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August 16, 2022

The Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E. Room 1A  
Washington, D.C. 20426

*Re: PJM Interconnection L.L.C., Docket Nos. ER22-957-000 and EL22-26-000  
Informational Filing on Status of Transmission Constraint in the Northern Neck Peninsula*

Dear Secretary Bose:

In compliance with the January 20, 2022 Order of the Federal Energy Regulatory Commission (“Commission”) in the above referenced proceeding,<sup>1</sup> PJM Interconnection, L.L.C. (“PJM”) submits this second informational update to the Federal Energy Regulatory Commission (“Commission”). More particularly, PJM is providing the Commission with an update as to the congestion patterns on the Northern Neck Peninsula since the May 18, 2022 informational filing.<sup>2</sup> In addition, this informational filing provides another update on the ongoing work with stakeholders that may potentially further reform the existing application of the Transmission Constraint Penalty Factor.

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<sup>1</sup> *PJM Interconnection, L.L.C.*, 178 FERC ¶ 61,104, at P 72 (Feb. 18, 2022) (“February 18 Order”).

<sup>2</sup> *See PJM Interconnection L.L.C.*, Informational Filing on Status of Transmission Constraint in the Northern Neck Peninsula, Docket Nos. ER22-957-000 and EL22-26-000 (May 18, 2022).

**A. Status of Congestion Patterns on the Northern Neck Peninsula**

Since the May 18, 2022 informational filing on congestion patterns in the Northern Neck Peninsula,<sup>3</sup> there were 38 intervals where there was significant transmission congestion on the Northern Neck Peninsula. More specifically, on July 21, 2022, there were 38 non-consecutive intervals where the congestion on the Ocran-White Stone 115kv line bound, which is currently the most limiting line on the Northern Neck peninsula while the Lanexa-Dunnsville line remains out of service.<sup>4</sup>

PJM acknowledges that most of the congestion on the Northern Neck peninsula appears to have been alleviated at this juncture primarily because of the work that was completed to reconductor approximately 0.57 miles of the Harmony Village-Greys Point 115 kV line and reconductor approximately 0.97 miles of the Rappahannock-White Stone 115 kV line. The reconductoring of these two lines increased the summer emergency rating to 237 MVA, which has significantly alleviated congestion on the Northern Neck Peninsula. However, as witnessed on July 21, 2022, not all congestion on the peninsula may be relieved while the Lanexa-Dunnsville line is being upgraded. Without the recently added Tariff provision, PJM would have been required to apply the default \$2,000 Transmission Constraint Penalty Factor even though there would likely not be any meaningful response to such elevated prices. The application of the Transmission Constraint Penalty Factor would not be the correct outcome for the congestion occurring on the Northern Neck Peninsula given that no additional economic incentive is needed

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<sup>3</sup> *Id.*

<sup>4</sup> The upgrade on the Lanexa-Dunnsville line is currently expected to be completed by July 31, 2023, at which time the line is expected to go back in service. See Transmission Facilities Outages List, eDart Ticket #1007306, available at: <https://edart.pjm.com/reports/linesout.txt> (accessed August 9, 2022).

in this limited instance where (1) a long term fix to the transmission constraint is already underway and (2) no additional supply exists along with no available load response observed in the Northern Neck area significantly large enough to help resolve the congestion.

As a result, it remains prudent to retain the existing Tariff and Operating Agreement provisions for congestion that may occur on the Northern Neck Peninsula, especially during this unusually warm summer. In short, PJM believes the existing Tariff and Operating Agreement provisions for congestion that may occur on the Northern Neck Peninsula should not be removed until the earlier of completion of the Lanexa-Dunnsville 230 kV line upgrade or until a more generally applicable circuit-breaker provision (as explained below) is added to the Tariff.

**B. Status of Ongoing Stakeholder Efforts to Potentially Reform the Application of the Transmission Constraint Penalty Factor**

Consistent with the Commission's February 18 Order,<sup>5</sup> PJM is continuing to review the existing application of the Transmission Constraint Penalty Factor and exploring potential reforms to these rules with its stakeholders through the Energy Price Formation Senior Task Force ("EPFSTF"). Notably, the discussions related to the Transmission Constraint Penalty Factor have progressed at the EPFSTF. Currently, there are two proposed packages that would create a general circuit breaker for the Transmission Constraint Penalty Factor in the event there are similar congestion patterns caused by line upgrades such as the one on the Northern Neck Peninsula.<sup>6</sup> Included in PJM's proposed package is the removal of the specific Tariff and Operating Agreement provisions that specify the treatment of the Transmission Constraint Penalty Factor in the Northern

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<sup>5</sup> See February 18 Order at P 72.

<sup>6</sup> See Transmission Constraint Penalty Factor matrix from July 19, 2022, available at: <https://www.pjm.com/-/media/committees-groups/task-forces/epfstf/2022/20220719/item-04---matrix---tcpf.ashx>

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Neck peninsula. At this juncture, PJM expects that stakeholders will vote on the potential revisions to the existing Transmission Constraint Penalty Factor rules (and a resulting section 205 filing) around the end of this year.

In the meantime, consistent with the Commission's directive, PJM will continue to provide informational updates every ninety days on both the congestion patterns on the Northern Neck Peninsula, as well as developments in the stakeholder process to potentially reform the application of the existing Transmission Constraint Penalty Factor rules.

Respectfully submitted,

/s/ Chenchao Lu

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*On behalf of*  
*PJM Interconnection, L.L.C.*

## CERTIFICATE OF SERVICE

I hereby certify that I have this 16<sup>th</sup> day of August, 2022 caused a copy of the foregoing document to be served upon each person designated on the official service list compiled by the Secretary in this proceeding.

/s/ Chenchao Lu

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