



Reactive Power Compensation – Distribution System POI

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Reactive Power Compensation Task Force
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- Between December 2019 to April 2021, four solar facilities (“Applicants”) filed rate schedules pursuant to PJM Tariff Sch 2 for Reactive Supply and Voltage Control compensation.
 - Whitetail Solar 3, LLC ER20-1851
 - Whitetail Solar 2, LLC ER21-936
 - Elk Hill Solar 2, LLC ER21-1633
 - Whitetail Solar 1, LLC ER20-714
- Each facility interconnects with the distribution system.
- Proceedings were set for hearing and settlement procedures.
- Applicants were unable to resolve the issues via settlement.
- On August 30, 2021, Applicants filed a motion to consolidate the four proceedings. The Chief Judge identified and severed the threshold issue of eligibility for compensation under Sch 2.

- Initial decision, 180 FERC ¶ 63,009 (2022), issued on July 15.
- Presiding Judge identified two questions to address the issue of eligibility for compensation under Sch 2.
 - What does Sch 2 require of generators to receive compensation?
 - Do the four facilities satisfy those requirements?
- Identified two requirements.
 - Control – the facility must be under the control of PJM.
 - Capability – the facility must be operationally capable of providing voltage support to PJM’s transmission facilities such that PJM can rely on the facility to maintain transmission voltages.
- No one contested the need for PJM to have control over the facility.

- Hearing participants were split on the capability requirement. FERC Trial Staff and the IMM were in support. The Applicants, however, asserted that a facility is only required to satisfy the technical requirements of the Interconnection Service Agreement and applicable testing requirements.
- The Presiding Judge determined that “a generator facility satisfies the Capability Requirement if the facility is operationally capable of providing voltage support to PJM’s transmission facilities such that PJM can rely on that generator facility to maintain transmission voltages.”
- Based on the evidence, the Presiding Judge found that none of the generators satisfy the capability requirement and thus are ineligible for Sch 2 compensation.
- Next steps – briefs on exceptions are due by August 15.

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