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July 17, 2015

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

**Re: *PJM Interconnection, L.L.C.*; Docket No. ER15-527-002  
Compliance Filing**

Dear Secretary Bose:

PJM Interconnection, L.L.C. (“PJM”), submits for filing this transmittal letter and accompanying revisions to the PJM Open Access Transmission Tariff (“PJM Tariff”)<sup>1</sup> to comply with the Order on Compliance and Request for Waivers issued May 18, 2015<sup>2</sup>, by the Federal Energy Regulatory Commission (“FERC” or the “Commission”) in this docket, conditionally accepting the PJM Tariff revisions submitted to comply with the requirements of Order No. 676-H (“Final Rule”).<sup>3</sup>

## **I. Introduction**

On September 14, 2014, the Commission issued Order No. 676-H, which amended the Commission’s regulations to incorporate, by reference, with certain enumerated exceptions, Version 003 of the Business Practice Standards adopted by the North American Energy Standards Board (“NAESB”), and filed with the Commission on September 18, 2012, and modified on January 30, 2013. The revised standards updated earlier versions of the same standards and included modifications to support the goals established in Order Nos. 890, 890-A,

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<sup>1</sup> Capitalized terms not otherwise defined here have the meaning specified in the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C., or PJM Open Access Transmission Tariff, as appropriate.

<sup>2</sup> *PJM Interconnection, L.L.C.*, Order on Compliance and Request for Waiver, 151 FERC ¶ 61,141 (May 18, 2015) (“May 18 Order”).

<sup>3</sup> *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676-H, 79 Fed. Reg. 56,939 (Sept. 24, 2014), FERC Stats. & Regs. ¶ 31,359 (2014) (“Order No. 676-H”), *as modified, errata notice*, 149 FERC ¶ 61,014 (2014), *order on reh’g*, 151 FERC ¶ 61,046 (2015) (“Order No. 676-H Rehearing Order”).

890-B and 890-C,<sup>4</sup> including standards to support Network Integration Transmission Service (“NITS”) on an Open Access Same-Time Information System (“OASIS”) and Service Across Multiple Transmission Systems (“SAMTS”).

Consistent with the adoption of the Final Rule, the Commission required each public utility to revise its Open Access Transmission Tariff (“OATT”) to include, by reference, the NAESB standards, acknowledging their obligation to comply with the newly incorporated Business Practice Standards. Accordingly, on December 1, 2014, PJM submitted a filing to incorporate the Business Practice Standards approved by the Commission in Order No. 676-H and accompanying Order No. 676-H Rehearing Order, but, at the same time, sought waiver of certain Business Practice Standards as they specifically related to SAMTS and NITS.<sup>5</sup> In this regard, PJM noted that its existing Tariff rules, and associated practices and procedures, with respect to SAMTS and NITS were consistent with, or superior to, the adopted Business Practice Standards.

In the May 18 Order, the Commission conditionally accepted PJM’s compliance filing, as it related to the adoption of the Commission’s directives in Order No. 676-H, absent the requested waivers, granted PJM’s requested waivers of WEQ-001, WEQ-002 and WEQ-003, as those specific standards relate to SAMTS and NITS, but denied PJM’s requested waiver of WEQ-000. Additionally, the Commission directed PJM to make a further compliance filing to address the following Commission directives:

1. With regard to the granted waivers of WEQ-001, WEQ-002 and WEQ-003, revise section 4.2 of the OATT to indicate those Business Practice Standards for which the Commission has granted waiver, and include a cite to the Commission order granting those waiver requests;
2. With regard to the granted waivers of WEQ-001, WEQ-002 and WEQ-003, PJM must identify, in its compliance filing, the section(s) of the PJM Tariff that PJM relies on in place of those Business Practice Standards granted waiver, and;
3. Submit Tariff revisions to address certain clerical errors.<sup>6</sup>

## **II. Compliance Filing**

### **a. Compliance Tariff Revisions**

As directed by the Commission’s May 18 Order, PJM submits the attached, proposed revisions to section 4.2 of the PJM Tariff. First, in the preamble to section 4.2, PJM submits an

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<sup>4</sup> *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241 (2007), *order on reh’g*, Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 (2007), *order on reh’g*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh’g and clarification*, Order No. 890-C, 126 FERC ¶ 61,228 (2009) (“Order No. 890-C”).

<sup>5</sup> *PJM Interconnection, L.L.C.*, ER15-527-000, Compliance Filing (December 1, 2014).

<sup>6</sup> May 18 Order at P 20-21.

amendment to indicate those Business Practice Standards for which the Commission has granted waiver and to include a citation to the May 18 Order granting those waiver requests.

Specifically, PJM proposes to include a revision noting that pursuant to the Commission's directives in Order No. 676-H and the grant of waivers from specified provisions of WEQ-001, WEQ-002 and WEQ-003 approved by the Commission in the May 18 Order, PJM incorporates by reference the WEQ standards set forth in section 4.2. Because the preamble makes specific reference to the May 18 Order granting the requested waivers, a related change in sub-paragraph two (relating to WEQ-001) has been made to remove the generic reference to the acceptance of PJM's compliance filing to Order No. 676-H.

Secondly, consistent with the Commission's denial of PJM's waiver request relating to WEQ-000, a revision to the first sub-paragraph (relating to WEQ-000) has been proposed to remove non-conforming language which qualifies the adoption of WEQ-000, to the extent it is not inconsistent with the Transmission Provider's current NITS practices and procedures.

Finally, PJM has proposed several ministerial revisions to address the clerical errors highlighted by the Commission in the May 18 Order.

**b. Specified PJM Tariff Provisions Relating to Service Across Multiple Transmission Systems and Network Integration Transmission Service**

In addition to the Tariff compliance revisions noted above, the Commission also directed PJM to identify those provisions of the PJM Tariff it relies on in place of those standards granted waiver relating to SAMTS and NITS.

As noted previously, PJM has been supportive of the initiative to develop a coordinated process for SAMTS and recognizes that customers benefit from an evaluation of transmission service requests in a timely fashion to avoid financial harm in the event that any transmission provider cannot accommodate the request. In this regard, PJM Tariff, part II, sections 17.9 and 18.4 specify processing timelines for all short-term transmission service requests. Specifically, part II, section 17.9, relating to requests for increases in transfer capability for short-term transmission service, specifies that the Transmission Provider shall respond to requests no later than seven (7) business days from the time of the request for monthly service and no later than two (2) business days from the time of the request for weekly service. Further, the Transmission Provider shall respond to requests within four (4) normal business hours of receipt for daily service, if feasible.

With respect to the determination of available transfer capability, part II, section 18.4, specifies that PJM will make determinations of available transfer capability as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service: (i) fifteen (15) minutes for hourly service; (ii) thirty (30) minutes for daily service; (iii) four (4) hours for weekly service, and; (iv) twelve (12) hours for monthly service.

In 2014 alone, PJM processed more than 69,000 transmission service requests, and in order to achieve the Transmission Provider response times outlined in the above-referenced sections, it

has implemented software to process all short-term transmission service requests. As noted in PJM's prior compliance filing, and as spelled out further in PJM's regional practices guidelines, PJM evaluates SAMTS transactions without delay and labels all pre-confirmed Coordinated Requests that meet all other business criteria as "accepted," and, subsequently, "confirmed." This allows PJM to continue to evaluate subsequent requests for service upon submittal. At the same time, PJM will allow customers to withdraw "accepted" Transmission Service Requests as specified by the SAMTS Business Practice Standards, but without processing delay. Similarly, PJM will honor the 24-hour period required for attestations and will allow customers to withdraw, annul or reduce requests and reservations up until the next time the corresponding Transmission Provider submits a counteroffer or rejects the Coordinated Request for service.<sup>7</sup> In this way, Transmission Customers have ample opportunity to annul or withdraw service as to avoid financial harm while also continuing the PJM stakeholder desired current practice of providing the status of short-term Transmission Service Requests very close to "real time."

Turning to the study and commitment of internal and external network resources and load designations as contemplated in the NITS Business Practice Standards, PJM Tariff, part III, section 30 specifies, generally, the Transmission Provider rules related to the designation, termination and operation of network resources, while part III, section 31 generally establishes the Transmission Provider's rules related to designation of network loads. With respect to the designation of network resources, part III, section 30.2, states that a Network Customer may designate a new Network Resource by providing the Transmission Provider with as much advance notice as practicable, and such designation must be made through the Transmission Provider's OASIS by a request for modification of service pursuant to an Application for initiating service as set forth in section 29.2, subject, however, to the applicable requirements of PJM's Reliability Pricing Model ("RPM") rules (as set forth in Attachment DD of the PJM Tariff) and associated requirements set forth in PJM's Reliability Assurance Agreement Among Load Serving Entities ("RAA")<sup>8</sup> and PJM Manuals. With reference to PJM's RPM rules, PJM Tariff, Attachment DD, sections 5.4 and 5.5 generally set forth the rules for the conduct of PJM's RPM auctions and the eligibility of a resource to participate in such auctions. Moreover, consistent with PJM's planning processes, Network Resources are studied to determine whether the Transmission System has sufficient available capability to provide the requested service. *See*, PJM Tariff, part III, section 32.1. Finally, resources proposing to interconnect to the Transmission System in the PJM Region must also comply with the terms, conditions, rules and procedures for interconnection as specified in part IV of PJM's Tariff (relating to Interconnections with the Transmission System).

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<sup>7</sup> The details of PJM's regional practice rules pertaining to SAMTS are set forth in section 1.22 of PJM's Regional Transmission and Energy Scheduling Practices document which is found at: <http://www.pjm.com/~media/etools/oasis/regional-practices-clean-pdf.ashx>

<sup>8</sup> PJM Interconnection, L.L.C., Rate Schedule FERC No. 44. PJM's RAA is intended to ensure that adequate Capacity Resources will be planned and made available to provide reliable service to loads within the PJM Region and, as such, every entity which is or will become a Load Serving Entity within the PJM Region must become a party to the RAA and satisfy the obligations set forth therein with related to service of load within the PJM Region.

As set forth in part III, section 30.3, Network Customers may terminate the designation of all or part of a generating resource as a Network Resource at any time by providing notification to the Transmission Provider through eRPM<sup>9</sup> as soon as reasonably practicable, but not later than the firm scheduling deadline for the period of termination. Again, the rules, practices and procedures related to the termination of network resources are subject to the applicable requirements of PJM's RPM rules and applicable requirements of the RAA.

Section 31.2 of PJM's Tariff specifies that Network Customers shall provide the Transmission Provider with as much advance notice as reasonable practicable of the designation of new Network Load that will be added to the Transmission System and must be made through a modification of service pursuant to a new Application as specified in section 29.2 of PJM's Tariff. In turn, this same section notes that an affected Transmission Owner must use due diligence to install any necessary transmission facilities required to interconnect a new Network Load designated by the Network Customer.

As stated previously in PJM's prior compliance filing, PJM's planning processes and capacity procurement methods, taken together as specified in PJM Tariff part III, sections 30 and 31, PJM Tariff part IV, PJM Tariff Attachment DD and the PJM RAA, analyze the network resources and load requirements for PJM on an ongoing, regional basis rather than evaluating specific resources to specific loads. In this regard, PJM utilizes two-pronged reliability criteria to ensure that all network resources are deliverable to the aggregate of PJM load (*i.e.* generation deliverability) and locational deliverability areas are capable of importing sufficient capacity to satisfy reliability criteria (*i.e.*, load deliverability). As noted in the above-referenced Tariff sections and the PJM RAA, the designation and un-designation of network resources and load is done utilizing eRPM and associated PJM capacity, market and planning rules, rather than utilizing OASIS templates as required by the Business Practice Standards.

### **III. Effective Date**

Consistent with the May 18 Order, PJM requests an effective date of May 15, 2015, for the Tariff compliance revisions submitted in this filing.

### **IV. Documents Enclosed**

With this transmittal letter, PJM submits the following attachments:

1. Attachment A: Electronic version of revised PJM Tariff section in marked form (*i.e.*, reflecting changes);
2. Attachment B: Electronic version of revised PJM Tariff section in clean form.

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<sup>9</sup> Generally, eRPM is PJM's internet-based application used by market participants to submit resource-specific sell offers or buy bids into PJM's RPM auctions.

## V. Correspondence and Communication

The following individuals are designated for inclusion on the official service list in this proceeding and for receipt of any communication regarding this filing:

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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. Electronic service is permitted as of November 3, 2008, under the Commission's regulations<sup>10</sup> pursuant to Order No. 714<sup>11</sup> and the Commission's Notice of Effectiveness of Regulations issued on October 28, 2008, in Docket No. RM01-5-000. In compliance with those regulations, PJM will post a copy of this filing to the FERC filings section of the its internet site, 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 Region<sup>12</sup> alerting them this filing has been made by PJM today and 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 at the following link: <http://www.ferc.gov/docs-filing/elibrary.asp> in accordance with the Commission's regulations and Order No. 714.

Respectfully submitted,



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<sup>10</sup> See, 18 C.F.R. §§ 35.2, 154.2, 154.208 and 341.2.

<sup>11</sup> *Electronic Tariff Filings*, Order No. 714, 124 FERC ¶ 61,270

<sup>12</sup> PJM already maintains updates and regularly uses e-mail lists for all PJM Members and affected commissions.

# **Attachment A**

Revisions to the PJM Open Access Transmission Tariff  
Section 4.2

(Marked/Redline Format)

## 4.2

Pursuant to the Commission's September 18, 2014 Final Rule, Order No. 676-H (148 FERC ¶ 61,205, corrections applied at 149 FERC ¶ 61,014) amending its regulations under the Federal Power Act, and the grant of waivers from specified provisions of WEQ-001, WEQ-002 and WEQ-003 approved by the Commission in *PJM Interconnection, L.L.C.*, 151 FERC ¶ 61,141 (May 18, 2015) Transmission Provider hereby incorporates by reference the following standards promulgated by the WEQ of the NAESB:

- ~~To the extent not inconsistent with Transmission Provider's current Network Integration Transmission Service ("NITS") practices and procedures,~~ WEQ-000, Abbreviations, ~~and~~ Acronyms, and Definition of Terms, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Oct. 4, 2012, Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- To the extent not inconsistent with Transmission Provider's current NITS practices and procedures, WEQ-001, Open Access Same-Time Information System (OASIS), OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013) excluding Standards 001-9.5, 001-10.5, 001-14.1.3, 001-15.1.2 and 001-106.2.5, as well as the timing requirements established in 001-23, to the extent not inconsistent with Transmission Provider's current practice ~~and as accepted by the Commission in Transmission Provider's compliance filing to Order No. 676-H;~~
- To the extent not inconsistent with Transmission Provider's current NITS practices and procedures, WEQ-002, Open Access Same-Time Information Systems (OASIS) Business Practice Standards and Communications Protocols (S&CP), OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- To the extent not inconsistent with Transmission Provider's current NITS practices and procedures, WEQ-003, Open Access Same-Time Information Systems (OASIS) Data Dictionary Business Practice Standards, OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-004, Coordinate Interchange, WEQ Version 003, July 31, 2012 (with Final Action ratified December 28, 2012);
- WEQ-005, Area Control Error (ACE) Equation Special Cases, WEQ Version 003, July 31, 2012;
- WEQ-006, Manual Time Error Correction, WEQ Version 003, July 31, 2012;
- WEQ-007, Inadvertent Interchange Payback, WEQ Version 003, July 31, 2012;



- WEQ-008, Transmission Loading Relief (TLR) – Eastern Interconnection, WEQ Version 003, July 31, 2012 (with minor corrections applied November 28, 2012);
- WEQ-011, Gas/Electric Coordination, WEQ Version 003, July 31, 2012;
- WEQ-012, Public Key Infrastructure (PKI), WEQ Version 003, July 31, 2012 (~~with~~as modified by NAESB Final Actions ratified on October 4, 2012);
- WEQ-013, Open Access Same-Time Information Systems (OASIS) Implementation Guide, OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013) ;
- WEQ-015, Measurement and Verification of Wholesale Electricity Demand Response, WEQ Version 003, July 31, 2012; and
- WEQ-021, Measurement and Verification of Energy Efficiency Products, WEQ Version 003, July 31, 2012.

# **Attachment B**

Revisions to the PJM Open Access Transmission Tariff  
Section 4.2

(Clean Format)

## 4.2

Pursuant to the Commission's September 18, 2014 Final Rule, Order No. 676-H (148 FERC ¶ 61,205, corrections applied at 149 FERC ¶ 61,014) amending its regulations under the Federal Power Act, and the grant of waivers from specified provisions of WEQ-001, WEQ-002 and WEQ-003 approved by the Commission in *PJM Interconnection, L.L.C.*, 151 FERC ¶ 61,141 (May 18, 2015) Transmission Provider hereby incorporates by reference the following standards promulgated by the WEQ of the NAESB:

- WEQ-000, Abbreviations, Acronyms, and Definition of Terms, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Oct. 4, 2012, Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- To the extent not inconsistent with Transmission Provider's current NITS practices and procedures, WEQ-001, Open Access Same-Time Information System (OASIS), OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013) excluding Standards 001-9.5, 001-10.5, 001-14.1.3, 001-15.1.2 and 001-106.2.5, as well as the timing requirements established in 001-23, to the extent not inconsistent with Transmission Provider's current practice;
- To the extent not inconsistent with Transmission Provider's current NITS practices and procedures, WEQ-002, Open Access Same-Time Information System (OASIS) Business Practice Standards and Communication Protocols (S&CP), OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- To the extent not inconsistent with Transmission Provider's current NITS practices and procedures, WEQ-003, Open Access Same-Time Information System (OASIS) Data Dictionary Business Practice Standards, OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-004, Coordinate Interchange, WEQ Version 003, July 31, 2012 (with Final Action ratified December 28, 2012);
- WEQ-005, Area Control Error (ACE) Equation Special Cases, WEQ Version 003, July 31, 2012;
- WEQ-006, Manual Time Error Correction, WEQ Version 003, July 31, 2012;
- WEQ-007, Inadvertent Interchange Payback, WEQ Version 003, July 31, 2012;
- WEQ-008, Transmission Loading Relief (TLR) – Eastern Interconnection, WEQ Version 003, July 31, 2012 (with minor corrections applied November 28, 2012);

- WEQ-011, Gas/Electric Coordination, WEQ Version 003, July 31, 2012;
- WEQ-012, Public Key Infrastructure (PKI), WEQ Version 003, July 31, 2012 (as modified by NAESB Final Actions ratified on October 4, 2012);
- WEQ-013, Open Access Same-Time Information System (OASIS) Implementation Guide, OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013) ;
- WEQ-015, Measurement and Verification of Wholesale Electricity Demand Response, WEQ Version 003, July 31, 2012; and
- WEQ-021, Measurement and Verification of Energy Efficiency Products, WEQ Version 003, July 31, 2012.