



**MC Legal Report  
Summary of Significant Filings, Legal Activity  
and  
Federal Energy Regulatory Commission (Commission) and Court Orders  
(February 14 – March 14, 2022)**

**ORDERS**

**On March 7, 2022**, The Commission (FERC) issued an Order on Compliance and Request for Waivers (March 7 Order) in response to PJM's July 27, 2021, compliance filing for Order No. 676-I (July 27 Filing). In the July 27 Filing, PJM: (1) PJM incorporated by reference version 3.2 of the NAESB Business Practice Standards into the PJM OATT; (2) requested a continued waiver of certain NAESB Business Practice Standards previously granted by the Commission; and (3) requested waivers of new standards related to the right of first refusal and preemption of transmission service. In the March 7 Order, FERC accepts PJM's revised tariff record, effective May 1, 2022, subject to an additional compliance filing being submitted within 30 days of the date of the March 7 Order, and grants the requested waivers. In the compliance filing, due April 6, 2022, PJM will address certain omissions in the July 27 Filing and clarifications identified by FERC. (ER21-2524-001)

**On February 28, 2022**, the Commission issued an order rejecting PJM's revisions to Tariff, Attachment Q to revise the calculation of the Financial Transmission Right (FTR) Credit Requirement. FERC instituted a Section 206 Proceeding in Docket No. EL22-32-000 directing PJM to show cause why the existing FTR Credit Requirement remains just and reasonable or alternatively, explain what changes to the Tariff would remedy FERC's concerns raised in the Order. FERC directed PJM to make an informational filing in EL22-32-000 by April 29, 2022. (ER22-703-001)

**On February 23, 2022**, the Commission issued an order on compliance accepting the filing by PJM on behalf of AEP Companies of proposed Tariff revisions to their transmission formula rate templates as contained in Attachment H-14B and Attachment H-20B of the PJM Tariff, effective January 27, 2020, and directed the AEP Companies to submit a further compliance filing by April 25, 2022. (ER20-1886-000 & -001, and ER20-1888-000 & -001)

**On February 18, 2022**, the Commission issued a letter order accepting the filing by PJM on behalf of UGI Utilities, Inc. (UGI) revisions to the transmission formula rate set forth in PJM Tariff, Attachment H-8C in compliance with Order No. 864. UGI's revisions become effective as of January 27, 2020. (ER20-1831-000)

**On February 18, 2021**, the Commission issued an order denying arguments raised on rehearing and requests for clarification, and accepted the compliance filing submitted by PJM in accordance with FERC's September 2, 2021 order establishing a replacement Market Seller Offer Cap. PJM's revisions to Tariff, Attachment DD become effective as of September 2, 2021. (EL19-47-002, EL19-63-002, ER21-2444-001 and ER21-2877-001)



**On February 18, 2022**, the Commission accepted the filing by PJM of revisions to the PJM Tariff, Schedule 12 – Appendix and Schedule 12 – Appendix A to update annual cost responsibility assignments for Regional Facilities, Necessary Lower Voltage Facilities and Lower Voltage Facilities consistent with PJM Tariff, Schedule 12. PJM's revisions become effective as of January 1, 2022, subject to refund and the outcome of the LIPA and Neptune Complaint filed on 12/31/2000 in Docket No. EL21-39, challenging the use of the 1% de minimis rule and netting procedure under the solution-based DFAX methodology. (ER22-702-000)

**On February 18, 2021**, the Commission issued a letter order accepting PJM's latest revised RPM Auction schedule (this one was necessitated by the requirement to restore the historical looking EAS Offset as part of the ORDC voluntary remand order). Under this revised schedule, the next Base Residual Auction will be held on June 8, 2022. (EL19-58-010)

**On February 18, 2022**, the Commission issued an order accepting PJM's proposed revisions to its Tariff and Operating Agreement, so that a transmission constraint penalty factor is not applied on the Northern Neck Peninsula in the Dominion Transmission Zone during the Lanexa-Dunnsville-Northern Neck line upgrade. PJM's tariff revisions become effective as of February 18, 2022. (EL22-26-000 and ER22-957-000)

**On February 17, 2022**, the Commission accepted PJM's April 30, 2021 proposed revisions to PJM Tariff, Attachment K-Appendix, section 3.2.3(f), and to the identical corresponding provision in the PJM Operating Agreement, Schedule 1, section 3.2.3(f) to effectuate the single rate component of a reform package related to PJM's process for generation stability limits. PJM's proposed revisions become effective as of June 1, 2022. (ER21-1802-000)

## **FILINGS**

**On March 7, 2022**, PJM filed a motion for leave to answer and answer to Urbana Solar LLC's (Urbana) February 23, 2022 answer. PJM argued that while Urbana has requested waiver of the deferred security obligations of Tariff, section 212.4, the relief it seeks from supply chain issues – extension of project milestones - is generally available under the Tariff without waiver. As such, PJM urged the Commission to deny Urbana's waiver request. (ER22-848-000)



**On March 4, 2022**, PJM filed a Motion for Leave to Answer and Answer in response to the February 17, 2022 filings submitted by the Indicated PJM Transmission Owners (Indicated TOs) and the Ohio Federal Energy Advocate (Ohio FEA). The Indicated TOs and Ohio FEA filed responses to PJM's January 27, 2022 filing of a State Agreement Approach Agreement between PJM and the New Jersey Board of Public Utilities. (ER22-902-000)

**On March 4, 2022**, PJM submitted revisions to the PJM Tariff and Operating Agreement to effectuate the PJM Intelligent Reserve Deployment (IRD) package coming out of the Synchronous Reserve Deployment Task Force. PJM requested the revisions to become effective as of June 1, 2022. (ER22-1200-000)

**On March 4, 2022**, PJM submitted on behalf of American Electric Power Service Corporation proposed revisions to Attachment H-14 and Attachment H-20 of the PJM Tariff to reflect a transaction under which the ownership of Kentucky Power Company and AEP Kentucky Transmission Company, Inc. will be transferred to Liberty Utilities Company. AEPSC requests the proposed revisions to Attachment H-14 and H-20 become effective on the date on which Liberty Utilities Company completes its acquisition of Kentucky Power Company and AEP Kentucky Transmission Company, Inc. (ER22-1195-000)

**On March 4, 2022**, PJM submitted on behalf of Kentucky Power Company and AEP Kentucky Transmission Company, Inc. new stand-alone formula transmission rate tariff sheets, to be included in the PJM Tariff as Attachment H-35 and Attachment H-36, to become effective on the date on which Liberty Utilities acquires the Kentucky Companies from AEP. (ER22-1196-000 and ER22-1196-001)

**On March 4, 2022**, PJM submitted on behalf of Kentucky Power Company and AEP Kentucky Transmission Company, Inc. new stand-alone formula transmission rate tariff sheets, to be included in the PJM Tariff as Attachment H-35 and Attachment H-36, to become effective on the date on which Liberty Utilities acquires the Kentucky Companies from AEP. (ER22-1196-000 and ER22-1196-001)

**On March 4, 2022**, in Docket No. 07-21-11, PJM submitted comments to the New Jersey Department of Environmental Protection on proposed rule N.J.A.C. 7:27F that seeks to limit carbon dioxide emissions from certain fossil fuel-fired stationary emission sources in the State of New Jersey, including electric generating units.

**On March 2, 2022**, PJM submitted revisions to the Joint Operating Agreement (JOA) between PJM and the Midcontinent Independent System Operator, Inc. (MISO), to conform the JOA's Congestion Management Process (CMP) document to the North American Energy Standards Board (NAESB) Wholesale Electric Quadrant (WEQ) Parallel Flow Visualization (PFV) business practice standards revisions adopted by Order No. 676-J. PJM requested an effective date of June 2, 2022. (ER22-1163-000)

**On March 2, 2022**, PJM submitted modifications to the PJM Tariff to incorporate by reference the North American Energy Standards Board (NAESB) Wholesale Electric Quadrant (WEQ) business practice standards revisions that Order No. 676-J directed public utilities to adopt in compliance filings submitted by March 2, 2022. Order No. 676-J addresses those standards separately, and defines them as the "Cybersecurity Standards," and Parallel Flow Visualization (PFV) enhanced congestion management process standards (PFV Standards). PJM requested an effective date of June 2, 2022 for the PFV Standards and Cybersecurity Standards, excluding the Cryptographic Security Modules component of the Cybersecurity Standards. PJM requests an indeterminate effective date for the Cryptographic Security Modules. (ER22-1165-000)



**On March 1, 2022**, PJM filed a motion to strike, or, in the alternative, answer to the February 14, 2022 request for expedited action on complaint filed by SOO Green HVDC Link ProjectCo, LLC (SOO Green). PJM moved to strike SOO Green's request as an attempted protest to a tariff filing that has not yet been made. In the alternative, PJM urged the Commission to disregard SOO Green's request and to deny the complaint. (EL21-85-000)

**On February 28, 2022**, PJM submitted a response to the January 27, 2022 deficiency notice of Commission staff that was issued in response to PJM's November 29, 2021 Governing Documents Enhancement and Clarifications Subcommittee (GDECS) Federal Power Act section 205 filing. (ER22-486-001)

**On February 25, 2022**, PJM filed an answer to Urbana Solar LL's January 27, 2022 motion to withdraw the ISA entered into among PJM, Urbana Solar LLC, and The Dayton Power and Light Company. PJM submits this answer to correct the record regarding Urbana's stated bases for its untimely intervention and to respond to Urbana's arguments in opposition to the withdrawal motion. (ER22-642-000)

**On February 22, 2022**, PJM, CAISO, MISO, and SPP submitted joint comments in response to the Commission's Notice of Inquiry regarding Rate Recovery, Reporting, and Accounting Treatment of Industry Association Dues and Certain Civic, Political, and Related Expenses. (RM22-5-000)

**On February 22, 2022**, PJM submitted comments in response to the Commission's November 18, 2021 Notice of Inquiry regarding Reactive Power Capability Compensation. (RM22-2-000)

**On February 18, 2022**, PJM submitted an answer to protests concerning PJM's January 10, 2022 filing proposing revisions to PJM's Tariff and Operating Agreement to implement several recommendations identified in a recent independently administered comprehensive review of PJM's Auction Revenue Right and Financial Transmission Right market rules and to make certain complementary revisions. (ER22-797-000)

**On February 22, 2022**, PJM submitted a compliance filing to implement the reserve market enhancements the Commission initially accepted in May 2020 and affirmed in the Commission's December 2021 order following a voluntary remand from the Court of Appeals for the District of Columbia Circuit. The compliance filing implements numerous changes to the reserve markets, maintains the existing Reserve Penalty Factors and Operating Reserve Demand Curves, adds a new 30-minute Reserve Requirement and a new Secondary Reserve product, and updates the existing reserve price capping framework to incorporate the new reserve requirement and product while maintaining the overall price caps. PJM intends to implement the reserve market enhancements on October 1, 2022. (EL19-58-012)

**On February 18, 2022**, PJM submitted for filing proposed revisions to the PJM Operating Agreement, Schedule 12, and the RAA, Schedule 17, to (i) add the new members, (ii) remove withdrawn members, (iii) reflect the signatories to the RAA, and (iv) reflect members' whose corporate names changed during the third and fourth quarter of 2021. PJM requested the revisions be effective as of December 30, 2021. (ER22-1081-000)

**On February 18, 2022**, PJM submitted a compliance filing restoring the historical energy and ancillary services offset approach for use in PJM's capacity market, known as the Reliability Pricing Model, as directed by the Commission's December 2021 order following a voluntary remand from the Court of



Appeals for the District of Columbia Circuit. As directed, PJM submitted the compliance revisions effective November 12, 2020. (EL19-58-011)

**On February 18, 2022**, PJM submitted on behalf of Commonwealth Edison Co. modifications to PJM Tariff, Attachment H-13A to revise its stated PBOP amount. Commonwealth Edison Co. is requesting that the modifications to PJM Tariff Attachment H-13A be effective as of April 20, 2022. (ER22-1082-000)

**On February 18, 2022**, PJM submitted a compliance filing pursuant to the January 20, 2022 order on remand directing PJM to remove references to the application of the 10% adder in the modeled energy market offers of the Reference Resource used to establish the Variable Resource Requirement Curve. PJM requested an effective date of February 19, 2022 for the revisions associated with this compliance filing. (ER19-105-007)

**On February 15, 2022**, PJM submitted an informational update to provide the Commission with the most updated congestion pricing information on the Northern Neck peninsula. (ER22-957-000 and EL22-26-000 (not consolidated))

**On February 14, 2022**, PJM filed an informational report to inform the Commission of PJM's interconnection study performance pursuant to the Commission's Order No. 845, Order No. 845-A, and Order No. 845-B and PJM Tariff, Part IV, section 41.6. PJM is submitting this informational report to inform the Commission of PJM's interconnection study performance, and to describe the reasons for exceeding the Facilities Studies deadlines and steps PJM is taking to prevent such delays in the future. (ER19-1958-003)

**On February 14, 2022**, PJM submitted an informational filing in the pending Federal Power Act (FPA) section 206 proceeding related to the "RegA Mileage" credit formula issue in PJM's Regulation market. The informational filing: (i) updates the Commission on developments in PJM's stakeholder process regarding potential solutions; (ii) requests that the Commission refrain from acting in the 206 proceeding until after PJM and its stakeholders have concluded the new stakeholder process regarding broader reforms to the Regulation market; and (iii) states that in the rare event that a "zero in the denominator" scenario actually occurs, PJM may submit a proposed solution for the Commission's consideration for the narrow purpose of allowing PJM to settle the impacted interval. (EL21-83-000)