REQUEST FOR WAIVER OF PJM INTERCONNECTION, L.L.C.

Because we are entering the coldest months of the season when gas pipeline usage and operational characteristics may change rapidly, and recognizing that there are significant operational and reliability benefits in allowing transmission operators to share generator-specific information with natural gas pipelines, PJM Interconnection, L.L.C. (“PJM”) respectfully requests a waiver, effective as of January 11, 2014, as may be necessary to allow it to waive certain specific provisions of the Amended and Restated Operating Agreement of PJM, Interconnection, L.L.C. (“Operating Agreement”) detailed below. This extended waiver request is designed to bridge the gap between the more limited waiver request sought by the PJM in a concurrently-filed request and extending to no later than the effective date of the tariff and rule changes submitted by PJM implementing the regulations approved by the Commission in Order No. 787, or March 31, 2013, the typical end of the winter heating season in the PJM Region, whichever is earlier. A continued waiver is necessary to permit PJM to utilize the additional communication tools provided for in the Commission’s Order No. 787\(^1\) to allow it to share, as specified further below, certain non-public, operational information with interstate natural gas pipelines serving PJM-member generation to ensure reliability during the winter hearing season. PJM requests relief in this instance to allow, in the event of future significant cold weather events, for a continued unit-specific review between the applicable pipelines and PJM of the day ahead unit commitment during the winter heating season to ensure that adequate supplies of

\(^1\) Communication of Operational Information Between Natural Gas Pipelines and Electric Transmission Operators, 145 FERC ¶ 61,134 (November 15, 2013) (“Order No. 787”).
natural gas to the proposed committed units can be confirmed. With such information, coupled with the information provided as to dual fuel alternatives available for units committed day ahead and utilized in real time, PJM will have an additional tool to ensure system reliability throughout the winter heating season.

PJM will be expediting its stakeholder process to implement the suggested reforms which Order No. 787 approved in order to enhance such communications. Given the prospect of future extreme cold weather events this winter, PJM seeks this more extended waiver until the effective date of those tariff revisions so that the communication tools approved by Order No. 787 can be effectively used this winter season. PJM recognizes that this more extended waiver should be issued for a shortened notice and comment period and, as a result, requests the issuance of a notice seeking comments by no later than Friday, January 10, 2014, and Commission action soon thereafter. Given the potential for significant cold weather conditions during the period prior to Commission action on this request, PJM seeks an effective date of January 11, 2014, the expiration date of the companion expedited waiver request filed in a separate docket.

I. Background

On November, 15, 2013, the Commission issued a final rule in Order No. 787 adopting regulations to provide explicit authority to interstate natural gas pipelines and public utilities that own, operate or control facilities used for the transmission of electric energy in interstate commerce to share non-public, operational information with each other to promote reliable service or operational planning on either the public utility’s or pipeline’s system. In doing so, the Commission recognized that permitting transmission operators to share information with each other they deem necessary reflects sound policy as it will promote the reliability and integrity of their respective systems. Nevertheless, while the Commission explicitly authorized sharing such
operational information among gas and electric transmission providers with the adoption of the new regulations, it declined to supersede any existing tariff provisions that any transmission providers may have to the contrary which limit sharing such information, thereby requiring transmission providers to make filings under section 205 of the Federal Power Act to revise its tariff provisions to allow the exchanges of information permitted by the final regulations.²

Currently, Section 18.17.1 of the Operating Agreement prohibits the PJM from disclosing, without prior authorization, to its Members or third parties, any confidential or market sensitive documents, data, or other information of a Member. This prohibition, in its breadth, limits PJM’s ability to review with pipelines the unit specific information and relevant pipeline conditions that would enhance PJM’s ability to manage operational information during the cold weather season.

In a concurrent filing, PJM has sought expedited relief from the Commission to waive its data sharing provisions which would prevent it from sharing certain non-public, operational information with pipeline operators in the PJM Region due to the forecasted severe and sustained weather for the week of January 6 – January 10, 2014. While those forecasted conditions are expected to abate by January 10, 2014, the operational and reliability benefits from sharing such information could continue throughout the entire winter heating season and would eliminate the need for PJM to seek additional expedited waivers in the event that weather conditions deteriorate to such a degree in the near future. Moreover, such a waiver will allow PJM to bridge the gap between the adoption of the regulations approved by Order No. 787, and PJM’s filing of tariff revisions pursuant to section 205 of the Federal Power Act to implement those regulations.

² Order No. 787 at P 17.
While PJM has initiated its stakeholder process to propose, and ultimately approve for filing, revisions to allow it to share non-public operational information with natural gas transmission providers is consistent with the Commission’s regulations, and the need to exchange such data is justified throughout the entire winter heating season.

II. Request for Waiver and Expedited Relief

PJM respectfully requests that the Commission grant a waiver of the relevant provisions of Section 18.17.1 of PJM’s Operating Agreement, effective as of January 11, 2014, and remaining in effect until such time that the effective date of the tariff and rule changes submitted by PJM implementing the regulations approved by the Commission in Order No. 787, or March 31, 2013, the typical end of the winter heating season in the PJM Region, whichever is earlier.

In the past, the Commission has focused on several factors in evaluating whether sufficient “good cause” exists to grant such waiver requests. The Commission has granted tariff waivers when circumstances arise from an “inadvertent mishap” or “force majeure” event. In addition, the Commission has granted a tariff waiver to excuse a failure to satisfy certain requirements for limited time frames during which the applicant was working to correct the problems. Other factors the Commission has considered include evaluating whether the requested relief should address a limited set of circumstances and system reliability was not jeopardized because of the applicant’s failure to comply with the tariff requirement at issue. In sum, the Commission has generally granted such waiver request where: (1) the underlying error (assuming one is made) was made in good faith; (2) the waiver request is of limited scope; (3) a

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concrete problem needed, or needs, to be remedied; and (4) the waiver did not have undesirable circumstances, such as harming third parties.\(^6\)

PJM’s waiver request here meets all these relevant factors. First, no error was committed here that this request seeks to remedy and, as such, the first factor is not relevant. Secondly, the waiver request is of limited scope and is contemplated only to apply to the sharing of generation unit specific commitments with relevant natural gas pipeline operators in the PJM Region for a limited period of time. Third, granting the requested relief will be under a limited set of circumstances, needed to address a concrete problem during which system reliability will not be jeopardized, but will, in fact, be enhanced by granting this request. Finally, granting this waiver request will have no undesirable circumstances and is completely in line with the Commission’s policy as elaborated in Order No. 787 and the adoption of regulations explicitly permitting such exchanges of information.

Therefore, based upon the foregoing circumstances, good cause and equity exists to grant this requested relief expeditiously because: (1) the waiver is limited in scope to the information specified above for a limited period of time; (2) granting of waiver is needed to address specific circumstances, and; (3) granting the waiver comports with established Commission policy and is needed to enhance system reliability.

I. Correspondence and Communication

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IV. Service

PJM has served a copy of this filing on all PJM Members and on all state utility regulatory commissions in the PJM Region by posting this filing electronically. Electronic service is permitted as of November 3, 2008, under the Commission’s regulations7 pursuant to Order No. 7148 and the Commission’s Notice of Effectiveness of Regulations issued on October 28, 2008, in Docket No. RM01-5-000. In compliance with those regulations, PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: http://www.pjm.com/documents/ferc-manuals/ferc-filings.aspx with a specific link to the newly filed document, and will send an e-mail on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region9 alerting them that this filing has been made by PJM today and available by following such link. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within 24 hours of the filing. Also, a copy of this filing will be available on the Commission’s eLibrary website located at the following web link: http://www.ferc.gov/docs-filing/elibrary.asp in accordance with the Commission’s regulations and Order No. 714.

V. Conclusion

For the foregoing reasons, PJM respectfully requests that the Commission grant the waiver requested herein and take any other actions or grant any other relief required to equitably and appropriately resolve the issues and concerns identified in this filing.

8 Electronic Tariff Filings, Order No. 714, 124 FERC ¶ 61,270.
9 PJM already maintains, updates and regularly uses e-mail lists for all PJM Members and affected commissions.
Respectfully submitted,

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