER15-1344)

On September 3, 2020, the Commission accepted PJM's compliance filing submitted to make explicit that a load management test for Demand Resources and Price Responsive Demand will be conducted once each delivery year, alternating between the summer (June through October) and winter (November through March) period. The revisions are effective June 17, 2020. (ER20-1590-001)

On September 3, 2020, the Commission issued an order addressing arguments raised on rehearing and denying clarification of the Commission's March 31, 2020 Compliance Order requested by New York Power Authority (NYPA) and Hudson Transmission Partners, LLC (Hudson) and Linden VFT, LLC (collectively "MTFs") in the docket. In sum, the Commission disagreed with cost allocation arguments specific to whether an MTF possesses Firm Transmission Withdrawal Rights and continued to sustain the Compliance Order. (ER18-680)

On September 3, 2020, the Commission accepted PJM's revisions to Schedule 12-Appendix and Schedule 12-Appendix A necessary to reflect the Commission's rejection of PJM's proposed Tariff revisions submitted in this docket on January 19, 2018 and identified by the Commission in Appendix 2 of its March 31, 2020 order. (ER18-680-003)

On September 1, 2020, the Commission accepted the revisions to the PJM Tariff, Attachment DD, section 5.5A to modify the Pseudo-Tie provisions in compliance with the Commission's order in EL19-51-000. The revisions are effective September 8, 2020. (ER20-2325)

On September 1, 2020, the Commission accepted the revisions to the PJM Tariff, Attachment DD, section 5.5A to modify the Pseudo-Tie provisions in compliance with the Commission's order in EL19-34-000. The revisions are effective September 8, 2020. (ER20-2326)



**MC Legal Report
Summary of Significant Filings, Legal Activity
and
Federal Energy Regulatory Commission (Commission) and Court Orders
(September 1, 2020 – October 9, 2020)**

FILINGS

On October 8, 2020, PJM submitted an informational filing to provide the 2021 annual budget of the Consumer Advocates of PJM States, Inc. (ER16-561)

On October 8, 2020, PJM submitted an informational filing to provide the 2021 annual budget of the Organization of PJM States, Inc. (ER06-78)

On October 7, 2020, PJM filed an answer to the September 25, 2020 Answer of the Independent Market Monitor for PJM, in the proceeding initiated by PJM's July 31, 2020 Federal Power Act section 205 filing proposing Tariff and Operating Agreement revisions to effectuate the "short-term" pricing and dispatch reforms approved by PJM stakeholders in July. (ER20-2573)

On October 1, 2020, PJM with PJM Settlement, Inc. (collectively PJM) submitted a motion to withdraw their filing submitted on July 2, 2020 proposing revisions to the PJM Tariff to allow the use of surety bonds as an acceptable form of Collateral. PJM requests that the motion be granted without prejudice to allow PJM the ability to refile the proposed revisions in the near future. (ER20-2320)

On October 1, 2020, PJM filed responses to post-technical conference questions posed by FERC staff in the open administrative proceeding on hybrid resources. (AD20-9)

On October 1, 2020, PJM submitted a filing in compliance with the Commission's January 16, 2020 Letter Order establishing the actual effective date of January 1, 2021 to reflect Wabash Valley Power Association, Inc.'s new status as a PJM Transmission Owner. (ER20-254-002 and ER20-256-002)

September 29, 2020, PJM filed comments in response to the Market Monitor's protest in numerous triennial market power update filings for certain market-based rate sellers. (ER10-1556-009, et al)

On September 25, 2020 –PJM filed Revisions to Attachment Q to revise provisions to address credit/collateral responsibility for situations in which states require a party to have responsibility for payments that differs from Tariff responsibility for credit, collateral and/or payments. (ER20-2990)

On September 24, 2020 – PJM with PJM Settlement filed a motion seeking an extension of thirty additional days, until October 28, 2020, to respond to the Commission's deficiency letter asking for additional information to support the surety bond filing. (ER20-2320)

On September 23, 2020, PJM submitted revisions to the PJM Tariff, Part I, section 10.4 and PJM Tariff, Attachment Q to correct, clarify and/or make consistent certain provisions that are directly related to PJM's credit risk mitigation in Docket No. ER20-1451. PJM requested the revisions be effective as of November 23, 2020. (ER20-2956)

On September 18, 2020, PJM filed a motion to dismiss or, in the alternative, answer to the complaint of Duquesne Light Company. PJM requested that the Commission dismiss the complaint as unripe and

speculative. In the alternative, PJM answered the complaint and requested that the Commission reserve its ruling on the complaint until issuing an order on the pending Joint Stakeholders' end-of-life filing in Docket No. ER20-2308. (EL20-59)

On September 18, 2020, PJM submitted a filing in compliance with Order No. 845 and with the Commission's May 21, 2020 order directing PJM to submit a further compliance filing to the following reforms: (i) Identification of Contingent Facilities; (ii) Surplus Interconnection Service; and (iii) Material Modifications and Incorporation of Advanced Technologies. PJM requests that the revisions related to Surplus Interconnection Service become effective November 17, 2020 and the revisions related to Identification of Contingent Facilities and Material Modifications and Incorporation of Advanced Technologies become effective as of July 20, 2020, consistent with the effective dates the Commission accepted in the May 21 Order. (ER19-1958-003)

On September 17, 2020, PJM submitted an answer in the Reserve Pricing proceeding in response to comments and protests regarding PJM's August 5 compliance filing, where PJM proposed a forward-looking net Energy and Ancillary Services revenue offset pursuant to the Commission's May 21, 2020. (EL19-58-003)

On September 17, 2020, PJM filed a Motion to Intervene and Comments in response to a waiver filing submitted by Dominion Energy Services, Inc., on behalf of Virginia Electric and Power Company, doing business as Dominion Energy Virginia, on August 27, 2020, related to the Novel Coronavirus (COVID-19) pandemic. Dominion requested a waiver of the PJM Tariff's demand forced outage rate (EFORd) calculation requirements for certain Dominion generation resources which experienced extended outages due to the COVID-19 pandemic. PJM does not oppose the waiver request but asks FERC to require Dominion to provide sufficient factual support to establish a causal link between the inability to return Dominion's resources from outage and the pandemic. (ER20-2759)

On September 16, 2020, PJM submitted a request for clarification of the Commission's August 17 Order concerning the Dayton Power and Light Company's request for inclusion of the RTO Participation Adder in its transmission rates, and a motion to intervene out of time in Docket No. ER20-1068. PJM seeks clarification that the Commission will engage in an analysis of all factors probative of the appropriateness of Dayton's request for the RTO Participation Adder. (ER20-2100 and ER20-1068)

On September 14, 2020, PJM filed a request for any waivers of the Commission's filing and notice requirements to permit the Joint Stakeholder Proposal filing to become effective on January 1, 2021. (ER20-2308)

On September 10, 2020, PJM filed an answer to the August 21, 2020 Protest of the Independent Market Monitor for PJM, which was made in response PJM's July 31, 2020 Federal Power Act section 205 filing proposing PJM Tariff and PJM Operating Agreement revisions to effectuate the "short-term" pricing and dispatch reforms approved by PJM stakeholders in July. (ER20-2573)

On September 2, 2020, PJM submitted non-substantive, clerical, ministerial, and substantive revisions to correct, clarify, and/or make consistent certain provisions of the PJM Tariff, PJM Operating Agreement, and RAA. These revisions were the result of work done by the Governing Document Enhancement & Clarification Subcommittee ("GDECS"). PJM is requesting an effective date of November 2, 2020. (ER20-2799)