



MC Legal Report
Summary of Significant Filings, Legal Activity
and
Federal Energy Regulatory Commission (Commission) and Court Orders
(February 10, 2021 – March 12, 2021)

ORDERS

On March 10, 2021, the Commission issued a letter order accepting PJM Interconnection, L.L.C.'s February 3, 2021 filing of revisions to remove provisions in the open access transmission tariff in response to a Commission directive under ER18-1314. (ER18-1314-011)

On March 9, 2021, the Commission issued an order on rehearing relating to the reserve pricing and the associated net energy and ancillary services compliance filings. In the rehearing order, the Commission sustained its finding on the inclusion of the 10% adder for CTs, modeling of projected net revenue from regulation in the EAS offset, use of historical prices for operating reserves, and proposed effective date of May 1, 2022 for the implementation of the reserve market replacement rate. (EL19-58-005)

On February 19, 2021, the Commission issued a notice denying rehearing by operation of law and providing for further consideration in response to requests for rehearing of the Commission's December 21, 2020 order rejecting a PJM stakeholder proposal to revise the PJM Operating Agreement to provide a structure for end-of-life-driven transmission projects to be reviewed and developed under RTEP. (ER20-2308-001)

On February 18, 2021, the Commission issued an order granting rehearing requests related to its October 15, 2020 compliance order addressing PJM's MOPR compliance filing, and vacating footnote 134 from that order. The Commission agreed with the New Jersey Board of Public Utilities (BPU) that footnote 134 was inconsistent with the PJM Tariff definition that carves out state default service auctions that are non-discriminatory and competitive from the definition of State Subsidy. (EL16-49-006, ER18-1314-010, and EL18-178-006)

On February 18, 2021, the Commission issued an order terminating proceedings that were initiated to evaluate the resilience of the bulk power system in the regions operated by RTOs and ISOs. (AD18-7)

On February 18, 2021, the Commission issued a deficiency letter in response to PJM's 2021 RTEP Annual Cost Allocation Update filed on December 23, 2020. The Commission directed PJM to provide additional information, including: (i) explanations for changes from preliminary cost responsibility assignments; (ii) explanations for changes from previously-filed cost responsibility assignments; and (iii) a description of the information PJM provides to stakeholders prior to submitting the annual cost allocation updates to the Commission. The deadline for submitting responses is **March 19, 2021**. (ER21-726)

On February 18, 2021, the Commission issued an order accepting PJM's filing submitted on August 17, 2020 in compliance with the Commission's June 18, 2020 order concerning implementation of Immediate-need Reliability Projects exemptions from Order No. 1000's regional transmission planning competition requirements, effective February 18, 2021. The Commission found that PJM's compliance filing established a just and reasonable implementation structure for Immediate-need Reliability projects. (ER20-2686 and EL19-91)

On February 16, 2021, the Commission issued an order accepting an executed State Agreement Approach Study Agreement between PJM and the BPU to implement the State Agreement Approach process in PJM Operating Agreement, Schedule 6, section 1.5.9, effective November 18, 2020. (ER21-689)

FILINGS

On March 12, 2021, PJM submitted proposed revisions to PJM Tariff, Schedule 12-Appendix A to incorporate cost responsibility assignments for 69 baseline upgrades included in the recent update to the Regional Transmission Expansion Plan approved by the PJM Board of Managers on February 10, 2021. PJM requested an effective date of June 10, 2021, which is 90 days after the date of this filing to allow a 30 day comment period. Comments are due April 12, 2021. The executive sponsor is Ken Seiler. (ER21-1364)

On March 12, 2021, PJM submitted for filing proposed revisions to the PJM Operating Agreement, Schedule 12 and the RAA, Schedule 17, to reflect the permanent termination of Entrust Energy East, Inc. (“Entrust”) as a PJM Member in accordance with Operating Agreement, section 15.1.6 (c) and 4.1 (c), because Entrust failed to make payments when due twice during a 12 month period. PJM requested the revisions be effective as of May 12, 2021. The executive sponsor Asim Haque. (ER21-1341)

On March 11, 2021, PJM submitted a compliance filing containing RTEP amendments approved by the Board on February 10, 2021 to PJM Tariff, Schedule 12-Appendix A to incorporate cost responsibility assignments for 14 baseline upgrades included in the recent update to the Regional Transmission Expansion Plan approved by the PJM Board of Managers on December 9, 2020. The Commission accepted for filing, effective April 8, 2021. The executive sponsor is Ken Seiler. (ER21-841) (PF/AB)

On March 8, 2021, PJM submitted an informational filing on Panda Stonewall’s progress toward satisfying PJM’s Collateral Call and PJM’s final determination concerning whether Panda Stonewall presents an unreasonable credit risk. The executive sponsor is Nigeria Bloczynski. (ER21-972) (JH)

On March 2, 2021, PJM filed an errata to its filing proposing revisions to its Price Responsive Demand (PRD) provisions originally filed on March 1, 2021 to correct an eTariff metadata error to fix the effective date of certain revisions.. (ER21-1243-001)

On March 1, 2021, the ISO/RTO Council (IRC) filed comments in response to FERC’s NOPR on the performance of the Commission-certified Electric Reliability Organization and Regional Entities. In the comments, the IRC supports FERC’s proposal to formalize the method for the Electric Reliability Organization and Regional Entities to receive and respond to recommendations by the users, owners, and operators of the Bulk-Power System, and other interested parties for improvement of the Electric Reliability Organization’s operations, activities, oversight and procedures. (RM21-12)

On March 1, 2021, PJM filed its responses to the Commission-issued deficiency letter regarding PJM’s October 30, 2020 filing proposing to implement the Effective Load Carrying Capability construct. (ER21-278-001)

On March 1, 2021, PJM filed revisions to the existing PRD rules so that they no longer differentiate a Load Serving Entity from any other PJM Member that provides PRD. These proposed amendments will allow PRD Credits to be allocated directly to the PRD Provider rather than only to the associated Load Serving Entities. (ER21-1243)

On February 26, 2021, PJM submitted a Motion for Extension of Time to Submit Compliance Filing, requesting that the Commission grant an extension of the deadline to submit PJM's Order No. 2222 Participation of Distributed Energy Resource Aggregations in Markets Operated by RTOs/ISOs compliance filing from July 19, 2021 to February 1, 2022. (RM18-9)

On February 25, 2021, PJM submitted revisions to the PJM Tariff to incorporate provisions that allow the use of surety bonds as a form of Collateral for participation in its markets other than the FTR market. PJM requested an effective date of May 1, 2021. (ER21-1211)

On February 25, 2021, PJM submitted a Motion for Leave to Answer and Limited Answer in response to LS Power's February 9, 2021 comments on the December 31, 2020 complaint filed by the Neptune Regional Transmission System and Long Island Power Authority regarding the cost allocations resulting from the continued use of the netting procedure and the one percent de minimis rule as applied to the results of the solution-based distribution factor analysis. (EL21-39)

On February 25, 2021, PJM filed revisions to the PJM Tariff and CTOA to update the AEP affiliate operating and transmission company names. (ER21-1207 & ER21-1208)

On February 19, 2021, PJM, along with nine PJM Transmission Owners and six state public utility commissions, filed a Brief in the Regional Cost Allocation Settlement appeal filed by Linden VFT and Long Island Power Authority stemming from a contested settlement of the assignment of cost responsibility for regional transmission facilities (500 kV and above) that were allocated on a postage stamp basis, accepted by the Commission in Opinion No. 494 and twice overturned by the Seventh Circuit. (EL05-121) (D.C. Cir Case No. 20-1033, consolidated with 20-1035 and 20-1273)

On February 19, 2021, PJM submitted comments to the Commission in response to the PJM Independent Market Monitor's protest of the market-based rate authority filings of numerous market-based rate sellers. (ER21-445, *et al.*)

On February 16, 2021, PJM submitted its compliance filing in response to the Commission's December 17, 2020 order on PJM's August 30, 2019 fast-start compliance filing. PJM requested an effective date of May 1, 2021, or the first day of the first month following a Commission order accepting the enclosed revisions, pending system conditions. PJM requested that the Commission issue an order no later than April 16, 2021 for a May 1, 2021 effective date. (ER19-2722-003)

On February 16, 2021, PJM filed a motion to intervene in Lawrenceburg Power's DC Circuit Court petition for review of the Commission's orders regarding PJM's station power provisions. (EL20-30 & EL20-56))

On February 16, 2021, PJM filed an informational report to inform the Commission of its interconnection study performance pursuant to Order Nos. 845, 845-A, and 845-B, and PJM Tariff, Part IV, section 41.6. PJM's report also informs the Commission of the reasons for not meeting the Facilities Studies deadlines and steps PJM is taking to prevent such delays in the future. (ER19-1958-003)