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January 31, 2012

Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426-0001

Re: PJM Interconnection, L.L.C., Docket No. ER12-525-001 (Compliance Filing)

Dear Secretary Bose:

PJM Interconnection, L.L.C. ("PJM") hereby re-submits for filing revisions to the Markets Settlement Section of its Emergency Load Response Program, set forth in Schedule 1 of the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. ("Operating Agreement") concerning the allocation of demand response emergency energy costs and charges relating to deviations from the number of megawatts a resource cleared in the PJM Day-ahead Energy Market and the actual number of megawatts the resource provided in real-time.¹ The instant filing is being submitted as an errata filing to correct an administrative and technical error in the filing PJM originally submitted to the Federal Energy Regulatory Commission ("Commission") on December 2, 2011 in this docket ("Original Filing"), which revisions the Commission accepted in a letter order issued on January 20, 2012. No textual or substantive changes are being made in this errata filing to the Operating Agreement sections.

¹ The Market Settlements Section of the Emergency Load Response Program provisions does not have a specific section number reference in the Operating Agreement. The Emergency Load Response Program provisions are located at the end of Schedule 1 of the Operating Agreement. The eTariff record for the portion of the Market Settlements Section of the Emergency Load Response Program provisions that is being revised with this filing is eTariff record "PJM EMERGENCY LOAD RESPONSE" of the Tariff and eTariff record "ELR1.8" of the Operating Agreement.

I. Background

On December 2, 2011, PJM submitted the Original Filing requesting that the Commission approve the same effective February 1, 2012. On January 20, 2012, the Commission approved the filing.

Commission staff recently advised PJM that an eTariff meta-data code in a subsequent unrelated filing in Docket No. ER11-3322-001, which included a revision to the Emergency Load Response Program provisions of PJM's Operating Agreement, has eliminated from the purview of eTariff the Operating Agreement revisions that PJM proposed in its Original Filing. The meta-data code that PJM included in the Original Filing was utilized in accordance with guidance PJM received from its software vendor. However, this meta-data code evidently overrode other eTariff coding and resulted in the current unfortunate circumstance in which PJM has provided the Commission with tariff revisions that exist in the physical realm but no longer exist in the eTariff realm. To further confuse matters, the identical proposed revisions that PJM submitted for the parallel Markets Settlement Section of PJM's Emergency Load Response Program provision in Attachment K – Appendix of the PJM Open Access Transmission Tariff ("Tariff"), and for which PJM used the same meta-data code, was not affected by the referenced eTariff meta-data code error.

II. Description of Filing

The enclosed revised Operating Agreement sections are identical in all respects to those originally filed on December 2, 2011. PJM re-submits this filing solely to correct the eTariff meta-data code error that caused the revisions in the Original Filing to be eliminated from the purview of eTariff the Operating Agreement. PJM is only re-

submitting with the instant filing the revisions to the Markets Settlement Section of PJM's Emergency Load Response Program provision of the Operating Agreement because the identical revisions to the parallel provisions of the Tariff were not affected by the meta-data code error.

The enclosed revised Operating Agreement section reflects the same February 1, 2012 effective date as the revisions that were submitting in the Original Filing and which the Commission already accepted in its January 20, 2012 letter order. To the extent necessary, PJM incorporates by reference the transmittal letter included with the Original Filing, and requests waiver of the Commission's regulations to the extent necessary to limit the contents of this letter to that required to explain the narrow purpose of this filing.

PJM appreciates the time, effort, and patience of the Commission's staff in identifying this issue and guiding PJM towards its resolution. PJM apologizes for any inconvenience resulting from its eTariff coding.

III. Description of Submittal

PJM encloses with this transmittal letter electronic versions of the revisions to the Operating Agreement in both marked (showing the changes) and clean forms. The enclosed revised Operating Agreement section has an effective date of February 1, 2012. PJM trusts that, with appropriate eTariff coding, this will ensure that the Commission's action on the already approved changes is not inadvertently eliminated from PJM's Operating Agreement.

IV. Correspondence

The following individuals are designated for inclusion on the official service list in this proceeding and for receipt of any communications regarding this filing:

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V. 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. In accordance with the Commission's regulations,² 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 Region³ alerting them that this filing has been made by PJM and is available by following such link. If the

² See 18C.F.R §§ 35.2(e) and 385.2010(f)(3).

³ PJM already maintains, updates and regularly uses e-mail lists for all PJM Members and affected state commissions.

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. PJM also is serving all persons on the service list for Docket No. ER12-525-000. Also, a copy of this filing will be available on the FERC's eLibrary website located at the following link: <http://www.ferc.gov/docs-filing/elibrary.asp> in accordance with the Commission's regulations and Order No. 714.

VI. Conclusion

PJM requests that the Commission accept this errata filing to correct the meta-data code error in the Original Filing for the reasons set forth herein.

Respectfully submitted,

/s/ Jacquelyn B. Hugee

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PJM Operating Agreement

(Marked Sections / Redline Format)

Market Settlements

Payment for reducing load is based on the actual kWh relief provided plus the adjustment for losses, subject to the Reporting and Compliance provisions below. The minimum duration of a load reduction request is two hours. The magnitude of relief provided by Full Program Option Participants shall be the amount PJM dispatches up the kW amount declared on the Emergency Registration Form. The magnitude of relief provided by Energy Only Option participants could be less than, equal to, or greater than the kW amount declared on the Emergency Registration Form.

PJM Settlement pays the applicable LMP to the PJM Member that nominates the load. Payment will be equal to the measured reduction (either measured output of backup generation or the difference between the measured load the hour before the reduction and each hour during the reduction) adjusted for losses times the applicable LMP otherwise in use for settlement of the given load or \$500/MWh. If, however, the sum of the hourly energy payments to a participant dispatched by PJM for actual, achieved reductions is not greater than or equal to the offer value (i.e. Minimum Dispatch Price, minimum down time and shut down costs) then the participant will be made whole up to the offer value for its actual, achieved reductions.

Full Program Option participants that fail to provide a load reduction (as measured as set forth in the Reporting and Compliance provisions below) when dispatched by PJM shall be assessed penalties and/or charges as specified in Attachment DD of the PJM Tariff and the Reliability Assurance Agreement, as applicable.

During emergency conditions, costs for emergency purchases in excess of LMP are allocated among PJM Market Buyers in proportion to their increase in net purchases minus real-time dispatch reduction megawatts from the PJM energy market during the hour in the real time market compared to the day-ahead market. Consistent with this pricing methodology, all charges under this program are allocated to purchasers of energy, in proportion to their increase in net purchases minus real-time dispatch reduction megawatts from the PJM energy market during the hour from day-ahead to real time.

Program charges and credits will appear on the PJM Members monthly bill, as described in the *PJM Manual for Operating Agreement Accounting* and the *PJM Manual for Billing*.

PJM Operating Agreement

(Clean Sections)

Market Settlements

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Program charges and credits will appear on the PJM Members monthly bill, as described in the *PJM Manual for Operating Agreement Accounting* and the *PJM Manual for Billing*.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Norristown, PA, this 31st day of January, 2012.



Jacquelyn Hugee

Attorney for
PJM Interconnection, L.L.C.