

# FERC Orders Requiring Reallocations and Refunds

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Markets and Reliability Committee

- FERC Form 715 order changes the cost allocation of the impacted projects from 100% to the zone of the transmission owner of each project to a cost allocation using PJM's reliability cost allocation methodology
  - Network customers in the impacted zones will receive a refund
  - Charges are reallocated across multiple zones and Merchant Transmission Facilities (MTFs)
- FERC Form 715 order requires PJM to rebill parties with interest back to May 25, 2015.
  - 44 Form 715 projects are impacted by the order
    - 33 projects in PS zone
    - 11 projects in Dominion zone

- Effective January 1, 2018, Linden VFT and Hudson Transmission Partners (HTP) converted their Firm Transmission Withdrawal Rights (TWRs) to Non-Firm TWRs.
- As a result, PJM revised Schedule 12–Appendices to remove all cost allocations from MTFs (Docket No. ER18-680)
- FERC approved Docket ER18-680, but required PJM to reassign cost responsibility back to Linden VFT and HTP for a specific set of projects:
  - Projects using a violation-based DFAX methodology
  - Lower voltage economic projects.

- Transmission Enhancement worksheets for each order are posted on the Billing, Settlements, & Credit page
- Information is considered preliminary and subject to revision based on any FERC rulings
- Worksheets contain historical allocation changes
  - Form 715 Order project revenue and cost allocations dating back to May 2015
  - Docket No. ER18-680 revised project cost allocations dating back to January 2018
- Summary spreadsheet with annual charge and credit estimates

- Requests for Rehearing and Clarification filed by Linden VFT, Long Island Power Authority, Neptune, and New York Power Authority (NYPA).
- Linden VFT and NYPA request settlement relief if FERC does not grant a rehearing request:
  - Delay billing until January 2021
  - Permit a 12 month settlement period in equal installments from January 1, 2021 through December 31, 2021
- PJM submitted filings to FERC for both orders, requesting FERC to act promptly on the Requests for Rehearing and Clarification
- FERC denied the Requests for Rehearing for the Form 715 order, but misstated PJM's intended settlement timeline
- On August 12, PJM filed a Request for Clarification regarding the settlement timeline for Form 715, asking FERC to rule on an expedited basis by August 28, but no later than September 18

- PJM will await a FERC ruling on PJM's Request for Clarification before including Form 715 projects in normal monthly billing
- Historical settlement process
  - Bill charges one calendar year per month beginning in August 2020 monthly bill, ending in January 2021 monthly bill
  - Allocate credits on a one month delay beginning in September 2020 monthly bill, ending in February 2021 monthly bill



# Proposed PJM Form 715 Settlement

	Monthly Bill	
Calendar Year	Charges	Credits
2015	August 2020	September 2020
2016	September 2020	October 2020
2017	October 2020	November 2020
2018	November 2020	December 2020
2019	December 2020	January 2021
2020	January 2021	February 2021

- To date, no order on rehearing or clarification has been issued
- On June 1, 2020, the Commission issued a tolling order
- On July 27, 2020, NYPA and HTP filed a petition for review against FERC with the D.C. Court of Appeals to preserve their appellate rights
- PJM will begin normal monthly billing in August for the applicable projects
- Historical settlement process
  - Bill charges one calendar year per month beginning in August 2020 monthly bill, ending in October 2020 monthly bill
  - Allocate credits on a one month delay beginning in September 2020 monthly bill, ending in November 2020 monthly bill



	Monthly Bill	
Calendar Year	Charges	Credits
2018	August 2020	September 2020
2019	September 2020	October 2020
2020	October 2020	November 2020

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FERC Transmission Orders



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