

152 FERC ¶ 61,228  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;  
Philip D. Moeller, Cheryl A. LaFleur,  
Tony Clark, and Colette D. Honorable.

PJM Interconnection, L.L.C.

Docket No. ER15-527-002

ORDER ON COMPLIANCE FILING

(Issued September 24, 2015)

1. On July 17, 2015, PJM Interconnection, L.L.C. (PJM) submitted its Second Compliance Filing<sup>1</sup> in this proceeding to comply with the Commission's May 18, 2015 order<sup>2</sup> addressing PJM's Initial Compliance Filing and request for waivers of Order No. 676-H.<sup>3</sup> For the reasons discussed below, we conditionally accept PJM's Second Compliance Filing and direct PJM to make a further compliance filing within 60 days of the date of this order.

**I. Background**

2. On September 18, 2014, the Commission issued Order No. 676-H, which amends the Commission's regulations under the Federal Power Act (FPA)<sup>4</sup> to incorporate by reference, with certain enumerated exceptions, the latest version (Version 003) of the Business Practice Standards for Business Practices and Communication Protocols for

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<sup>1</sup> PJM's compliance filing dated December 1, 2014, as revised on April 10, 2015, will be referred to collectively as its Initial Compliance Filing, and the compliance filing dated July 17, 2015 will be referred to as the Second Compliance Filing.

<sup>2</sup> *PJM Interconnection, L.L.C.*, 151 FERC ¶ 61,141 (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), *as modified, errata notice*, 149 FERC ¶ 61,014 (2014), *order on reh'g*, 151 FERC ¶ 61,046 (2015) (Order No. 676-H Rehearing Order).

<sup>4</sup> 16 U.S.C. § 791a (2012).

Public Utilities (Business Practice Standards) adopted by the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board (NAESB) as mandatory enforceable requirements.<sup>5</sup>

3. The Version 003 Business Practice Standards update earlier versions of the WEQ Business Practice Standards that the Commission previously incorporated by reference into its regulations.<sup>6</sup> These revised Business Practice Standards include modifications to support Order Nos. 890, 890-A, 890-B, and 890-C,<sup>7</sup> including Business Practice Standards to support Network Integration Transmission Service (NITS) on an Open Access Same-Time Information System (OASIS), Service Across Multiple Transmission Systems (SAMTS), Business Practice Standards to support the Commission's policy regarding rollover rights for redirects on a firm basis, Business Practice Standards that incorporate the functionality for Transmission Providers to credit redirect requests with the capacity of the parent reservation, and Business Practice Standards modifications to support consistency across the OASIS-related Business Practice Standards.<sup>8</sup>

4. In Order No. 676-H, the Commission required public utilities to make compliance filings by December 1, 2014 to achieve compliance with the incorporated Version 003 Business Practice Standards by February 2, 2015.<sup>9</sup> Subsequently, the February 2, 2015

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<sup>5</sup> The specific NAESB Business Practice Standards that the Commission incorporated by reference in Order No. 676-H are WEQ-000, WEQ-001, WEQ-002, WEQ-003, WEQ-004, WEQ-005, WEQ-006, WEQ-007, WEQ-008, WEQ-011, WEQ-012, WEQ-013, WEQ-015, and WEQ-021. *See* Order No. 676-H, FERC Stats. & Regs. ¶ 31,359 at P 18.

<sup>6</sup> 18 C.F.R. § 38.2 (2015).

<sup>7</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*, Order No. 890-C, 126 FERC ¶ 61,228 (2009) *order on clarification*, Order No. 890-D, 129 FERC ¶ 61,126 (2009). The Version 002 Business Practice Standards also included revisions made in response to Order No. 890.

<sup>8</sup> *See* Order No. 676-H, FERC Stats. & Regs. ¶ 31,359 at P 2.

<sup>9</sup> *See id.* PP 20, 88, 95. The Commission also established a separate 18-month compliance schedule for Business Practice Standard 002-5.10.3 regarding the implementation of Network Integration Transmission Service OASIS templates, which are not at issue in this compliance filing.

deadline was extended to May 15, 2015.<sup>10</sup> On April 16, 2015, the Commission issued the Order No. 676-H Rehearing Order that addressed the various requests for rehearing of Order No. 676-H.

5. PJM submitted its Initial Compliance Filing that proposed amendments to its Open Access Transmission Tariff (Tariff) as required by Order No. 676-H and the Order No. 676-H Rehearing Order. PJM also requested waiver of the standards related to SAMTS in WEQ-001, seeking to modify the *pro forma* language by incorporating by reference WEQ-001 “excluding Standards 001-9.5, 001-10.5, 001-106.2.5, as well as the timing requirements established in 001-23, to the extent inconsistent with Transmission Provider’s current practice and as accepted by the Commission in Transmission Provider’s compliance filing to Order No. 676-H . . . .”<sup>11</sup> PJM also requested waiver of the Version 003 Business Practice Standards related to NITS within WEQ-000, WEQ-001, WEQ-002, and WEQ-003, which are designed to support the OASIS functionality within NITS. Specifically, PJM sought waiver of these requirements by modifying the *pro forma* language to incorporate these standards by reference “[t]o the extent not in consistent with Transmission Provider’s current Network Integration Transmission Service (NITS) practices and procedures.”<sup>12</sup>

6. In the May 18 Order, the Commission conditionally accepted PJM’s Initial Compliance Filing, granted in part and denied in part the requested waivers, and also directed PJM to make a further compliance filing. Regarding standards addressing SAMTS in WEQ-001, the Commission stated that PJM’s processes and procedures are closely aligned with the adopted SAMTS evaluation process and granted the requested waiver.<sup>13</sup> Regarding the Version 003 Business Practice Standards related to NITS within WEQ-001, WEQ-002, and WEQ-003, the Commission found that PJM has a method in place for posting and evaluating the designation/un-designation of network resources and load that meets the intent of the Version 003 Business Practice Standards. Therefore, the Commission granted the requested modification of the *pro forma* language of WEQ-001,

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<sup>10</sup> *Standards for Business Practices and Communication Protocols for Public Utilities*, Notice Granting Limited Time Extension, Docket No. RM05-5-024 (issued Jan. 15, 2015).

<sup>11</sup> May 18 Order, 151 FERC ¶ 61,141 at P 8.

<sup>12</sup> *Id.* P 12.

<sup>13</sup> *Id.* P 18.

WEQ-002, and WEQ-003.<sup>14</sup> The Commission, however, directed a further compliance filing on the waivers of WEQ-001, WEQ-002, and WEQ-003 stating:

With regard to the granted waivers of WEQ-001, WEQ-002, and WEQ-003, PJM must make a compliance filing, within 60 days of the date of this order, to revise section 4.2 of its Tariff to indicate those standards for which the Commission has granted waiver, and for each of those standards granted waiver, to include a cite to the order granting these waiver requests. In addition, the compliance filing must identify the section(s) of the PJM Tariff that PJM relies on in place of those standards granted waiver.<sup>15</sup>

7. The Commission denied the requested waiver of WEQ-000 because, as PJM remains subject to certain NAESB standards, the abbreviations and acronyms, and definition of terms included in WEQ-000 are necessary.<sup>16</sup>

8. Finally, the Commission directed PJM to include in its compliance filing revisions that address several clerical errors in section 4.2 of the PJM Tariff.

## **II. PJM's Second Compliance Filing**

9. In its Second Compliance Filing, PJM revises the preamble to section 4.2 of its Tariff to include an amendment indicating the Business Practice Standards for which the Commission granted waiver and "to include a citation to the May 18 Order granting those waiver requests."<sup>17</sup> PJM incorporates by reference the WEQ standards in section 4.2 and notes that, in the May 18 Order, the Commission granted waivers from specified provisions of WEQ-001, WEQ-002, and WEQ-003.<sup>18</sup>

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<sup>14</sup> *Id.* P 19.

<sup>15</sup> *Id.* P 20.

<sup>16</sup> *Id.* P 19.

<sup>17</sup> PJM Second Compliance Filing at 3.

<sup>18</sup> *Id.*

10. Regarding WEQ-000, PJM states that, consistent with the Commission's denial of PJM's waiver request, PJM proposes "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."<sup>19</sup>

11. Regarding the waiver requests granted in WEQ-001, WEQ-002, and WEQ-003 relating to SAMTS and NITS, PJM submitted a narrative in its transmittal that it states addresses the Commission's directive to specify section(s) of the Tariff that PJM relies on in lieu of the standards for which waivers were granted. However, PJM did not include this information in section 4.2 of its Tariff.

12. Finally, PJM incorporates revisions to correct clerical errors in section 4.2 of its Tariff.

### **III. Notice and Responsive Pleadings**

13. Notice of PJM's Second Compliance Filing was published in the *Federal Register*, 80 Fed. Reg. 44,095 (2015), with interventions and protests due on or before August 7, 2015. None were filed.

### **IV. Discussion**

14. We find that PJM's Second Compliance Filing satisfactorily complies with the Commission's directives in the May 18 Order, except for the items identified below. Therefore, we conditionally accept the PJM's Second Compliance Filing, and direct PJM to make a further compliance filing to be submitted within 60 days of the date of this order.

15. Although the Commission granted PJM's request to waive certain provisions of WEQ-001 relating to SAMTS and its request to the modify the *pro forma* language in WEQ-001, WEQ-002, and WEQ-003 relating to NITS, the Commission also required PJM to submit a compliance filing revising section 4.2 of its Tariff indicating the section(s) of the PJM Tariff that it relies on in place of those standards granted waiver.<sup>20</sup> However, this was not done. Instead of revising the PJM Tariff by including the specific tariff provisions that it relies on in place of each of those standards granted waiver related to SAMTS and NITS, PJM included a narrative of this information within its transmittal. These provisions should be included in section 4.2 of the PJM Tariff or provided as an

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<sup>19</sup> *Id.*

<sup>20</sup> May 18 Order, 151 FERC ¶ 61,141 at P 20.

attachment/addendum to section 4.2 where it can be readily accessed by PJM's customers and the Commission.

16. Next, PJM's incorporation by reference of WEQ-001 in section 4.2 of PJM's Tariff reflects a slight deviation from the *pro forma* language. Specifically, the word "on" has been omitted before "Dec. 12, 2012." We direct PJM to correct this error in its compliance filing.

17. Consistent with the foregoing determinations, we will require PJM to submit a compliance filing, within 60 days of the date of this order, to revise section 4.2 of its Tariff to include the section(s) of the PJM Tariff that it relies on in place of those standards granted waiver and to correct the error identified in section 4.2 above.

The Commission orders:

(A) PJM's compliance filing is hereby conditionally accepted, effective May 15, 2015, as discussed in the body of this order.

(B) PJM is directed to submit a compliance filing, within 60 days of the date of this order, as discussed in the body of this order.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.