

MC Legal Report
Summary of Significant Filings, Legal Activity and
Federal Energy Regulatory Commission (Commission) and Court Orders
(May 14, 2024 – June 10, 2024)

ORDERS

On June 4, 2024, in Docket No. ER24-462-001, the Commission issued an order rejecting the requests for rehearing by the Illinois Commerce Commission and the Illinois Attorney General's Office, and affirming the January 19, 2024 Order accepting revisions to PJM's governing documents that establish a new Cost of New Entry Area for the Commonwealth Edison Company transmission zone.

On May 29, 2024, in Docket No. EL21-91-003, an Order of the Chief Judge Denying Motion for Reestablishment of Settlement Judge Procedures and Designating Dispute Resolution Specialist was issued in the PJM Black Start CRF rate proceedings.

On May 24, 2024, in Docket No. ER23-729-003, the Commission issued an order denying the PJM Load Parties' request for rehearing and emergency motion for stay of the Petition Order.

On May 23, 2024, in Docket No. EL24-64-000, the Commission issued an order denying the Lackawanna Stability Limits Complaint against PJM, whereby Lackawanna Energy Center LLC requested that PJM pay it Lost Opportunity Cost for reducing its output to honor stability limits caused by a transmission outage in the summer of 2023.

On May 23, 2024, in Docket No. ER24-1987-000, the Commission issued a letter order accepting PJM's clerical and ministerial revisions originating from the Governing Document Enhancement & Clarification Subcommittee to correct, clarify, and/or make consistent certain markets-related provisions of the PJM Tariff, Operating Agreement, and Reliability Assurance Agreement (including corrections to use the lowercase "End-Use Customer" term where appropriate). PJM's revisions become effective as of May 31, 2024.

On May 23, 2024, in Docket No. ER24-1632-000, the Commission issued a letter order accepting PJM's ministerial clean-up filing to ensure the Tariff correctly reflects the language in Tariff, Attachment Q that was accepted by FERC as of various effective dates.

On May 22, 2024, in Docket No. ER24-1621-000, the Commission accepted revisions to the Consolidated Transmission Owners Agreement (CTOA) to amend the signature blocks for Keystone Appalachian Transmission Company and Monongahela Power Company and The Potomac Edison Company, doing business as Allegheny Power (collectively, the FirstEnergy Transmission Owners) to reflect the January 1, 2024 signature dates for their respective CTOA signature blocks which are included in the tariff records already accepted by the Commission on December 18, 2023.

On May 17, 2024, in Docket No. ES24-25-000, the Commission issued an order accepting PJM Settlement's Application filed under Federal Power Act, section 204, authorizing PJM Settlement to: (1) guarantee obligations of PJM Interconnection, L.L.C. (PJM) in an amount not exceeding the \$220.6 million amount previously authorized by the Commission; and (2) provide a line of credit to PJM in an amount not exceeding the cash that PJM Settlement holds due to remittances from Market Participants that PJM Settlement is not yet obligated to disburse, in an amount not to exceed \$180 million. PJM Settlement's application becomes effective date as of May 25, 2024.

On May 15, 2024, in Docket Nos. EL21-91-003 and ER21-1635-000, the Presiding Judge in the PJM Black Start rate proceedings issued an order concurring with the appointment of a settlement judge subject to conditions.

FILINGS

On June 7, 2024, in Docket No. ER21-1635-007, PJM submitted a clean-up filing relating to PJM Tariff Schedule 6A to reflect the currently applicable Capital Recovery Factor rate for Black Start Units selected prior to June 6, 2021 in accordance with the Chief Administrative Law Judge's order authorizing interim settlement rates during the pendency of the proposed settlement in Docket No. EL21-91-003.

On June 7, 2024, PJM submitted a clean-up filing to revise Schedule 6A of the Open Access Transmission Tariff to conform the Capital Recovery Factor (CRF) rates for Black Start Units selected prior to June 6, 2021, to the CRF rates in effect prior to implementation of the interim settlement rates. PJM requested the CRF rates to be effective as of January 1, 2024.

On June 6, 2024, in Docket No. ER24-2203-000, PJM submitted its proposal to memorialize in the Operating Agreement definitions for certain cost components associated with synchronous condensers and to conform references in relevant uplift provisions in the Tariff and Operating Agreement to incorporate these newly memorialized definitions for Condense Startup Cost, Condense to Generate Cost and Condense Energy Use. PJM requested for its revisions to be effective as of August 6, 2024.

On June 5, 2024, in Docket No. EL24-90-000, PJM filed a Motion for Leave to Answer and Answer to the May 24, 2024 answer to answer of Energy Management Solutions, LLC's (EMS) to PJM's second answer filed in response to EMS's complaint (the Compliant). The Complaint alleges that PJM's denial of EMS's membership application in January 2023 violated the PJM Operating Agreement.

On June 5, 2024, in Docket No. ER24-2196-000, PJM submitted a ministerial clean-up filing to ensure that the PJM Tariff incorporates all of the language in Tariff, Attachment Q that has been accepted by the Commission in Docket Nos. ER24-1632-000 and ER24-1987-000 effective as of May 31, 2024.

On June 4, 2024, in Docket Nos. ER24-2197-000 and EL24-116-000, Dominion Energy Virginia (Dominion) submitted a request for waiver of the deadline to submit a binding notice of intent to offer for the 2025/2026 Base Residual Auction or, in the alternative, a complaint against PJM seeking an order from the Commission determining that the Tariff and RAA are unjust and unreasonable because the deadline for the binding notice of intent is prior to the deadline for Fixed Resource Requirement Entities to elect to return to the Reliability Pricing Model. Dominion requested a shortened 14-day comment period and expedited Commission action by June 30, 2024. PJM's answer to this waiver request and conditional complaint is due by June 18, 2024.

On June 3, 2024, in Docket No. EL24-91-000, PJM submitted a motion for leave to answer and answer in response to the May 21, 2024 answer of the Independent Market Monitor for PJM. This limited answer proposes specific additional steps that PJM could take to more thoroughly review the Market Monitor's opportunity cost calculator in the event the Commission finds that PJM needs to have more oversight over the opportunity cost calculator.

On May 30 2024, in Docket No. ER24-2144-000, PJM submitted, on behalf of PPL Electric Utilities Corporation ("PPL Electric"), a request for authorization to recover 100% of prudently incurred costs to construct certain transmission projects identified in the 2022 Regional Transmission Expansion Plan Window 3, in the event the projects are abandoned or canceled for reasons beyond the control of PPL Electric. PPL Electric requests that the Commission issue order granting the request effective as of July 30, 2024.

On May 28, 2024, in Docket No. RM22-2-000, PJM submitted comments in response to the Commission's March 21, 2024 Notice of Proposed Rulemaking regarding Reactive Power Capability Compensation.

On May 23, 2024, in Docket No. ER24-1772-000, PJM submitted a Motion for Leave to Answer and Answer to the Market Monitor's protest to PJM's proposed Tariff and Operating Agreement revisions to effectuate comprehensive reforms to its Regulation Market.

On May 22, 2024, in Docket No. ER24-1626-000, PJM submitted a supplemental filing requesting an effective date of June 26, 2024 for the amendments to the PJM Tariff, Schedule 12-Appendix A, filed on March 27, 2024, seeking to incorporate cost responsibility assignments for baseline upgrades in the recent update to the Regional Transmission Expansion Plan approved by the PJM Board of Managers on February 28, 2024.

On May 21, 2024, in Docket No. ER24-2070-000, PJM filed revisions to PJM Operating Agreement, Schedule 12 to reflect the termination of (i) Mega Energy of Illinois, LLC; and (ii) Western Reserve Energy Services, LLC (together the Entities in Default), as PJM Members in accordance with Operating Agreement, section 4.1 (c). The Entities in Default were notified that they were in breach of the Operating Agreement and that a failure to cure said breaches within the specified time periods would result in, among other remedies, the loss of membership rights pursuant to Operating Agreement, section 15.1.5. PJM requested the revisions be effective July 21, 2024.

On May 20, 2024, in Docket No. ER23-729-004, PJM submitted a compliance filing pursuant to the Commission order accepting PJM's petition addressing the conduct of the Base Residual Auction and Third Incremental Auction for the 2024/2025 Delivery Year under PJM's Reliability Pricing Model. PJM requested that the compliance filing be effective as of May 6, 2024.

On May 17, 2024, in Docket No. EL24-90-000, PJM filed a Motion for Leave to Answer and Answer to Energy Management Solutions, LLC's (EMS) May 2, 2024 answer to PJM's answer filed in response to EMS's complaint (the Compliant). The Complaint alleges that PJM's denial of EMS's membership application in January 2023 violated the PJM Operating Agreement.

On May 17, 2024, in Docket No. ER23-729-003, PJM submitted a motion for leave to answer and limited answer in response to the request for expedited rehearing and emergency motion for stay filed by the PJM Load Parties. In this answer, PJM provided a status update on the recalculation of the Base Residual Auction and the rerun of the Third Incremental Auction for the 2024/2025 Delivery Year.

On May 16, 2024, in Docket No. ER24-2045-000, PJM submitted the compliance filing required by Commission Order Nos. 2023 and 2023-A. PJM explained in its compliance filing that the interconnection procedures set forth in its Tariff either wholly comply with these orders, or are consistent with the Commission's goals set forth in Order Nos. 2023 and 2023-A, and should be accepted under the independent entity variation standard.

On May 15, 2024, in Docket No. ER24-1268-001, PJM submitted on behalf of The Dayton Power and Light Company d/b/a AES Ohio a response to a deficiency letter from FERC staff regarding AES Ohio's February 16, 2024 filing in the same docket that sought to revise Attachment H-15A of the PJM Tariff to correct certain non-substantive inconsistencies in AES Ohio's formula rate, such as references, links and clarifying comments. AES Ohio is requesting that the revisions to Attachment H-15A be effective as of April 17, 2024.

On May 14, 2024, in Docket No. ER24-1790-000, PJM submitted a motion to intervene and comments regarding the Continuing Operations Rate Schedule for Reliability Must-Run ("RMR") service filed by Brandon Shores LLC.

On May 14, 2024, in Docket No. ER24-1787-000, PJM submitted a motion to intervene and comments regarding the Continuing Operations Rate Schedule for Reliability Must-Run ("RMR") service filed by H.A. Wagner LLC.

On May 14, 2024, in Docket No. ER24-1469-002, PJM filed an amendment to its April 2, 2024 effective date correction filing of the fourth quarter Membership revision filing of the PJM Operating Agreement, Schedule 12, and the RAA, Schedule 17. PJM submitted the filing to correct the eTariff metadata of PJM Operating Agreement,

Schedule 12, and the RAA, Schedule 17. PJM requests the effective date remain the same as previously requested in ER24-1469-000 and ER24-1469-001.