

189 FERC ¶ 61,146
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Willie L. Phillips, Chairman;
Mark C. Christie, David Rosner,
Lindsay S. See and Judy W. Chang

PJM Interconnection, L.L.C.

Docket No. ER24-3135-000

ORDER ACCEPTING PROPOSED TARIFF RECORDS SUBJECT TO CONDITION

(Issued November 26, 2024)

1. On September 27, 2024, pursuant to section 205 of the Federal Power Act (FPA)¹ and Part 35 of the Commission's regulations,² PJM Interconnection, L.L.C. (PJM) filed proposed revisions to its Open Access Transmission Tariff (Tariff) and its Amended and Restated Operating Agreement (Operating Agreement) to allow Economic Load Response (ELR) Participants to specify a maximum down time that end-use loads may be curtailed and a minimum release time between load curtailments.³ While PJM expects the software updates to be completed before the end of the second quarter of 2025, PJM proposes an indeterminate effective date of December 31, 9998⁴ to ensure the software updates are completed and tested.⁵ As discussed below, we accept PJM's proposed revisions, to become effective December 31, 9998, subject to the condition that PJM submit a compliance filing within 60 days of the date of issuance of this order. We also require PJM to submit an informational filing notifying the Commission of the

¹ 16 U.S.C. § 824d.

² 18 C.F.R. pt. 35 (2024).

³ PJM Interconnection, L.L.C., Intra-PJM Tariffs, OATT ATT K APPX Sec 1.10, OATT Attachment K Appendix Sec 1.10 - Scheduling (51.0.0), OA Schedule 1 Sec 1.10, OA Schedule 1 Sec 1.10 - Scheduling (51.0.0).

⁴ See Federal Energy Regulatory Commission, Office of the Secretary, Implementation Guide for Electronic Filing, at 10-11 (August 2023), <https://www.ferc.gov/media/4911>.

⁵ Once the software updates are completed and tested, PJM commits to providing at least 30 days' notice to the Commission before the changes proposed herein are implemented.

actual effective date of the proposed Tariff and Operating Agreement revisions no less than 30 days before they become effective.

I. Filing

2. PJM states that its ELR Participant program provides an avenue for end-use customers within the PJM footprint to offer their load reductions into the PJM energy market. Specifically, PJM explains that it commits ELR Participants to curtail load in both the day-ahead energy market and the real-time energy market when the projected locational marginal price for energy will be greater than an ELR Participant's offer price, subject to parameter constraints.⁶ PJM also explains that its current Tariff and Operating Agreement allow ELR Participants to specify certain parameters, such as minimum down time and notification time, when they submit their energy offers. PJM states that its market clearing engine accounts for the submitted parameters when it commits resources as part of the energy market clearing process.⁷

3. PJM states that under its existing rules, however, ELR Participants do not have the ability to specify a maximum down time, i.e., the maximum amount of time that load may be curtailed, or a minimum release time, i.e., the minimum amount of time that must pass before load can be curtailed again after being dispatched in the same operating day.⁸ PJM adds that while ELR Participants currently may limit bid durations manually by marking a demand response resource as unavailable for specific times, this option is not scalable and can be error-prone. PJM also states that, because it clears all 24 hours of the day-ahead energy market simultaneously, it is not always feasible to use hourly availability to limit unit day-ahead unit commitment and dispatch.⁹

4. PJM, therefore, proposes revisions to Attachment K of its Tariff and Schedule 1 of its Operating Agreement to specify that ELR Participants may also include a maximum down time and minimum release time as part of their offer parameters.¹⁰ PJM's proposed revisions to its Tariff and Operating Agreement do not include definitions for these terms. In its transmittal, PJM defines "maximum down time" as "the maximum number of continuous hours for which a demand response offer can be committed and dispatched in

⁶ PJM Transmittal at 2.

⁷ *Id.* at 2–3.

⁸ *Id.* at 3.

⁹ *Id.*

¹⁰ *Id.* at 4 (noting that PJM proposes to amend Tariff, Attachment K-Appendix, section 1.10.1A(d) and the parallel provisions of the Operating Agreement, Schedule 1, section 1.10.1A(d) to effectuate this change).

the energy market.”¹¹ PJM defines “minimum release time” as “the minimum number of continuous hours that must elapse between the end of one demand response commitment and the next load curtailment commitment in the energy market.”¹² PJM notes that its stakeholders endorsed this proposal with no objection and no abstention at the PJM Members Committee meeting on September 25, 2024.¹³

5. PJM explains that providing ELR Participants with the option to include these two parameters would make PJM’s treatment of ELR Participants consistent with its treatment of generators, which may already specify their Maximum Run Time and Minimum Down Time offer parameters, as currently defined in the PJM Tariff.¹⁴ PJM notes that extending the ability to automate bid duration parameters to ELR Participants would allow for comparable treatment between ELR Participants’ resources and other generation resources.¹⁵

6. PJM highlights that its proposed revisions would not apply to demand resources that are committed in PJM’s capacity market and dispatched as emergency load response or pre-emergency load response. Because committed demand resources in the PJM capacity market “must be able to fully respond to a load management event within 30 minutes of notification” from PJM’s office of interconnection, PJM argues that it would be inappropriate to allow demand response that is committed in the capacity market to specify minimum release times or maximum down times, which could be contrary to their existing requirements.¹⁶

7. PJM requests that the Commission accept its proposed revisions on or before November 26, 2024.¹⁷ PJM states that this timing would allow sufficient time for PJM to develop the necessary software to accommodate the additional parameters that may be specified for ELR Participants. PJM also proposes a 12/31/9998 effective date for the proposed revisions, explaining that Commission acceptance of the proposed placeholder date would avoid PJM’s potentially needing to request amendments to a specific effective date, given uncertainty around the exact timeline for software development and testing.

¹¹ *Id.*

¹² *Id.*

¹³ *Id.* at 7.

¹⁴ *Id.* at 4–5.

¹⁵ *Id.* at 5.

¹⁶ *Id.* at 5–6.

¹⁷ *Id.* at 7.

PJM commits to providing at least 30 days' notice to the Commission once the software updates are complete before it implements the proposed Tariff changes.¹⁸

II. Notice of Filing and Responsive Pleadings

8. Notice of PJM's filing was published in the *Federal Register*, 89 Fed. Reg. 80554 (Oct. 3, 2024), with interventions and protests due on or before October 18, 2024. American Electric Power Service Corporation, Calpine Corporation, Dominion Energy Services, Inc., Monitoring Analytics, LLC, acting in its capacity as the Independent Market Monitor for PJM, and Rockland Electric Company each filed timely motions to intervene. No comments or protests were filed.

III. Discussion

A. Procedural Matters

9. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2024), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

B. Substantive Matters

10. We accept PJM's proposed Tariff and Operating Agreement revisions, to become effective with an effective date of December 31, 9998, as requested, subject to the condition that PJM make a compliance filing, as discussed below, to include in its Tariff the definitions for "maximum down time" and "minimum release time" that PJM proposes in its transmittal letter.¹⁹ PJM also must submit an informational filing²⁰ notifying the Commission of the actual effective date of the proposed Tariff and Operating Agreement revisions no less than 30 days prior to the date PJM implements the proposed Tariff and Operating Agreement revisions.²¹

¹⁸ *Id.*

¹⁹ See *NRG Power Mktg., LLC v. FERC*, 862 F.3d 108, 114-15 (D.C. Cir. 2017) (discussing the Commission's authority to propose modifications to a utility's FPA section 205 rate proposal).

²⁰ PJM is required to make an e-Tariff filing using code 150 to notify the Commission of the actual effective date.

²¹ Commission staff will update the eTariff records upon submission of the report filing.

11. We find that PJM's proposed revisions are just and reasonable because PJM proposes to provide ELR Participants with the flexibility to specify offer parameters that are equivalent to the offer parameters that generation resources are already allowed to submit to PJM. We agree with PJM that treating ELR Participants comparably with other resources is a reasonable approach to committing and dispatching ELR Participants in PJM's day-ahead and real-time energy markets.

12. PJM's proposed revisions, however, could lead to confusion because the new terms are contemplated by PJM to have different meanings from the ordinary usage of these terms as well as from existing terms that share similar names. First, PJM proposes in its transmittal letter to use the non-capitalized term "maximum down time" in the context of an ELR participant's load to mean the maximum number of continuous hours for which a demand response offer can be committed and dispatched in the PJM energy market. Maximum down time, however, ordinarily means the maximum number of hours a resource is unavailable and cannot be committed, rather than the number of hours it will operate.²² Second, PJM's currently effective Tariff uses the phrase "Minimum Down Time" with reference to the number of hours a unit will shut down, not the number of hours it will operate.²³ This existing definition of "Minimum Down Time" also matches PJM's proposed definition of "minimum release time" for ELR Participants almost word-for-word.

13. Accordingly, we accept the filing to become effective December 31, 9998, subject to the condition that PJM submit a compliance filing, within 60 days of the date of this order, to include in its Tariff and Operating Agreement the definitions for "maximum down time" and "minimum release time" that PJM proposed in its transmittal letter.²⁴

²² See, e.g., OA Schedule 1 Sec 6.6, OA Schedule 1 Sec 6.6 Minimum Generator Operating Parameters §(g) (10.0.0) (using "down time" to mean the time a unit is not available).

²³ The Tariff defines "Minimum Down Time" in the context of a generator's operation to mean "the minimum number of hours under normal operating conditions between unit shutdown and unit startup," for generating units that are not combined cycle units, and to mean "the minimum number of hours between the last generator breaker opening and after first combustion turbine generator breaker closure," for combined cycle units. PJM, Intra-PJM Tariffs, Open Access Transmission Tariff, Common Service Provisions, Definitions L-M-N (46.0.0).

²⁴ PJM in its transmittal letter proposes to define "minimum release time" as "the minimum number of continuous hours that must elapse between the end of one demand response commitment and the next load curtailment commitment in the energy market" and "maximum down time" as "the maximum number of continuous hours for which a demand response offer can be committed and dispatched in the energy market." PJM Transmittal at 4.

Docket No. ER24-3135-000

- 6 -

We find that PJM's doing so will eliminate confusion concerning the meaning of these terms. We also require PJM to submit an informational filing at least 30 days prior to the date on which these provisions will become effective.

The Commission orders:

(A) PJM's proposed Tariff and Operating Agreement revisions are hereby accepted, to become effective 12/31/9998, as requested, subject to the condition that PJM submit a compliance filing and an informational filing, as discussed in the body of this order.

(B) PJM is hereby directed to submit a compliance filing, within 60 days of the date of this order, and an informational filing, no less than 30 days before it will implement the proposed revisions, as discussed in the body of this order.

By the Commission.

(S E A L)

Carlos D. Clay,
Acting Deputy Secretary.

Document Content(s)

ER24-3135-000.docx.....1