

182 FERC ¶ 61,118
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Willie L. Phillips, Acting Chairman;
James P. Danly, Allison Clements,
and Mark C. Christie.

PJM Interconnection, L.L.C.

Docket No. ER22-1165-002

ORDER ON COMPLIANCE AND REQUEST FOR WAIVERS

(Issued February 23, 2023)

1. On March 2, 2022, as amended on October 27, 2022 and February 1, 2023, PJM Interconnection, L.L.C. (PJM) filed revised tariff records¹ to its Open Access Transmission Tariff (OATT), and a request for waivers to comply with the requirements of Order No. 676-J.² In Order No. 676-J, the Commission revised its regulations to incorporate by reference Version 003.3 of the Standards for Business Practices and Communication Protocols for Public Utilities (Business Practice Standards) adopted by the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board (NAESB) as mandatory enforceable requirements. The Commission required that public utilities make two compliance filings with the earlier filing incorporating the cybersecurity and Parallel Flow Visualization (PFV) standards included in Version 003.3.³ In this order, we accept PJM's revised tariff records for the cybersecurity and PFV standards, effective February 23, 2023, subject to an additional compliance filing submitted within 30 days of the date of this order, as described below, and grant PJM's request for waivers.

¹ PJM Interconnection, L.L.C., Intra-PJM Tariffs, 4.2, OATT 4.2 (9.0.0).

² *Standards for Bus. Pracs. & Commc'n Protocols for Pub. Utils.*, Order No. 676-J, 175 FERC ¶ 61,139 (2021).

³ *Id.* PP 49-50.

I. Background

2. On May 20, 2021, the Commission issued Order No. 676-J, which amended the Commission's regulations under the Federal Power Act⁴ to incorporate by reference the WEQ Version 003.3 of the Business Practice Standards adopted by NAESB.⁵ The NAESB Business Practice Standards are intended to standardize and streamline the transactional processes of the natural gas and electric industries, as well as the communication protocols and related standards designed to improve the efficiency of communication within each industry.⁶ The WEQ Version 003.3 Business Practice Standards also include newly created standards as well as modifications to existing standards developed through the NAESB Business Practice Standards development or minor correction processes.⁷

3. With respect to the cybersecurity standards, the WEQ Version 003.3 Business Practice Standards include revisions made to the Open Access Same-Time Information Systems (OASIS) Business Practice Standards, which are revisions related to the surety assessment on cybersecurity performed by the U.S. Department of Energy's Sandia National Laboratories.⁸ NAESB reported that the revisions strengthen the practices and cybersecurity protections established within the standards by aligning security requirements with other cybersecurity guidelines, mitigating potential vulnerabilities, and incorporating more secure communication and encryption methodologies.

4. With respect to the PFV standards, the WEQ Version 003.3 Business Practice Standards include additions, revisions, and reservations made to the WEQ-008 Transmission Load Relief (TLR) – Eastern Interconnection Business Practice Standards, which NAESB advises completes the standards development effort for the PFV enhanced

⁴ 16 U.S.C. § 791a, *et seq.*

⁵ Order No. 676-J, 175 FERC ¶ 61,139 at P 1. In Order No. 676-J, the Commission also revised its regulations to provide that transmission providers must avoid unduly discriminatory and preferential treatment in the calculation of Available Transfer Capability. *Id.* P 2.

⁶ *Id.* P 4.

⁷ *Id.* P 9.

⁸ *Id.* P 11. These revisions are in the WEQ-000, WEQ-001 and WEQ-002 Business Practice Standards. *Id.*, app. I – Standards Affected by the Revisions to Implement Recommendations Following Sandia's Surety Assessment on Cybersecurity.

congestion management process.⁹ The Commission explained that the PFV standards are designed to improve upon the congestion management procedures for the Eastern Interconnection through the use of real-time data in calculations for TLR obligations.

5. In Order No. 676-J, the Commission directed public utilities to make two compliance filings for the Version 003.3 Business Practice Standards. For the cybersecurity and PFV standards included in Version 003.3, the Commission directed public utilities to make a separate compliance filing with these revisions nine months after the publication of Order No. 676-J, with implementation required no sooner than three months after compliance filings are submitted to the Commission, for a total implementation period of at least 12 months from the issuance of Order No. 676-J.¹⁰ For the remainder of the revisions in Version 003.3, the Commission directed public utilities to make a separate compliance filing with these revisions 12 months after implementation of the WEQ Version 003.2 Standards, or no earlier than October 27, 2022, with an implementation date no earlier than three months following compliance filings submission (no earlier than January 27, 2023), resulting in a 15-month implementation period.¹¹

6. The Commission also stated that should any public utility that has previously been granted a waiver of the regulations believe that its circumstances warrant a continued waiver, the public utility may file a request for a waiver wherein the public utility can detail the circumstances that it believes warrant a waiver.¹² The Commission specified that in its request for continued waiver, the public utility must include the date, docket number of the order(s) previously granting the waiver(s), and an explanation for why the waiver(s) was initially granted by the Commission.

II. PJM's Filing

A. Proposed Standards

7. PJM proposes to incorporate certain cybersecurity standards and all of the PFV standards, incorporated by reference by the Commission in Order No. 676-J, into its OATT, and requests waiver of certain cybersecurity standards, as set forth below. PJM explains that the cybersecurity standards align public utility cybersecurity protocols and

⁹ *Id.* P 14.

¹⁰ *Id.* PP 49-50.

¹¹ *Id.* PP 48, 50.

¹² *Id.* P 51.

encryption methodologies with current best practices in the industry.¹³ PJM explains that the PFV standards modified the Eastern Interconnection Business Practice Standards to finalize standards that aid the PFV enhanced congestion management process.¹⁴ PJM states that in accordance with Order No. 676-J, it filed revised tariff records with an indeterminant effective date (12/31/9998).¹⁵

B. Request for Waivers

8. PJM requests continued waivers of certain cybersecurity standards, including standards related to: (1) Service Across Multiple Transmission Systems (SAMTS) in WEQ-001; (2) Network Integration Transmission Service (NITS) within WEQ-000, WEQ-001, and WEQ-002, which are designed to support the OASIS functionality associated with NITS; and (3) firm transmission service customers' right of preemption and right of first refusal in WEQ-001 and WEQ-002. PJM states that the Commission recently granted continued waiver of the standards related to SAMTS and NITS, and waiver of the standards related to firm transmission service customers' right of preemption and right of first refusal in its Order No. 676-I Compliance Order.¹⁶ PJM states that the Commission also granted waiver of the standards related to SAMTS and NITS in its Order No. 676-H Compliance Order.¹⁷ PJM states that there is good cause for the continued waivers because the same circumstances that warranted the waivers continue to exist.¹⁸

¹³ March 2, 2022 Transmittal at 3.

¹⁴ *Id.* at 4.

¹⁵ February 1, 2023 Transmittal at 5 (citing Order No. 676-J, 175 FERC ¶ 61,139 at P 51). PJM requests that the revised tariff records become effective on June 2, 2022, the earliest possible implementation date specified by Order No. 676-J. *Id.* at 5; *see infra* note 23. PJM states that this effective date would correspond to the June 2, 2022 effective date that was granted for the revisions to the Joint Operating Agreement between PJM and the Midcontinent Independent System Operator, Inc. (PJM-MISO JOA) to implement the PFV standards. *Id.* at 5 (citing *PJM Interconnection, L.L.C.*, Docket No. ER22-1163-000 (May 31, 2022) (delegated order) (*PJM*)).

¹⁶ October 27, 2022 Transmittal at 6-7, 9, 11-12 (citing *PJM Interconnection, L.L.C.*, 178 FERC ¶ 61,163, at PP 20-22 (2022) (Order No. 676-I Compliance Order)).

¹⁷ *Id.* at 8, 10 (citing *PJM Interconnection, L.L.C.*, 151 FERC ¶ 61,141, at PP 18-19 (2015) (Order No. 676-H Compliance Order)).

¹⁸ *Id.* at 9, 11-12, 14.

III. Notice and Responsive Pleadings

9. Notice of PJM's March 2, 2022 compliance filing was published in the *Federal Register*, 87 Fed. Reg. 12,945 (Mar. 8, 2022) with interventions and protests due on or before March 23, 2022. Timely motions to intervene were filed by Rockland Electric Company and American Electric Power Service Corporation (AEP).¹⁹

10. Notice of PJM's October 27, 2022 compliance filing was published in the *Federal Register*, 88 Fed. Reg. 2,908 (Jan. 18, 2023) with interventions and protests due on or before February 1, 2023. None was filed.

11. Notice of PJM's February 1, 2023 compliance filing was published in the *Federal Register*, 88 Fed. Reg. 8,273 (Feb. 8, 2023) with interventions and protests due on or before February 15, 2023. None was filed.

IV. Discussion

A. Procedural Matters

12. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2021), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

B. Substantive Matters

13. We accept PJM's Order No. 676-J revised tariff records for the cybersecurity and PFV standards, effective February 23, 2023,²⁰ grant the requested waivers, and direct

¹⁹ AEP filed its motion to intervene on behalf of its affiliates: Appalachian Power Company; Indiana Michigan Power Company; Kentucky Power Company; Kingsport Power Company; Ohio Power Company; Wheeling Power Company; AEP Appalachian Transmission Company, Inc.; AEP Indiana Michigan Transmission Company, Inc.; AEP Kentucky Transmission Company, Inc.; AEP Ohio Transmission Company, Inc.; and AEP West Virginia Transmission Company, Inc.

²⁰ In Order No. 676-J, the Commission stated that it would set an implementation date for the cybersecurity and PFV standards no sooner than 12 months after publication of Order No. 676-J in the *Federal Register*. Order No. 676-J, 175 FERC ¶ 61,139 at PP 49-50. Order No. 676-J was published in the *Federal Register* on June 2, 2021. We choose to set a common effective date of February 23, 2023 for all of the Order No. 676-J compliance filings, which is the issuance date of our orders accepting these compliance filings. Commission staff will reset the effective date for the tariff record in eTariff to

PJM to submit an additional compliance filing. In particular, we accept PJM's revised tariff records because they comply with the directives of Order No. 676-J, subject to the additional compliance filing discussed below.

14. We grant PJM's request for continued waivers of the cybersecurity standards related to: (1) SAMTS in WEQ-001; (2) NITS within WEQ-000, WEQ-001, and WEQ-002; and (3) firm transmission service customers' right of preemption and right of first refusal in WEQ-001 and WEQ-002, Version 003.3. We find that PJM has supported waiver of the foregoing standards for the reasons set forth in PJM's filing, and because the rationale used when the Commission previously granted these waivers has not changed. Therefore, consistent with the Commission's previous determinations in the Order No. 676-H Compliance Order²¹ and Order No. 676-I Compliance Order,²² and for good cause shown, we grant the requested waivers.²³

15. Finally, the first and second paragraphs of section 4.2 of PJM's OATT include citations to the previous orders granting PJM's waiver requests. Therefore, we require PJM to submit a compliance filing within 30 days of the date of issuance of this order to revise its tariff records to include the citation to this order granting the waiver requests.²⁴

The Commission orders:

(A) PJM's revised tariff records for the cybersecurity and PFV standards are hereby accepted for filing, effective February 23, 2023, subject to an additional compliance filing, as discussed in the body of this order.

(B) PJM's request for waivers is hereby granted, as discussed in the body of this order.

February 23, 2023. In *PJM*, the Commission accepted only the revisions to the PJM-MISO JOA effective June 2, 2022; it did not address PJM's revised tariff record at issue in this compliance filing.

²¹ Order No. 676-H Compliance Order, 151 FERC ¶ 61,141 at PP 18-19.

²² Order No. 676-I Compliance Order, 178 FERC ¶ 61,163 at PP 20-22.

²³ The Commission will address any waiver requests that go beyond the cybersecurity and PFV standards in Version 003.3 in the Commission's future orders that will address the second Order No. 676-J compliance filings concerning the remainder of the NAESB standards revisions in Version 003.3.

²⁴ For this compliance filing, we remind PJM to include a higher eTariff priority code for its revised tariff records effective February 23, 2023.

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(C) PJM is hereby directed to submit a compliance filing within 30 days of the date of issuance of this order, as discussed in the body of this order.

By the Commission.

(S E A L)

Debbie-Anne A. Reese,
Deputy Secretary.

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