



# FERC Orders Requiring Reallocations and Refunds

April 13, 2020

Market Settlements Subcommittee

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- August 30, 2019 Order on Remand on Form 715 Projects
  - PJM Transmission Owners submitted a compliance filing removing the Form 715 cost allocation methodology from Tariff, Schedule 12.
    - Under Form 715 methodology, costs of projects solely addressing Form 715 criteria were allocated to the zone of the transmission owner who filed the criteria
  - PJM submitted a compliance filing revising Tariff, Schedules 12-Appendix and Appendix A to reassign cost responsibility allocations for Form 715 RTEP projects (Remand Projects) using PJM's reliability cost allocation methodology.

- Order on Compliance Filing: FERC found PJM complied with the August 30 Order on Remand and applied the cost responsibility assignments for the Remand Projects consistent with its Tariff.
- Order Denying Rehearing and Granting Clarification:
  - FERC clarified that the August 30, 2019 Order on Remand required PJM to rebill parties with interest back to May 25, 2015.

- On January 19, 2018, in Docket No. ER18-680, PJM proposed revisions to Tariff, Schedule 12-Appendix and Schedule 12-Appendix A to reassign cost responsibility for RTEP facilities as a result of the conversion of Linden VFT, LLC (Linden) and Hudson Transmission Partners, LLC (Hudson) Firm Transmission Withdrawal Rights (TWRs) to Non-Firm TWRs.

- In the March 31, 2020 Order, FERC accepted all reassignment of cost responsibility for the MTFs that converted their Firm TWRs to Non-Firm TWRs, effective January 1, 2018, with the exception of the following allocations that are not annually updated under the Tariff:
  - Lower Voltage Facilities (LVFs) allocated using violation-based DFAX;
  - Economic projects below 500 kV.
- FERC directed PJM to make a compliance filing eliminating reassignments specific to LVFs allocated using violation-based DFAX and Economic Projects below 500 kV within 60 days of the date of the Order, i.e., June 1, 2020.