Order 845 Changes

Special Planning Committee Session
April 2, 2019
February 21 Commission Meeting

- Twelve requests for rehearing and clarification submitted to FERC on most reforms.
- Changes captured in Order 845-A

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## Order 845 Reforms

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Timeline

- **4/19/2018**
  - Order 845 issued

- **2/21/2019**
  - Order 845-A issued

- **Mar-Apr 2019**
  - Present changes to PJM Planning Committee and discuss at Special PC session

- **5/22/2019**
  - Compliance filing deadline
Changes Presented at 3/7 Planning Committee
Dispute Resolution

• Requirements of Order 845
  – Requires the ability for a party making an Interconnection Request to unilaterally request non-binding dispute resolution
  – The new Non-Binding Dispute Resolution Procedures provide an additional ADR step specifically for Interconnection Request and interconnection procedure disputes.

• Changes from Order 845-A
  – None

• PJM changes
  – The current dispute resolution process contained in OATT, section 12.1 needs to be modified to include interconnection customers.
  – “Non-Binding Dispute Resolution Procedures” will become a new section contained in Tariff, Part IV, Subpart A, section 40.
Contingent Facilities

- **Requirements of Order 845:**
  - Requires definition and methodology to identify contingent facilities.

- **Changes from Order 845-A:**
  - None

- **PJM changes:**
  - PJM currently identifies all constraints and contingent facilities in the System Impact Study Reports including baseline upgrades, Network Upgrades, and Supplemental projects that may impact the Interconnection Request.
  - Changes:
    - OATT: New definition, changes to section 205.2 (Scope of Studies)
    - Manual 14A: Clarification to existing language
Transparency of Models and Assumptions

• Requirement of Order 845:
  – Requires increased transparency of the network models and underlying assumptions.

• Changes from Order 845-A:
  – Clarifies that network models should correspond to interconnection studies, not real-time cases.

• PJM changes:
  – PJM currently publishes all base case models on a protected section of the website for customers with Critical Energy Infrastructure Information access.
  – Assumptions for each Transmission Owner zone are presented during the TEAC meetings and published with the meeting materials on PJM’s website.
  – Changes:
    • OATT: clarification of existing processes, changes to section 36.1.7 (Base Case Data)
Definition of Generating Facility

- Requirement of Order 845:
  - Requires the definition of a Generating Facility to include storage facilities.

- Changes from Order 845-A:
  - None

- PJM changes:
  - PJM already treats storage resources as generation facilities for the Interconnection Process.
  - Changes:
    - OATT: Add pro-forma definition of Generation Facility to the Tariff. Make appropriate changes to other sections of the Tariff to conform to the definition.
New Changes for Stakeholder Review
• Requirements of Order 845
  – Requires Transmission Providers to publish quarterly metrics on issued studies.

• Changes from Order 845-A
  – Performance metrics posted starting in 2020

• PJM changes
  – New section in the OATT defining the metrics and reporting requirements.
  – Requesting Independent Entity Variance to report on a 6 month period, consistent with the 6-month queue window.
Service Below Capability

• Requirements of Order 845
  – Allows Interconnection Customers to request a Maximum Facility Output below the machine capability.

• Changes from Order 845-A
  – Transmission Provider must provide explanation of studies at full capacity prior to performing analysis.

• PJM changes
  – No change to processes.
  – OATT and Manual changes to increase transparency.
Provisional Interconnection Service

• Requirements of Order 845
  – Allows generating facilities to operate prior to the completion of all required network upgrades.

• Changes from Order 845-A
  – None.

• PJM changes
  – No change to processes.
  – OATT and Manual changes to increase transparency.
Material Modification and Technological Changes

• Requirements of Order 845
  – Requires a definition for “Permissible Technological Advancements” which would not trigger the need for a Material Modification review.

• Changes from Order 845-A
  – None.

• PJM changes
  – New definition for “Permissible Technological Advancements”
  – OATT changes to define when Permissible Technological Advancements can be made without Material Modification reviews.
Reforms Requiring Additional Work by PJM
Option to Build

• Requirements of Order 845
  – Expands provisions to allow the customer to unilaterally choose Option to Build to “Stand Alone Network Upgrades” (defined from the FERC pro forma LGIA)

• Changes from Order 845-A
  – Justification of why certain upgrades are not “Stand Alone Network Upgrades”
  – Applicability to Affected System Upgrades
  – Ability for Transmission Owners to recover oversight costs
• Requirements of Order 845
  – Allows customers to install additional generation at a facility to take advantage of "unused service" from existing generation at the site.

• Changes from Order 845-A
  – Ability to request Independent Entity Variations