



MC Legal Report
Summary of Significant Filings, Legal Activity
and
Federal Energy Regulatory Commission (Commission) and Court Orders
(October 10, 2020 – November 6, 2020)

ORDERS

On November 6, 2020, FERC issued an order granting Dominion’s limited waiver to allow PJM to omit certain pandemic-related outage data for the period March 22, 2020 through September 30, 2020 when calculating the final EFORd values for the resources identified by Dominion in its waiver filing, in anticipation of the Third Incremental Auction for the 2021/2022 delivery year. Specifically, FERC granted waiver of the applicable provisions in the PJM Reliability Assurance Agreement, Schedule 5, and in PJM Tariff, Attachment DD, sections 5.61 and 6.6, as well as any other Tariff provisions that PJM may deem applicable to the relief sought. (ER20-2759)

On November 3, 2020, the Commission issued a letter order accepting revisions to 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. ER20-1451-000. The revisions be will be effective as of November 23, 2020. (ER20-2956)

On October 30, 2020, the Commission accepted the revisions to MISO-PJM JOA, section 9.3.3 to comply with the requirements of the June 30, 2020 order issued by the Commission partially accepting PJM’s February 3, 2020 compliance filing in response to the Commission’s September 19, 2019 order in Docket No. EL18-26-000 regarding affected system issues between PJM and MISO. The effective date for the revisions is April 6, 2020. (ER20-944-002)

On October 30, 2020, the Commission accepted PJM’s September 18, 2020 filing in compliance with the Commission’s May 21, 2020 order (May 21 Order) to revise PJM Tariff provisions relating to: (i) Identification of Contingent Facilities; (ii) Surplus Interconnection Service; and (iii) Material Modifications and Incorporation of Advanced Technologies. 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 October 29, 2020, the Commission accepted PJM revisions filed August 31, 2020. The order accepted revisions to the PJM Tariff and PJM Operating Agreement that: (i) revise PJM’s uplift allocation rules to allocate uplift to Up-to Congestion Transactions (“UTCs”) in a manner that treats a UTC, for uplift allocation purposes, as if the UTC were equivalent to a Decrement Bid (“DEC”) at the sink point of the UTC; and (ii) ensure that UTCs will be allocated both real-time uplift and day-ahead uplift. The August 31, 2020 filing was made in compliance with a July 16, 2020 Commission order that found PJM’s current uplift allocation rules to be unjust, unreasonable, and unduly preferential because they do not allocate uplift to UTCs. The Commission granted effective date of November 1, 2020. (ER20-2775)

On October 26, 2020, the Commission issued an order addressing arguments raised on rehearing of the Commission’s March 2020 Order in this docket. In the March 2020 Order, the Commission accepted revisions to the PJM Operating Agreement, Schedule 6, section 1.5 regarding proposers’ ability to voluntarily submit cost commitment proposals during Regional Transmission Expansion Plan project proposal windows,

and PJM's consideration of such cost commitment proposals through a comparative review and analysis. The Commission's October 26 Order modifies the discussion in the March 2020 Order and continues to reach the same result. (ER19-2915-002)

On October 23, 2020, the Commission issued an order accepting revisions to PJM Open Access Transmission Tariff, Schedule 12-Appendix A to reflect the City of Rochelle's removal as a transmission owner from PJM governing documents and Commonwealth Edison Company's (ComEd) assumption of transmission owner responsibilities for facilities formerly owned by the City of Rochelle. The effective date for the revisions is June 9, 2020. (ER20-2785)

On October 21, 2020, Order No. 2222 was published in the *Federal Register*, which will make PJM's Order No. 2222 compliance filing **due July 19, 2021**. Order No. 2222 removes barriers to the participation of distributed energy resource aggregations in the capacity, energy, and ancillary service markets operated by Regional Transmission Organizations and Independent System Operators (RTO/ISO). (RM18-9)

On October 16, 2020, FERC accepted for filing amendments to Schedule 12-Appendix A of the PJM Open Access Transmission Tariff regarding Board-approved cost allocations. Effective November 26th, as requested. (ER20-2762)

On October 15, 2020, the Commission accepted, in part, and denied, in part, PJM's compliance filings relating to the implementation of the Minimum Offer Price Rule. The order directs PJM to submit a supplemental compliance filing within 30 days. The effective date for the approved portions of the compliance filing is October 15, 2020. (EL16-49-003, EL18-178-003, and ER18-1314-006)

On October 15, 2020, the Commission issued an order addressing arguments raised on rehearing by PJM Interconnection, L.L.C. and Midcontinent Independent System Operator, Inc. In the October 15 Order, the Commission found that each RTO's fuel-based assumptions are an integrated component of their larger interconnection and planning models and, therefore, are not logically severable from the framework in which the assumptions were developed. Accordingly, the Commission set aside the June 30 Order, in part, holding that the Commission should not have directed the Affected System RTO to use the dispatch assumptions of the host RTO when it conducts Affected System studies. (ER20-944-001 and ER20-942-001)

On October 15, 2020, the Commission issued an order denying clarification and addressing arguments raised on rehearing of the Commission's June 18, 2020 order regarding Amtrak's complaint against PPL involving transmission and distribution charges. The Commission determined Amtrak's request for clarification is unnecessary to the result reached in the case and the Commission is unpersuaded by Amtrak's rehearing arguments. As a result the Commission's determination in the June 18, 2020 order is sustained. (EL19-78-001)

On October 15, 2020, the Commission issued an order accepting revisions to the PJM Tariff to add NextEra Energy Transmission MidAtlantic Indiana, Inc. (NEET) as a PJM TO as a result of the planned acquisition by NEET of certain ComEd transmission facilities in Indiana. The filing included the addition to the Tariff of NEET's Attachment H33 formula rate and protocols. The Commission accepted the filing to become effective within 15 days of the closing date. In the October 15 Order, the Commission rejected the formula rate filing in part. NEET is directed to submit a compliance filing within 15 days of the date NEET becomes a PJM TO, removing the rejected tariff formula rate provision and specifying the effective date NEET became a PJM Transmission Owner. (ER20-1783 and ER20-1783-001)

On October 13, 2020, the Commission accepted PJM's revisions to PJM Tariff, Attachment K-Appendix, section 2.5, and to the identical corresponding provisions in PJM Operating Agreement, Schedule 1, section 2.5, to effectuate greater accuracy in the pricing and dispatch of resources in PJM's footprint through what

was known in the stakeholder process as the “short-term” reforms towards greater alignment. The revisions are effective October 15, 2020. (ER20-2573)

FILINGS

On November 3, 2020, PJM with the ISO/RTO Council (“IRC”) filed comments in response to FERC’s NOPR proposing to amend its regulations to incorporate by reference, with certain exceptions, the WEQ Version 003.3 Standards. With certain exceptions described in the filing, the IRC generally supports the Commission’s proposal to amend its regulations to incorporate WEQ Version 003.3 Standards. The IRC also provides comments on specific aspects of the NOPR in sections II.A through II.E of the IRC comments. (RM05-5-29 and RM05-30)

On October 30, 2020, PJM filed the common performance metrics and related information in response to the May 27, 2020 Request for Information on Performance Metrics for ISOs, RTOs, and Regions Outside ISOs and RTOs. (AD19-16)

On October 30, 2020, PJM submitted a letter informing the Commission that PJM satisfied the conditions in the April 10, 2020 order in these proceedings by submitting, in Docket No. ER21-278-000, an FPA section 205 filing to establish an Effective Load Carrying Capability (ELCC) construct for determining the relative amount of capacity that variable, limited duration, and combination resources may offer in PJM’s capacity market (known as the Reliability Pricing Model or RPM) or provide in a Fixed Resource Requirement (FRR) capacity plan. (EL19-100 and ER20-584)

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On October 30, 2020, PJM filed proposed revisions to the PJM Operating Agreement, Schedule 12, and the RAA, Schedule 17, to (i) add the new members, (ii) remove withdrawn members, (iii) reflect the signatories to the RAA, and (iv) reflect members’ whose corporate names changed during the third quarter of 2020. PJM requested the revisions be effective as of September 30, 2020. (ER21-257)

On October 30, 2020, PJM submitted revisions to the PJM Tariff, Schedule 9 to modify how PJM allocates, among PJM administrative service categories, the amount in PJM’s regulatory liability account at the end of a calendar quarter that exceeds 6 percent of PJM’s administrative service projected revenues for the calendar year. PJM requested an effective date of November 1, 2020. (ER21-274)

On October 29, 2020, PJM submitted testimony of Ken Seiler in the Offshore Wind Integration in RTOs/ISOs technical conference docket. On October 14, Ken was assigned to speak on the following panel: Interconnection of Offshore Wind via Generator and Merchant Transmission Interconnection Processes. (AD20-18)

On October 27, 2020, PJM submitted a motion for leave to answer and answer to the Supplemental Protest filed on behalf of LSP Transmission Holdings II, LLC in this docket objecting to PJM’s October 6, 2020 Transmission Expansion Advisory Committee slide presentation of immediate-need reliability projects proposed to address the Dominion Manassas Area violations. In its answer and Declaration by Aaron Berner, PJM provided the Commission with a complete and accurate picture of all the facts to allow the

Commission find that PJM has been striving to provide all stakeholders the transparency required by the Commission underlying its decisions related to immediate-need reliability projects. (ER20-2686)

On October 22, 2020, PJM submitted an errata to its pending compliance filing pertaining to fast-start pricing practices submitted on August 30, 2019. The errata corrects a minor inconsistency between PJM's expressed intent in the August 30, 2019 Compliance Filing and one sentence in the associated proposed Tariff and Operating Agreement language related to day-ahead Operating Reserve credits. (ER19-2722-002)

On October 20, 2020, PJM submitted revisions to the PJM Tariff, Attachment DD, section 15 and the PJM Operating Agreement, Schedule 6, section 1.5.7. The revisions clarify – and do not substantively change PJM's economic planning process. In particular, the revisions add a clarifying reference to the Tariff in a related provision of the Operating Agreement to make it clear that capacity constraints, in addition to energy market constraints, are inputs into PJM's market efficiency analyses. PJM is requesting a December 21, 2020 effective date. (ER21-162)

On October 19, 2020, PJM submitted a motion to lodge PJM's July 1, 2020 comments regarding the RTO participation ROE adder and the PJM Value Proposition in the below-referenced dockets concerning Dayton Power and Light's transmission rate case, both of which were previously filed in Docket No. RM20-10. (ER20-2100 and ER20-1068)

On October 16, 2020, PJM submitted proposed revisions to the Operating Agreement, Schedule 12, to reflect the permanent termination of ENERGIA Y SERVICIOS DEL ISTMO CENTROAMERICANO, S.A. DE C.V INC as a PJM Member in accordance with Operating Agreement, section 15.1.6 (c) and 4.1.(c) due to its payment defaults. PJM requested the revisions be effective as of December 16, 2020. (ER21-127)

On October 15, 2020, PJM filed a clean-up to incorporate revisions to PJM Tariff, section 36.1 (regarding generation interconnection) previously accepted by the Commission on July 30, 2019 in Docket No. ER19-2030 that were overwritten due to overlapping filings in this section. PJM requests the revisions be made effective as of April 1, 2020. (ER21-118)

On October 13, 2020, PJM submitted minor revisions to the PJM Tariff and PJM Operating Agreement pertaining to metering and accounting practices for Energy Storage Resource (ESR) charging energy, which had been directed by the Commission in a July 16, 2020 Order on PJM's most-recent Order No. 841 compliance filing. PJM is requesting an effective date of December 3, 2019. (ER19-469-004)