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September 2, 2021

Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First St NE
Washington, DC 20426

RE: Modifications to Customers Identified in Attachment H-13, **CEII REDACTED**
Docket No. ER21-2822-000

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act (“FPA”)¹ and Part 35 of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) regulations,² Commonwealth Edison Company (“ComEd”) submits³ for filing the enclosed revisions to Attachment H-13 of the PJM Tariff to begin assessing a wholesale distribution charge to Sterling Rail, L.L.C. (“Sterling Rail”). Sterling Rail will be a Wholesale Market Participant in the energy and/or capacity markets operated by PJM Interconnection, L.L.C. (“PJM”).⁴

Consistent with the terms of Attachment H-13, ComEd assesses a Wholesale Distribution Charge (“WDC”) to battery storage operators connected to ComEd’s distribution system.⁵ Sterling Rail is a battery developer and operator, connected to ComEd’s distribution system, and

¹ 16 U.S.C. § 824d (2020).

² 18 C.F.R. Part 35 (2020).

³ Pursuant to Order No. 714, this filing is submitted by PJM Interconnection, L.L.C. (“PJM”) on behalf of ComEd as part of an XML filing package that conforms with the Commission’s regulations. PJM has agreed to make all filings on behalf of the PJM Transmission Owners in order to retain administrative control over the PJM Tariff. Thus, ComEd has requested PJM submit this revision to Attachment H-13 in the eTariff system as part of PJM’s electronic Intra PJM Tariff.

⁴ Sterling Rail executed a WMPA with PJM and ComEd on January 26, 2021. *See* Letter Order Accepting Wholesale Market Participation Agreement, Docket No. ER21-1201-000 (Apr. 15, 2021).

⁵ *See PJM Interconnection, LLC*, 149 FERC ¶ 61,185 (2014), *order denying reh’g*, 151 FERC ¶ 61,231 (2015) (affirming ComEd’s tariff provision for computing and assessing the WDC for a battery storage operator interconnected on the ComEd distribution system); *see also Electric Storage Participation in Markets Operated by Regional Transmission Organizations and Independent System Operators*, 162 FERC ¶ 61,127 at P 296 (Feb. 15, 2018).

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is participating in PJM's markets. Using the methodology required by paragraph 7 of the Attachment H-13, ComEd has identified the facilities that will be used to facilitate the transmission of power from the battery facilities to the PJM grid and has computed an annual WDC charge of \$31,450.90, for which Sterling Rail will be billed monthly, resulting in a monthly charge of \$2,620.91. ComEd has revised the WDC customer listing in paragraph 8 of Attachment H-13 to add Sterling Rail. ComEd has provided and explained the calculations to Sterling Rail. ComEd understands that Sterling Rail will commence participation in PJM's markets in the coming days and ComEd requests that the Commission waive the sixty-day prior notice requirement and accept the enclosed tariff revisions effective one day after filing, September 3, 2021, so that the charge can be imposed as soon as Sterling Rail begins service. Waiver of the sixty-day prior notice requirement is appropriate given that the service to Sterling Rail is a new one and the charges will apply prospectively from the date of filing only.

Attachment 3 to this filing contains detailed cost support and also includes information about the transmission and distribution substations and lines that Sterling Rail uses to facilitate its participation in the PJM markets. ComEd has determined that Attachment 3 is CEII material. This designation is appropriate because the attachment contains information on transmission facilities and substations operated by ComEd. Such information should be protected because its disclosure could aid an attack to compromise ComEd's system. Accordingly, ComEd has redacted the CEII information from the public version of the agreement and included the CEII materials as an attachment to the filing. ComEd has marked the CEII materials Contains Critical Energy Infrastructure Information – DO NOT RELEASE. Individuals seeking access to the CEII materials should follow the Commission's procedures set forth at <http://www.ferc.gov/ceiifoia.asp>.

I. Identification of Applicant

ComEd, an Illinois corporation, is an operating subsidiary of Exelon Corporation, a Pennsylvania corporation. ComEd maintains more than 90,000 miles of overhead and underground transmission and distribution lines in Northern Illinois and provides delivered electric power to more than 4 million customers. ComEd's retail electric service is regulated by the Illinois Commerce Commission ("ICC"), while its transmission and sales for resale of electric energy in interstate commerce are regulated by this Commission. ComEd transferred operational control over its transmission facilities to PJM on May 1, 2004.

II. Background

On June 30, 2006, in Docket No. ER06-1194, ComEd proposed revisions to Attachment H-13 of the PJM Tariff to incorporate a standardized methodology for charging for wholesale distribution service over ComEd's distribution facilities employing a 24% Fixed Charge Rate multiplied by the plant attributable to the service.⁶ ComEd explained that the proposed fixed

⁶ Commonwealth Edison Revisions to Attachment H-13, Docket No. ER06-1194 (filed June 30, 2006).

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charge rate was a weighted average carrying charge to be applied to the distribution facilities expected to be used in providing wholesale distribution service.⁷ ComEd proposed that the fixed charge rate would be applied, on a case-by-case basis, to the net distribution plant that is directly assigned to individual customers taking wholesale distribution service based on the customer's pro-rata share of the noncoincident peak loading (or maximum net output of the unit) of the facilities used to provide the service.⁸ The Commission accepted the tariff amendment incorporating the WDC methodology on August 15, 2006.⁹

Pursuant to the methodology required by Attachment H-13, wholesale distribution charges for customers taking service at the distribution level on ComEd's system have been assessed on a case-by-case basis, and ComEd has supported such charges with cost support setting forth the application of the tariff methodology to determine the direct assignment of net distribution plant to particular customers.

III. Persons to Whom Correspondence Should be Addressed

Stan Berman Berman and Todderud LLP 3502 Fremont Ave N, #1 Seattle, WA 98103 (206) 279-3193 stan@btlawllp.com	Arthur L. Brown Assistant General Counsel Exelon Corporation 701 Ninth St. N.W. Washington, DC 20001 (202) 331-6551 arthur.brown@exeloncorp.com
Susan Tracy Director, Rates and Revenue Policy Commonwealth Edison Company 3 Lincoln Center Oakbrook Terrace, IL 60181 (630) 437-4742 susan.tracy@comed.com	Christopher A. Wilson Director, Federal Regulatory Affairs Exelon Corporation 101 Constitution Ave. Suite 400 E Washington, DC 20001 FERCeFilings@exeloncorp.com

IV. Statement of Nature, Reasons, and Basis for Filing

As explained above, paragraph 7 of ComEd's Attachment H-13 sets forth a method of assessing wholesale distribution charges to customers connected to ComEd's distribution system but participating in PJM's markets. The methodology in Attachment H-13 provides that:

⁷ *Id.* at 2.

⁸ *Id.*

⁹ See Letter Order Accepting Commonwealth Edison Co.'s June 30, 2006 filing of revised Attachment H-13, Docket No. ER06-1194 (Aug. 15, 2006).

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An annual Fixed Charge Rate of 24% shall apply to the net distribution plant that is directly assigned to a customer taking wholesale distribution service over ComEd distribution facilities. The net distribution plant will be directly assigned to the customer based on the customer's pro-rata share of the non-coincident peak loading of the distribution facilities necessary to provide the service.¹⁰

Battery storage systems have two distinct modes of operation from the point of view of the utility, charging and discharging. When in charging mode, battery storage projects impact the system in a manner similar to the impact of retail and wholesale load customers. While ComEd's tariff relieves generators (which have no charging mode) of the obligation to pay the WDC,¹¹ the Commission affirmed ComEd's methodology of assessing the WDC to battery storage projects based on their impact on the distribution system when in charging mode.¹²

Pursuant to the methodology required by Attachment H-13, wholesale distribution charges for customers taking service at the distribution level on ComEd's system are assessed on a case-by-case basis. As required by the methodology set forth in paragraph 7 of the Attachment H-13, ComEd first identified each segment of the existing ComEd distribution system that comprises the distribution path from the point of interconnection with the battery storage projects to the transmissions system. Next, ComEd determined the impact the project will have on the distribution path when in charging mode. With this information, ComEd computed the pro-rata direct assignment of net distribution plant costs based on Sterling Rail's non-coincident peak loading. See Attachment 3 (providing a listing of the circuits and substations used by Sterling Rail and the associated pro-rata cost allocation, designated as CEII). As set forth in the cost support documents provided in Attachment 3, the tariff methodology produced an annual charge of \$31,450.90. Sterling Rail will be charged monthly, which amounts to a monthly charge of \$2,620.91. ComEd has revised paragraph 8 of Attachment H-13 to list the WDC charge for Sterling Rail on a monthly basis.

V. Compliance with Commission Requirements

A. List of Documents Submitted

ComEd submits herewith:

1. This transmittal letter;
2. Marked tariff sheets (Attachment 1);
3. Clean tariff sheets (Attachment 2); and

¹⁰ See ComEd Attachment H-13 at paragraph 7.

¹¹ See ComEd Attachment H-13 at paragraph 7; Letter Order, Docket No. ER10-16 (Nov. 3, 2009).

¹² See *PJM Interconnection, LLC*, 149 FERC ¶ 61,185 (2014), *order denying reh'g*, 151 FERC ¶ 61,231 (2015).

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4. Cost support detailing the distribution plant utilized by Sterling Rail and pro-rata cost allocation based on non-coincident peak loading (**Attachment 3 – Contains CEII**).

B. Proposed Effective Date

ComEd respectfully requests that the Commission accept, without condition or modification, the proposed tariff sheets to be effective September 3, 2021, without suspension or hearing. Good cause exists to waive the sixty-day notice requirement, so that the charge can be imposed as soon as the battery becomes operational in the PJM markets and imposes costs on the ComEd distribution system.

C. Service of Filing

ComEd is directly serving this filing on a representative of Sterling Rail. 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,¹³ 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/ferc-filings.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 Region¹⁴ alerting them that this filing has been made by PJM and is available by following such link. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within 24 hours of the filing. Also, a copy of this filing will be available on the Commission's eLibrary website located at the following link: <http://www.ferc.gov/docs-filing/elibrary.asp> in accordance with the Commission's regulations and Order No. 714.

D. Description of Filing

A description of the filing is set forth above.

E. Statement of the Reasons for the Tariff Change

This transmittal letter and enclosed materials explain the reasons for the proposed changes to ComEd's Attachment H-13.

F. Requisite Agreement

No agreement is required by contract for the filing of proposed changes.

¹³ See 18 CFR §§ 35.2(e) and 385.2010(f)(3).

¹⁴ PJM already maintains, updates, and regularly uses e-mail lists for all PJM members and affected state commissions.

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G. Statement Regarding Inclusion of Any Expense of Costs in Cost of Service Statements that Have Been Alleged or Adjudged Illegal, Duplicative, or Unnecessary Costs that are Demonstrably the Product of Discriminatory Employment Practices

There are no costs included in this filing that have been alleged or adjudged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs, nor has any expense or cost been demonstrated to be the product of discriminatory employment practices, within the meaning of Section 35.13(d)(3) of the Commission's regulations.

H. Cost of Service and Revenue Information to Support Filing and Request for Waiver

The cost of service, rate design information, and illustrative revenue calculations that support this filing are set forth in the proposed tariff sheets. ComEd believes that it has provided sufficient information for the Commission to determine the reasonableness of the proposed changes. To the extent that this filing requires waivers of Section 35.13 of the Commission's regulations. ComEd respectfully requests such waivers, including waivers of Section 35.13(c), (d), (e), and (h) of the Commission's regulations, 18 C.F.R. §§ 35.13(c), (d), (e), and (h). To the extent that this filing fails to contain any information otherwise required for technical compliance with the Commission's regulations, ComEd respectfully requests that compliance with such regulations be waived.

VI. Conclusion

WHEREFORE, for the foregoing reasons, ComEd respectfully requests the Commission accept its revised Attachment H-13, effective September 3, 2021.

Respectfully submitted,

/s/ Stan Berman

Stan Berman

Berman and Todderud LLP

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Seattle, WA 98103

(206)-279-3193

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On behalf of Commonwealth Edison Co.

ATTACHMENT 1
MARKED TARIFF SHEETS
PJM TARIFF ATTACHMENT H-13

ATTACHMENT H-13

Annual Transmission Rates -- Commonwealth Edison Company for Network Integration Transmission Service

1. The annual transmission revenue requirement and the gross rate for Network Integration Transmission Service are equal to the results of the formula shown in Attachment H-13A, posted on the PJM website, which reflects the transmission facilities of Commonwealth Edison Company ("ComEd") under the operational control of PJM. The rate determined pursuant to Attachment H-13A shall be implemented pursuant to the Formula Rate Implementation Protocols set forth in Attachment H-13B. Service utilizing other facilities will be provided at rates determined on a case-by-case basis.
2. On a monthly basis, revenue credits shall be calculated based on the sum of ComEd's share of revenues collected during the month from: (i) the PJM Border Rate under Schedule 7; (ii) Network Integration Transmission Service to Non-Zone Network Load under Attachment H-A; (iii) Seams Elimination Charge/Cost Adjustment/Assignment ("SECA") revenues allocable to ComEd under the Tariff; and (iv) any Point-To-Point Transmission Service where the Point of Receipt and the Point of Delivery are both internal to the ComEd Zone. On this basis, the sum of these revenues will appear as a reduction to the gross monthly rate stated above on a Network Customer's bill in that month for service under this attachment.
3. Within the ComEd Zone, a Network Customer's peak load shall include a transmission loss percentage of 1.6% applied to the measured load as well as any distribution losses as reflected in applicable state tariffs and/or service agreements that contain specific distribution loss factors for said Network Customer.
4. The rate and revenue requirement in paragraph 1 of this attachment shall be effective until amended by the Transmission Owner(s) within the Zone or modified by the Commission.
5. In addition to the rate set forth in paragraph 1 of this attachment, the Network Customer purchasing Network Integration Transmission Service shall pay for transmission congestion charges, in accordance with the provisions of the Tariff, and any amounts necessary to reimburse the Transmission Owners for any amounts payable by them as sales, exise, "Btu," carbon, value-added or similar taxes (other than taxes based upon or measured by net income) with respect to the amounts payable pursuant to the Tariff.
6. In addition to the other rates set forth in this schedule customers, within the ComEd zone shall be charged for recovery of RTO start-up costs at the following rates, each computed to four decimal places:

Annual Rate - \$/kW/year = \$1,523,039, divided by the 1 CP demand for the ComEd zone for the prior calendar year;

Monthly Rate - \$/kW/month = Annual Rate divided by 12;

Weekly Rate - \$/kW/week = Annual Rate divided by 52;

Daily Rate - \$/kW/day = Weekly Rate divided by 5.

In order to ensure that the charge does not result in either an over-recovery or under-recovery of ComEd's start-up costs, PJM will institute an annual true-up mechanism in the month of May of each of the years 2008-2014. In May of each of those years, PJM will compare the amount collected under this charge for the previous 12 months with the target annual amount of \$1,523,039 and calculate any credits or surcharges that would be needed to ensure that \$1,523,039 is collected for each year. Any credit or surcharge will be assessed in the June bills for years 2005-2014, consistent with the above methodology.

7. An annual Fixed Charge Rate of 24% shall apply to the net distribution plant that is directly assigned to a customer taking wholesale distribution service over ComEd distribution facilities. The net distribution plant will be directly assigned to the customer based on the customer's pro-rata share of the non-coincident peak loading of the distribution facilities necessary to provide the service. Generating units connected at the distribution level and requiring wholesale distribution service will not be assessed a charge based on application of the Fixed Charge Rate, but will be responsible for paying interconnection costs and other incremental costs determined for such customer.
8. In accordance with Paragraph 7 above, wholesale distribution service shall be provided to the customers identified below at the identified monthly/annual charge corresponding to such customer:

Customer	Charge
Town of Winnetka	\$164,080/year
Town of Rock Falls	\$166,082/year
City of Naperville	\$58,540.79/month
City of St. Charles	\$181,479/month
Joliet Battery	\$ 15,661.64/month
West Chicago Battery	\$ 4,868.03/month
McHenry Battery	\$131,824.87/year
Marengo Battery	\$ 7,367.24/month
Sun-Mountain Hilltop, LLC	\$ 2,375.02/month
Magid Glove & Safety Mfg. Co.	\$ 3,921.02/month
<u>Sterling Rail LLC</u>	<u>\$ 2,620.91/month</u>

9. In accordance with Paragraph 3 above, the annual distribution loss factors identified below shall apply to wholesale distribution service provide to the identified customers:

Customer	Annual Distribution Loss Factor
Town of Winnetka	0.30%
Town of Rock Falls	0.83%
The City of Geneva	2.20%
City of Naperville	0.09%
City of St. Charles	1.94%

10. In accordance with the settlement reached between ComEd and Geneva in Docket No. ER06-133, when Geneva operates its generating facility (“GGF”) on a behind the meter (“BTM”) basis pursuant to Section 1.3B of this OATT, Geneva will pay ComEd an annual charge of \$1,075,000 (\$89,583.33 per month) for wholesale distribution service. There will be no additional charge associated with operation of the GGF on a BTM basis to serve the entirety of Geneva’s load. When Geneva does not operate the GGF BTM, Geneva will pay ComEd an annual charge for wholesale distribution service of \$1,255,000 (\$104,583.33 per month). In addition, Geneva will pay ComEd a one-time fee of \$256,920.00 for a new point of interconnection to the Delnor substation on ComEd’s distribution system.

ATTACHMENT 2
CLEAN TARIFF SHEETS
PJM TARIFF ATTACHMENT H-13

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ATTACHMENT 3
(Public Version)
CEII – REDACTED

To request access, follow the procedures at
<https://www.ferc.gov/legal/ceii-foia/ceii.asp>