



PJM Interconnection, L.L.C.
2750 Monroe Blvd
Audubon, PA 19403-2497

Steven R. Pincus
Associate General Counsel
T: (610) 666-4370 | F: (610) 666-8211
steven.pincus@pjm.com

July 15, 2022

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E., Room 1A
Washington, D.C. 20426-0001

Re: PJM Interconnection, L.L.C. Docket No. ER22- -000
Operating Agreement, Schedule 7, Section 1.2 (b) Revisions

Dear Secretary Bose:

Pursuant to Federal Power Act (“FPA”), section 205,¹ and part 35 of the regulations of the Federal Energy Regulatory Commission (“Commission”),² PJM Interconnection, L.L.C. (“PJM”) submits for filing proposed revisions to the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. (“Operating Agreement”), Schedule 7, section 1.2 (b), to clarify the Under Frequency Load Shed (“UFLS”) requirements applicable to East Kentucky Power Cooperative (“EKPC”).³ Specifically, PJM proposes to revise Operating Agreement, Schedule 7, to document the UFLS requirements applicable to EKPC as determined by the SERC Reliability Corporation (“SERC”).

On April 27, 2022, the Markets and Reliability Committee (“MRC”) voted on the proposed revisions by acclamation with no objections or abstentions, and on June 29, 2022, the Members Committee (“MC”) endorsed the proposal on the consent agenda with no objections or abstentions.

¹ 16 U.S.C. § 824d.

² 18 C.F.R. Part 35.

³ Capitalized terms not otherwise defined herein have the meaning specified in, as applicable, the Tariff and the Operating Agreement.

PJM requests an effective date of September 14, 2022, for the proposed revised Operating Agreement section.

I. BACKGROUND

EKPC is a not-for-profit, state-regulated generation and transmission cooperative responsible for providing and delivering reliable energy supply to its 16 not-for-profit member distribution cooperatives that power homes and businesses for over one million Kentucky residents. EKPC is a transmission-owning PJM Member, which integrated into PJM in 2013.

Operating Agreement, Schedule 7 sets forth UFLS requirements for PJM Electric Distributors. The UFLS requirements establish a total percentage of load reduction (*i.e.*, load shed) that must be achieved when the system frequency drops to a certain level. They also specify requirements of load reduction, again as a percentage requirement (e.g., 5% of load), as various intervals of frequency decline to ultimately achieve the total percentage of load reduction. The purpose of these requirements is to avoid an uncontrolled load loss situation.

All “Electric Distributors” must comply with the UFLS requirements set forth in Operating Agreement, Schedule 7, section 1.2. The requirements vary by region, and correspond to the UFLS requirements established by the respective historical North American Electric Reliability Corporation (“NERC”) region. For example, Operating Agreement, Schedule 7, section 1.2(b) sets forth the UFLS requirements applicable to the “PJM West Region” utilities, which were in the historical East Central Area Reliability Coordination Agreement (“ECAR”) region and which are now in the ReliabilityFirst (“RF”) region of NERC. Those requirements mandate, for the PJM West Region utilities, a total UFLS capability obligation of 25%, implemented in 5% increments per designated frequency setting. In its role as a NERC Planning Coordinator, PJM evaluates Electric Distributor compliance with the UFLS requirements. Schedule 7 includes a formula for

determining monetary penalties to be levied against Electric Distributors that do not maintain the applicable UFLS capability as set forth in Schedule 7.

Operating Agreement, Schedule 7, section 1.2 has been in effect since July 18, 2012, prior to EKPC's integration into PJM.⁴ In 2018, PJM filed a ministerial change in the definition of the PJM West Region as part of a broader PJM tariff clean-up initiative. (*See* Commission Docket No. ER18-1528-000). The 2018 revision clarified that EKPC was part of the PJM West Region. PJM Operating Agreement, Schedule 7, section 1.2(b) applies to entities in the PJM West Region. However, EKPC is not, and has not been, subject to the Operating Agreement, Schedule 7 UFLS capability requirements that apply to the PJM West Region Electric Distributors. The 2018 Operating Agreement ministerial changes, including to the "PJM West Region" definition, were not intended to impose new obligations or requirements on EKPC or any other PJM Member. As relevant here, the ministerial changes were not intended to bring EKPC within the scope of Operating Agreement, Schedule 7, section 1.2(b) (*i.e.*, to subject EKPC to the UFLS requirements applicable to the PJM West Region).

The applicable UFLS requirement for EKPC is that required by SERC Reliability Corporation ("SERC") (specifically, PRC-006-SERC) because EKPC is geographically located in the SERC region of NERC. The other Electric Distributors in the PJM West Region are in the RF region of NERC. The UFLS obligations that apply to the PJM West Region utilities differ from the SERC requirements. For example, SERC provides a tolerance band around the requirements. The total required UFLS capability and number of increments to reach that total capability also

⁴ PJM also memorializes the applicable UFLS requirements in PJM Manual 36, section 2.3 and tracks measurement of UFLS capability in Manual 36, Attachment H.

differ between the two regions. Thus, the impact of the 2018 revision to the PJM West Region definition on the application of Operating Agreement, Schedule 7 to EKPC was unintended. Nor has the Commission imposed, via the PJM Operating Agreement or otherwise, UFLS obligations on EKPC that differ from those required by SERC. From the time of EKPC's integration into PJM, the applicable UFLS requirement for EKPC is and always has been that imposed by SERC.

As a result of the ambiguity caused by the 2018 revision to the PJM West Region definition and the applicable UFLS requirements for EKPC, it is necessary to clarify the applicable UFLS requirements for EKPC in Operating Agreement, Schedule 7, and PJM Manual 36.⁵

II. PROPOSED TARIFF REVISION

PJM proposes to revise Operating Agreement, Schedule 7, section 1.2(b) to include the UFLS requirements applicable specifically to EKPC as determined by SERC as follows:

“Additionally, provided, however, that each Electric Distributor in the East Kentucky Power Cooperative Zone shall install or contractually arrange for underfrequency relays to meet requirements in the currently effective SERC underfrequency load shedding regional reliability standard, to interrupt 30 percent of its peak load including allowable tolerances identified in the SERC underfrequency load shedding regional reliability standard, with 5 percent of its peak load including allowable tolerances identified in the SERC underfrequency load shedding regional reliability standard at each of the frequency levels: 59.5 Hz, 59.3 Hz, 59.1 Hz, 58.9 Hz, 58.7 Hz and 58.5 Hz.”

III. STAKEHOLDER PROCESS

PJM received unanimous stakeholder support for the proposed Operating Agreement revision described herein. The proposed Operating Agreement revision was endorsed by PJM's MRC on April 27, 2022, and PJM's MC on June 29, 2022, with no objections.

⁵ EKPC has maintained compliance with the applicable SERC UFLS requirements. As a result, there has been no impact – or even risk of an impact – on the reliability of the Bulk Electric System, and no impact on the PJM-operated markets or rates paid by consumers.

IV. EFFECTIVE DATE

PJM requests an effective date of September 14, 2022, for the attached Operating Agreement section, which is at least 60 days after the filing date.

V. DOCUMENTS ENCLOSED

PJM encloses the following:

1. this Transmittal Letter;
2. Attachment A: Revised Operating Agreement, Schedule 7, section 1.2(b) (Marked); and
3. Attachment B: Revised Operating Agreement, Schedule 7, section 1.2(b) (Clean).

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,⁶ 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 Region⁷ alerting them 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 FERC's eLibrary website located at the following link:

⁶ See 18C.F.R §§ 35.2(e) and 385.2010(f)(3).

⁷ PJM already maintains, updates and regularly uses e-mail lists for all PJM Members and affected state commissions.

<http://www.ferc.gov/docs-filing/elibrary.asp> in accordance with the Commission's regulations and Order No. 714.

VII. CORRESPONDENCE AND COMMUNICATIONS

All notices, communications or correspondence addressed to PJM regarding this matter should be directed to, and PJM requests that the Secretary include on the Commission's official service list, the following:

Craig Glazer
Vice President–Federal Government Policy
PJM Interconnection, L.L.C.
1200 G Street, N.W, Suite 600
Washington, D.C. 20005
(202) 423-4743
craig.glazer@pjm.com

Steven R. Pincus
Associate General Counsel
PJM Interconnection, L.L.C.
2750 Monroe Blvd
Audubon, PA 19403-2497
(610) 666-4370
steven.pincus@pjm.com

Respectfully submitted,

/s/ Steve R. Pincus

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Associate General Counsel
PJM Interconnection, L.L.C.
2750 Monroe Blvd
Audubon, PA 19403-2497
(610) 666-4370
steven.pincus@pjm.com

Attachment A

Revisions to the PJM Operating Agreement

(Marked / Redline Format)

1.2 Obligations.

(a) Each Electric Distributor in the PJM Mid-Atlantic Region shall install or contractually arrange for underfrequency relays to interrupt at least 30 percent of its peak load with 10 percent of the load interrupted at each of three frequency levels: 59.3 Hz, 58.9 Hz and 58.5 Hz. Upon the request of the Members Committee, each Electric Distributor in the PJM Mid-Atlantic Region shall document that it has complied with the requirement for underfrequency load shedding relays.

(b) Each Electric Distributor in the PJM West Region shall install or contractually arrange for underfrequency relays to interrupt at least 25 percent of its peak load with 5 percent of the load interrupted at each of five frequency levels: 59.5 Hz, 59.3 Hz, 59.1 Hz, 58.9 Hz, and 58.7 Hz; provided, however, that each Electric Distributor in the Commonwealth Edison Company Zone shall install or contractually arrange for underfrequency relays to interrupt at least 30 percent of its peak load with 10 percent of the load interrupted at each of three frequency levels: 59.3 Hz, 59.0 Hz, and 58.7 Hz. Additionally, provided, however, that each Electric Distributor in the East Kentucky Power Cooperative Zone shall install or contractually arrange for underfrequency relays to meet requirements in the currently effective SERC underfrequency load shedding regional reliability standard, to interrupt 30 percent of its peak load including allowable tolerances identified in the SERC underfrequency load shedding regional reliability standard, with 5 percent of its peak load including allowable tolerances identified in the SERC underfrequency load shedding regional reliability standard at each of the frequency levels: 59.5 Hz, 59.3 Hz, 59.1 Hz, 58.9 Hz, 58.7 Hz and 58.5 Hz. Upon the request of the Markets and Reliability Committee established by the Reliability Assurance Agreement, each Electric Distributor in the PJM West Region shall document that it has complied with the requirement for underfrequency load shedding relays.

(c) Each Electric Distributor in the PJM South Region shall install or contractually arrange for underfrequency relays to interrupt at least 30 percent of its peak load with 10 percent of the load interrupted at each of 3 frequency levels: 59.3 Hz, 59.0 Hz, 58.5 Hz. Upon the request of the Markets and Reliability Committee established by the Reliability Assurance Agreement, each Electric Distributor in the PJM South Region shall document that it has complied with the requirement for underfrequency load shedding relays.

Attachment B

Revisions to the PJM Operating Agreement

(Clean Format)

1.2 Obligations.

(a) Each Electric Distributor in the PJM Mid-Atlantic Region shall install or contractually arrange for underfrequency relays to interrupt at least 30 percent of its peak load with 10 percent of the load interrupted at each of three frequency levels: 59.3 Hz, 58.9 Hz and 58.5 Hz. Upon the request of the Members Committee, each Electric Distributor in the PJM Mid-Atlantic Region shall document that it has complied with the requirement for underfrequency load shedding relays.

(b) Each Electric Distributor in the PJM West Region shall install or contractually arrange for underfrequency relays to interrupt at least 25 percent of its peak load with 5 percent of the load interrupted at each of five frequency levels: 59.5 Hz, 59.3 Hz, 59.1 Hz, 58.9 Hz, and 58.7 Hz; provided, however, that each Electric Distributor in the Commonwealth Edison Company Zone shall install or contractually arrange for underfrequency relays to interrupt at least 30 percent of its peak load with 10 percent of the load interrupted at each of three frequency levels: 59.3 Hz, 59.0 Hz, and 58.7 Hz. Additionally, provided, however, that each Electric Distributor in the East Kentucky Power Cooperative Zone shall install or contractually arrange for underfrequency relays to meet requirements in the currently effective SERC underfrequency load shedding regional reliability standard, to interrupt 30 percent of its peak load including allowable tolerances identified in the SERC underfrequency load shedding regional reliability standard, with 5 percent of its peak load including allowable tolerances identified in the SERC underfrequency load shedding regional reliability standard at each of the frequency levels: 59.5 Hz, 59.3 Hz, 59.1 Hz, 58.9 Hz, 58.7 Hz and 58.5 Hz. Upon the request of the Markets and Reliability Committee established by the Reliability Assurance Agreement, each Electric Distributor in the PJM West Region shall document that it has complied with the requirement for underfrequency load shedding relays.

(c) Each Electric Distributor in the PJM South Region shall install or contractually arrange for underfrequency relays to interrupt at least 30 percent of its peak load with 10 percent of the load interrupted at each of 3 frequency levels: 59.3 Hz, 59.0 Hz, 58.5 Hz. Upon the request of the Markets and Reliability Committee established by the Reliability Assurance Agreement, each Electric Distributor in the PJM South Region shall document that it has complied with the requirement for underfrequency load shedding relays.