



# Order on FERC Sec. 206 Investigation into Immediate-need Reliability Project Exemption

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- On June 18, 2020, FERC issued an order on its section 206 investigation related to PJM's proposal window exemption for immediate-need reliability projects.
- FERC found the five (5) criteria for the immediate-need reliability exemption strikes the right balance between reliability and competition. Specifically, the criteria:
  - Specifically, the criteria ensures that such projects continue to be designated as an exception that should only be used in limited circumstances.

- FERC also found that of the five criteria, PJM complied with two criterion:
  - Criterion 1: Project must be needed in three years or less
  - Criterion 5: PJM must post a list of prior years designations of all immediate-need reliability projects to the Transmission Owner and submit an information filing with FERC on an annual basis with the list of the prior year's projects.
- FERC directed compliance relative to Criterion 2, 3 and 4.

- Criterion 2: FERC directed PJM to provide “sufficient detail” related to the reliability violations and system conditions driving the time sensitive need as follows:
  - The specifics of the violation;
  - Why the violation arose;
  - When the violation first occurred;
  - The implications of violation in terms of generation, load, congestion, etc.;
  - The severity of the problem; and
  - Expectations for the violations severity in the future

- Criterion 3: FERC directed PJM to expound on its description to support the immediate-need reliability projects, including:
  - The time-sensitive need;
  - Why the incumbent transmission owner was selected;
  - Alternatives considered; and
  - Why the need was not identified earlier

- Criterion 4: FERC directed PJM to:
  - revise the Operating Agreement, Schedule 6 to add a specific time period (e.g. 10 days) for stakeholders to provide comments relative to the immediate-need reliability project descriptions; and
  - Prospectively, post on the PJM website all stakeholder comments and answers, whether provided in writing or submitted verbally at TEAC meeting regarding immediate-need reliability projects.
- Additional Compliance Directive: PJM must do more prospectively to provide stakeholders access to information related to immediate-need reliability projects by posting such information in a way that make it more easily accessible to stakeholders.

- PJM was directed to submit a compliance filing that includes revisions to the Operating Agreement within 60 days of the date of the order, August 17, 2020.
- PJM is still reviewing the order in preparation for the filing.