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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. ER18-2401-000, ER18-2401-001
Further Compliance Filing Concerning Order 844*

Dear Secretary Bose:

Pursuant to the March 21, 2019 Order of the Federal Energy Regulatory Commission (“Commission”) in the above referenced proceeding,¹ PJM Interconnection, L.L.C. (“PJM”) proposes revised effective dates for the revisions to the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. (“Operating Agreement”) PJM submitted on September 7, 2018, in compliance with Order No. 844.² Specifically, in light of the requirements provided in the March 21 Order, PJM requests (1) the later of May 1, 2019, or the first day of the month following the Commission’s Order accepting this compliance filing as the effective date for the zonal and unit-specific uplift reports; and (2) the later of October 1, 2019, or the first day of the month following the Commission’s Order accepting this compliance filing as the effective date for the Operator-initiated Commitment³ reporting requirement.

¹ *PJM Interconnection, L.L.C., et al.*, 166 FERC ¶ 61,210 at n.3 (2019) (“March 21 Order”).

² *Uplift Cost Allocation and Transparency in Markets Operated by Regional Transmission Organizations and Independent System Operators*, 163 FERC ¶ 61,041 (2018) (“Order No. 844”).

³ All capitalized terms not defined herein shall have the meaning as contained in PJM’s Reliability Assurance Agreement Among Load Serving Entities in the PJM Region (“RAA”), Open Access Transmission Tariff (“Tariff”) and Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. (“Operating Agreement”).

I. BACKGROUND

In Order No. 844, the Commission directed PJM to establish reporting requirements related to uplift and Operator-initiated Commitments, in addition to another requirement related to Transmission Constraint Penalty Factors.⁴ As part of that order, the Commission required any tariff changes filed in response to the final rule to become effective no more than 120 days after compliance filings were due.⁵ On September 7, 2018, PJM submitted revisions to Operating Agreement with a requested effective date of January 1, 2019, pursuant to the requirements set forth in Order No. 844.⁶ Thereafter, the Commission issued a deficiency letter seeking additional information on November 12, 2018. PJM submitted responses to the deficiency letter on December 13, 2018, and the Commission subsequently accepted PJM's filing on March 21, 2019. While the Commission accepted PJM's filing, the Commission disagreed with PJM's interpretation that the definition of Operator-initiated Commitment is limited to new commitments that are brought online from an offline status.⁷ As part of the March 21 Order, the Commission indicated that "if PJM was unable to meet a given requirement as of January 1, 2019 it may propose a new effective date for that requirement in a further compliance filing."⁸

⁴ *Uplift Cost Allocation and Transparency in Markets Operated by Regional Transmission Organizations and Independent System Operators*, 163 FERC ¶ 61,041 (2018) ("Order No. 844").

⁵ Id. at P 8.

⁶ PJM Interconnection, L.L.C., Compliance Filing Concerning Uplift, Docket No. ER18-2401-000 (September 7, 2018).

⁷ March 21 Order at P 50.

⁸ March 21 Order at n.3

II. PJM REQUESTS A NEW EFFECTIVE DATE FOR UPLIFT REPORTING REQUIREMENTS.

Given the elapsed time between PJM's initially proposed effective date of January 1, 2019, and the Commission's March 21 Order, PJM is unable to meet the uplift reporting requirements as of January 1, 2019. PJM proposed that the zonal uplift reports be posted within 20 days after the end of each month as provided in Operating Agreement, section 18.17.1(e)(ii). Thus, with an effective date of January 1, 2019, PJM would have been required to post January's zonal uplift reports no later than February 20, 2019, and February's report by March 20, 2019. However, PJM did not and could not have posted January or February's uplift data prior to the Commission's acceptance of the proposed Operating Agreement revisions given the previously confidential nature of the information. As a result, PJM could not meet the zonal uplift reporting requirement for those months.

Therefore, PJM is requesting an effective date of May 1, 2019, or the first day of the month⁹ following the Commission's Order on this compliance filing (whichever is later), for the zonal uplift reporting requirement. This ensures that no further compliance would be needed in the event the Commission issues an Order after May 1, 2019. Assuming the Commission grants the revised effective date of May 1, 2019, PJM would begin posting May's zonal uplift report no later than June 20, 2019, 20 days after the end of May.

PJM is also requesting the same effective date of May 1, 2019, or the first day of the month following the Commission's Order on this compliance filing (whichever is later), for the unit-specific uplift reporting requirement. This is necessary and appropriate because the zonal and unit-specific uplift reports are derived from the same data set so it would be difficult to

⁹ The first day of the month is appropriate for all uplift and Operator-initiated Commitment reports so that the monthly report captures all data for the relevant month.

extract the data to report only unit-specific but not zonal information in the uplift report. Further, reporting only the unit-specific uplift without corresponding zonal uplift data will present an incomplete picture and may lead to unnecessary viewer confusion over the partial report. Therefore, it is reasonable to establish the same effective date for both the zonal and unit-specific uplift reports.

In the interim, PJM will not post any uplift reports to avoid violating Member confidentiality provisions contained within the Operating Agreement until a new effective date is provided.

III. PJM REQUESTS A NEW EFFECTIVE DATE FOR OPERATOR-INITIATED COMMITMENT REPORTING REQUIREMENTS.

As part of the March 21 Order, the Commission accepted PJM's proposed Operating Agreement revisions to establish reporting requirements for Operator-initiated Commitments. The Commission, however, disagreed with PJM's interpretation that the definition of Operator-initiated Commitment is limited to new commitments that are brought online from an offline status. Specifically, the Commission required that PJM report commitment extensions that go beyond the hour in which they were committed by PJM's security constrained economic dispatch ("SCED") software.¹⁰

In light of the requirements provided in the March 21 Order, PJM could not meet the Operator-initiated Commitment reporting requirement provided in Operating Agreement, section 18.17.1(e)(iv) as of January 1, 2019 because (1) PJM would have needed to report Operator-initiated Commitments by March 2, 2019 (30 days after the end of the January) before the Commission accepted PJM's compliance filing on March 21, 2019, and (2) significant changes

¹⁰ March 21 Order at P 50.

in the reporting software logic are required to include reporting commitment extensions that go beyond the hour in which they were committed by automated software such as security constrained unit commitment (“SCUC”) or security constrained economic dispatch (“SCED”).

Consistent with the Commission’s March 21 Order, PJM will report unit extensions as a part of the Operator-initiated Commitments.¹¹ Extensions that are not made by an economic optimization process like SCED will be reported once a unit has exceeded its economic commitment window (allowing a one hour grace period for staggering). The look-ahead SCED process will economically evaluate the need to commit and de-commit units inside the look-ahead window. However, real-time SCUC through the look-ahead SCED software do not carry an explicit end time so the relevant minimum runtime will be used instead. In addition to unit extensions, PJM will also report all units that are manually dispatched by operators even if a unit may be running inside of an economic commitment window. The inclusion of all manually dispatched units is appropriate because any decision to manually dispatch a unit is made outside of an economic optimization process.

The addition of unit extensions and all manual commitments as part of the Operator-initiated Commitment report requires supplemental resources to be dedicated to both the development and testing of the reporting software before the report can go into production. PJM estimates it will require approximately four additional months of software development and another two months of testing before the revised Operator-initiated Commitment reporting, as detailed above, can be placed into production. As a result, PJM requests that the Commission

¹¹ PJM proposed to define Operator-initiated Commitment in the Operating Agreement to mean “a commitment after the Day-ahead Energy Market and Day-ahead Scheduling Reserves Market, whether manual or automated, for a reason other than minimizing the total production costs of serving load.” This broad definition, which the Commission accepted, can be read to include unit extensions so PJM does not propose any changes to the language in this compliance filing. Rather, PJM only seeks revised effective dates in this filing.

grant a revised effective date equal to the later of October 1, 2019, or the first day of the month after the Commission issues an order for the Operator-initiated Commitment reporting requirement. This will ensure that PJM has sufficient time to develop, test, and implement revised Operator-initiated Commitment reports to include reporting commitment extensions as directed in the March 21 Order.

IV. EFFECTIVE DATE

As explained above, PJM proposes to revise the effective dates to (1) the later of May 1, 2019 or the first day of the month the Commission accepts this compliance filing for both the zonal and unit-specific uplift reporting requirement (Operating Agreement, section 18.17.1(e)(ii) and Operating Agreement, section 18.17.1(e)(iii)) and (2) the later of October 1, 2019 or the first day of the month the Commission accepts this compliance filing for the Operator-initiated Commitment reporting requirement (Operating Agreement, section 18.17.1(e)(iv)).

V. COMMUNICATIONS

Correspondence and communications with respect to this filing should be sent to the following persons:

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VI. 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,¹² 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.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 Region¹³ alerting them that this filing has been made by PJM today and is available by following such link.

VII. CONCLUSION

PJM respectfully requests that the Commission accept this compliance filing and establish effective dates as discussed herein.

Respectfully submitted,



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

¹² See 18 C.F.R §§ 35.2(e) and 385.2010(f)(3).

¹³ PJM already maintains, updates, and regularly uses e-mail lists for all PJM members and affected commissions.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day caused to be served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Audubon, PA, this 8th day of April 2019.



By: _____

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