



MC Legal Report
Summary of Significant Filings, Legal Activity
and
Federal Energy Regulatory Commission ("Commission") Orders
(October 16, 2017 – November 19, 2017)

ORDERS

On November 9, 2017, in Docket No. ER17-1567-000, the Commission issued an Order accepting in part and rejecting in part PJM's May 8, 2017 compliance filing submitted to comply with the requirements of Order No. 831 concerning offer cap above \$1,000. In its order, the Commission also directs a further compliance filing within 30 days of the order and states that it will establish the effective date of the provisions in a subsequent order.

FILINGS

On October 17, 2017, in Docket No. ER18-87-000, PJM submitted revisions to the PJM Tariff and the PJM Operating Agreement in order to improve the performance of the PJM Regulation market and to better reflect the value contributions of specific Regulation resources to system reliability. PJM is requesting an effective date of April 1, 2018.

On October 17, 2017, in Docket No. ER18-88-000, PJM submitted revisions to PJM Tariff, Attachment K-Appendix and PJM Operating Agreement, Schedule 1 to reduce the number of bidding points at which Virtual Transactions may be submitted by Market Participants. PJM is requesting an effective date of January 16, 2018.

On October 17, 2017, in Docket No. ER18-86-000, PJM submitted revisions to PJM Tariff, Attachment K-Appendix and PJM Operating Agreement, Schedule 1, to more equitably allocate day-ahead Operating Reserves and balancing Operating Reserves (commonly referred to as “uplift”) to Virtual Transactions and to refine the methodology used to calculate Operating Reserve credits paid to Market Participants. PJM is requesting a Commission order by December 18, 2017 and an effective date of April 1, 2018.

On October 17, 2017, in Docket No. ER17-775-002, PJM submitted an answer in response to the comments of the IMM pertaining to PJM’s August 14, 2017 amended compliance filing concerning 5-minute settlements in which PJM proposes to divide the Non-Performance Charge Rate by the number of Real-time Settlement Intervals in an hour.

On October 18, 2017, in Docket No. EL17-94-000, PJM submitted its Answer to the Complaint and Motion to Consolidate of New York Power Authority requesting the Commission, among other things, to direct PJM to adjust Hudson Transmission Partners, L.L.C.’s (“HTP”) regional transmission expansion plan (“RTEP”) cost responsibility to zero effective immediately upon relinquishment of HTP’s Firm Transmission Withdrawal Rights.

On October 19, 2017, in Docket No. ER06-78-000, PJM submitted an informational filing providing the 2018 annual budget of the Organization of PJM States, Inc. as required by PJM Tariff, Schedule 9-OPSI.

On October 19, 2017, in Docket No. ER16-561-000, PJM submitted an informational filing providing the 2018 annual budget of the Consumer Advocates of PJM States, Inc. as required by PJM Tariff, Schedule 9-CAPS.

On October 23, 2017, in Docket No. ER18-137-000, PJM submitted proposed revisions to the PJM-MISO JOA to provide for a phased resolution of certain issues involving overlapping congestion charges affecting pseudo-tied generation in PJM and MISO (“together the RTOs”). These proposed revisions have been developed by the RTOs

through an extensive collaborative process, with substantial stakeholder input. PJM is requesting an effective date of March 1,.

On October 23, 2017, the ISO/RTO Council submitted comments with the Commission on the Notice of Proposed Rulemaking (“NOPR”) proposed by the Secretary of the Department of Energy (“DOE”) regarding the establishment of market rules to ensure that certain reliability and resilience attributes of electric generation resources are fully valued.

On October 23, 2017, in Docket No. RM18-1-000, PJM submitted its response to the Commission’s request for comments on the DOE NOPR concerning Grid Reliability and Resilience Pricing. PJM commented that the DOE NOPR does not correctly establish the problem, nor propose a reasonable solution and it should not be implemented. Rather, PJM offered a path forward to address price formation in PJM Region and to require other regions to determine if reforms are needed and report back to the Commission, both within a Commission-directed timeframe.

On October 23, 2017, in Docket No. ER13-535-000, PJM submitted a motion requesting that the Commission issue an order on remand resolving this proceeding. Specifically, PJM requested that the Commission on remand accept, pursuant to section 205 of the Federal Power Act, PJM’s original filing in this proceeding, unchanged, as just and reasonable.

On October 24, 2017, in Docket No. ER18-137-001, PJM submitted an errata filing to correct two typographical errors in the tariff sheets of their filing to revise the JOA between PJM and MISO, which was filed in this proceeding on October 23, 2017 (“October 23 Filing”). More specifically, PJM submitted this errata filing to correct the alphabetical order of Generator Pseudo-Tie Market Flow Adjustment in the list of JOA definitions and to add Generator within the definition. PJM’s requested effective date remains March 1, 2018, as requested in the October 23 Filing.

On October 24, 2017, in Docket No. ER18-143-000, PJM submitted proposed revisions to clarify and make consistent the limitation of claims provisions of the PJM Tariff, Part I, section 10.4 and the PJM Operating Agreement, section 15.6. PJM is requesting an effective date of December 23, 2017.

On October 25, 2017, in Docket No. ER18-87-001, PJM submitted an errata filing to correct proposed revisions in PJM Tariff, Attachment K-Appendix, section 3.2.2(h), 3.2.2(l) and 3.2.2A.1(b)(i) and PJM Operating Agreement, Schedule 1. These revisions were inadvertently omitted from PJM's October 17, 2017 filing regarding improvements to the performance of the PJM Regulation market. PJM is requesting an effective date of April 1, 2018.

On October 27, 2017, in Docket No. ER18-175-000, PJM submitted revisions to the PJM Tariff, Part VI, section 204.3A to correctly reflect the previously agreed upon

deposit fee structure for System Impact Studies. PJM requested the revisions become effective as of December 26, 2017.

On October 27, 2017, in Docket No. EL15-79-001, PJM submitted on behalf of all Parties to the TranSource Complaint a “Joint Statement of Procedural History,” in accordance with the Order Setting Post-Hearing Schedule dated October 2, 2017.

On October 30, 2017, in Docket No. ER17-2218-001, PJM submitted a response to the Commission’s September 28, 2017 request for additional information regarding PJM and MISO’s August 1, 2017 revisions to the PJM-MISO JOA to improve the administration and coordination of pseudo-ties between PJM and MISO. MISO submitted separate responses in Docket No. ER17-2220-001.

On October 30, 2017, in Docket No. ER18-183-000, PJM submitted revisions to the PJM Tariff to incorporate a pro forma Dynamic Schedule agreement for external generator Dynamic Schedules into the PJM Region. PJM submitted the proposed pro forma agreement to provide a just and reasonable standard form of agreement for all Dynamic Schedules into the PJM Region and ensure there is consistency regarding the rules and requirements for Dynamic Schedules of external generators. PJM requested the proposed modifications become effective as of December 29, 2017.

On October 30, 2017, in Docket No. ER18-182-000, PJM submitted amendments to PJM Operating Agreement, Schedule 12, and RAA, Schedule 17, to update those lists to include new members, delete withdrawing members, reflect updates to the list of signatories to the RAA, and reflect member corporate name changes. PJM requested an effective date of September 30, 2017 for these amendments.

On October 30, 2017, in Docket No. ER18-183-000, PJM submitted revisions to the PJM Tariff to incorporate a pro forma Dynamic Schedule agreement for external generator Dynamic Schedules into the PJM Region. PJM submitted the proposed pro forma agreement to provide a just and reasonable standard form of agreement for all Dynamic Schedules into the PJM Region and ensure there is consistency regarding the rules and requirements for Dynamic Schedules of external generators. PJM requested the proposed modifications become effective as of December 29, 2017.

On November 1, 2017, in Docket No. ER17-1138-001, PJM submitted an answer to protests and comments on PJM’s September 18, 2016, response to the Commission’s May 5, 2017, deficiency letter requesting more information on PJM’s proposed revisions to the rules for external Generation Capacity Resources participating as Capacity Performance Resources in PJM’s Capacity Market.

On November 2, 2017, in Docket Nos. ER17-718-000, ER17-721-000, and ER17-729-000, PJM and MISO jointly submit revisions to the PJM-MISO JOA, Article IX, section 9.3 to propose to add two new subsections (iv) and (v) to section 9.3.7.2(c) to (i) clarify that the criteria used as part of the TMEP study process will be provided to stakeholders through the IPSAC and when that criteria will be provided to stakeholders for timely

review and input; and (ii) require that the RTOs explain to stakeholders why potential TMEPs were not evaluated or were not recommended to the RTOs respective boards. PJM requests the revisions be effective as of June 28, 2017.

On November 3, 2017, in Docket No. ER18-252-000, PJM submitted proposed revisions to the PJM Tariff, Attachment K-Appendix and the PJM Operating Agreement, Schedule 1, to incorporate rules around offer capping of Market Sellers' Sell Offers when such Market Sellers seek to update their offers intraday after the resource has been committed as a result of recent rule changes to establish intraday offers. PJM requests the revisions become effective January 3, 2018.

On November 6, 2017, in Docket No. ER18-17-000, PJM submitted an answer in response to the protests of EMC Development Company, Inc. and Advanced Energy Economy filed on October 23, 2017 concerning PJM's limited waiver request related to Energy Efficiency Resources. This Answer clarifies the record and aids the Commission in its reasoned decision-making.

On November 6, 2017, in Docket No. ER18-138-000, PJM submitted a motion to intervene and answer in response to the petition of First Solar Development, LLC ("First Solar") for limited waiver of the PJM Tariff submission deadline for project electrical data sheets submitted to the Commission on October 23, 2017. PJM requests the Commission grant its motion to intervene and deny First Solar's petition for limited waiver.

On November 7, 2017, in Docket No. ER18-262-000, PJM submitted revisions to the PJM Tariff, Attachment DD, section 6.4(a) to provide that PJM will use in its calculation of the default Market Seller Offer Cap for the upcoming Base Residual Auction ("BRA") the same Balancing Ratio value PJM used for the most recent BRA. The requested effective date is January 8, 2018.

On November 7, 2017, in Docket No. RM18-1-000, PJM submitted reply comments on the Grid Resiliency Pricing Rule NOPR. In its comments, PJM offered a path forward for the Commission to: (1) expedite PJM's consideration with its stakeholders of market reforms including ongoing initiatives such as price formation; (2) require all jurisdictional regional transmission organizations and independent system operators to report back on their assessment of any needed price formation reforms or, alternatively, file tariff proposals, in a defined, near-term timeframe which should not, absent good cause shown, extend beyond 180 days; and (3) open a new docket for the purpose of defining resilience and establishing high-level national parameters for consideration of resilience issues within specific regions.