1. On December 1, 2014, as revised on April 10, 2015, PJM Interconnection, L.L.C. (PJM) filed a compliance filing and a request for waivers in response to the compliance requirements of Order No. 676-H. Order No. 676-H revised the Commission’s regulations to incorporate by reference, with certain enumerated exceptions, the latest version (Version 003) 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. As discussed below, we conditionally accept PJM’s Compliance Filing, effective May 15, 2015, grant in part and deny in part the request for waivers, and direct PJM to make an additional compliance filing to be submitted within 60 days of the date of this order.

I. Background


Standards. In addition, in Order No. 676-H, the Commission listed, as guidance, NAESB’s Smart Grid Standards (Standards WEQ-016, WEQ-017, WEQ-018, WEQ-019 and WEQ-020) in Part 2 of the Commission’s Regulations but did not incorporate these standards by reference into its regulations.

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

4. In Order No. 676-H, the Commission explained that public utilities have a number of options with respect to compliance with Order No. 676-H. The Commission explained that public utilities can incorporate the complete set of NAESB standards into their tariffs without modification by submitting a compliance filing containing a single statement acknowledging their obligation to comply with Version 003 Business Practice Standards as specified in Part 38 of the Commission’s regulations as updated and revised.

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5 See id. P 1; Order No. 676-H Rehearing Order, 151 FERC ¶ 61,046 at P 2 (citations omitted).


9 See id. PP 87-88, 95.
Alternatively, public utilities may incorporate the complete set of Version 003 Business Practice Standards into their tariffs, without modification, if they so choose. The Commission also indicated that a public utility can file a request for waivers of specific provisions, along with its reasons supporting the request.

5. The Commission required public utilities to make compliance filings by December 1, 2014 in order to achieve compliance with the incorporated Version 003 Business Practice Standards by February 2, 2015. Subsequently, the February 2, 2015 deadline was extended to May 15, 2015.

6. On April 16, 2015, the Commission issued the 676-H Rehearing Order, which addressed various requests for rehearing of Order No. 676-H. With respect to entities seeking waivers of certain NAESB WEQ standards, the Commission clarified that:

    [r]equiring a public utility to file (and the Commission to process) a waiver request for standards that on their face specifically state [that they] are only applicable to entity groups that the potential waiver requestor does not belong to is an unnecessary expenditure of time and effort for both the potential waiver requestors and the Commission, since the standard itself makes clear to whom it applies.

Thus, the Commission stated that, going forward, any request for waivers of standards that by their terms do not apply to an entity potentially requesting waivers during the time frame the standards are effective would be dismissed as unnecessary.

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10 See id. P 89.

11 See id. P 88.

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


15 Id. P 19.
II. **PJM’s Compliance Filing**

7. To comply with Order No. 676-H, PJM states that it is amending section 4.2 of its Open Access Transmission Tariff (Tariff) to incorporate, by reference, the Business Practice Standards. The revised section 4.2 identifies Version 003 Business Practice Standards approved by the Commission and set forth in paragraph 89 of Order No. 676-H (and as updated in an Errata Notice issued by the Commission on October 3, 2014\(^\text{16}\)), to the extent not otherwise applicable in accordance with the waiver request submitted in this filing.\(^\text{17}\)

A. **Request for Waiver of WEQ-001**

8. PJM seeks a waiver of the standards related to SAMTS in WEQ-001 by modifying the pro forma language adopted by the Commission to incorporate by reference WEQ-001 “excluding Standards 001-9.5, 001-10.5, 001-14.1.3, 001-15.11, and 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 . . .”.\(^\text{18}\)

9. PJM maintains that the proposed modification is needed to recognize its departure from the Version 003 Business Practice Standards related to SAMTS. PJM states that SAMTS Business Practice Standards were developed to provide a process for customers to complete cross-regional transactions and included modifications to WEQ-000, WEQ-001, WEQ-002, WEQ-003 and WEQ-013, which collectively were designed to address the coordination of point-to-point transmission service and/or network transmission service requests across multiple transmission systems. Recognizing the benefit to customers of a consistent approach across transmission providers, PJM proposes to implement the intent of SAMTS essentially as prescribed in the Business Practice Standards, but with minor exceptions which are intended to address, in part, the adverse effect on the timeline to evaluate short-term transmission service requests.

10. PJM states that, because of its automated approval process, the 24-hour period established by SAMTS Business Practice Standards, as adopted, could hinder PJM’s ability to timely evaluate a specific request, or any other subsequent requests, for service. To eliminate this impact, PJM proposes to evaluate SAMTS transactions without delay using an approach that is consistent with PJM’s current processes and procedures and

\(^{16}\) *See supra* note 2.

\(^{17}\) PJM December 1, 2014 Compliance Filing at 2-3.

\(^{18}\) *Id.*, Attachment A at 1.
closely aligns with the adopted SAMTS evaluation process.\textsuperscript{19} PJM indicates that its approach results in an added benefit to customers, permitting them to receive automated transaction evaluation which allows them to make business decisions without paying for service that could not be secured on another transmission system. Accordingly, PJM believes that its SAMTS processes meet the intent of the SAMTS Business Practice Standards and, in many ways, are superior to the design components of WEQ-001-23. Therefore, PJM requests that the Commission recognize PJM’s close alignment between its existing processes and the approved SAMTS Business Practice Standards, while also recognizing that its slight deviations from the approved processes are “superior to or consistent with” those standards.\textsuperscript{20}

11. If PJM’s request for waiver of WEQ-001 is denied, PJM requests an additional twelve months to comply with the SAMTS Business Practice Standards. PJM states that the additional time would allow PJM to make the necessary software updates to comply with the as-filed requirements.

B. **Request for Waivers of WEQ-000, WEQ-001, WEQ-002 and WEQ-003**

12. PJM explains that NITS allows a network customer to integrate, economically dispatch and regulate its current and planned network resources in a manner comparable to the way a transmission provider uses its transmission system to serve its native load customers. The Version 003 Business Practice Standards included standards related to NITS within WEQ-000, WEQ-001, WEQ-002, and WEQ-003, which are designed to support the OASIS functionality associated with NITS.\textsuperscript{21} However, PJM requests waivers of these requirements by modifying the pro forma language to incorporate these standards by reference: “[t]o the extent not inconsistent with Transmission Provider’s current Network Integration Transmission Service (NITS) practices and procedures.”\textsuperscript{22}

13. PJM indicates that its Commission-approved Regional Transmission Expansion Program, its capacity market model, and its wholesale energy market processes govern both the study and commitment of internal and external network resources and load designations as contemplated in the NITS Business Practice Standards in an open and nondiscriminatory manner.\textsuperscript{23} As such, PJM’s current practices relative to NITS adhere to

\textsuperscript{19} Id. at 3-4.

\textsuperscript{20} Id. at 4.

\textsuperscript{21} Id. at 4.

\textsuperscript{22} Id., Attachment at 1.

\textsuperscript{23} Id. at 4.
the principles established in the Order No. 890 series of orders and the NITS Business Practice Standards adopted in Order No. 676-H. While the exact methods of posting and evaluating the designation/un-designation of network resources and loads may not match the exact requirements of Version 003 Business Practice Standards, PJM offers that it meets, and even exceeds, the intent of those requirements.

14. PJM states that its planning process and capacity procurement methods, taken together, analyze the network resources and load requirements for PJM on an ongoing, regional basis rather than evaluating specific resources to a specific load. PJM maintains that the designation and un-designation of network resources and load is done utilizing eRPM and associated PJM capacity and market rules, rather than utilizing OASIS templates. Thus, PJM requests that the Commission acknowledge that PJM’s practices with regard to NITS are superior to or consistent with the Version 003 Business Practice Standards and, as a result, PJM is not required to adopt, by reference, the Version 003 Business Practice Standards in WEQ-000, WEQ-001, WEQ-002, and WEQ-003 of the PJM Tariff.

III. Notice and Responsive Pleadings

15. Notice of PJM’s December 1, 2014 Compliance Filing was published in the Federal Register, 79 Fed. Reg. 73,061 (2014), with interventions and protests due on or before December 22, 2014. None were filed.

16. Notice of PJM’s April 10, 2015 Compliance Filing was published in the Federal Register, 80 Fed. Reg. 20,488 (2015), with interventions and protests due on or before May 1, 2015. None were filed.

IV. Discussion

17. We find that PJM’s Compliance Filing, absent the request for waivers of certain Version 003 Business Practice Standards, satisfactorily complies with the Commission’s directives set forth in Order No. 676-H. Therefore, we conditionally accept PJM’s Compliance Filing, effective May 15, 2015, and direct PJM to file a further compliance filing, as discussed below.

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24 PJM notes that eRPM “is PJM’s internet-based application used by market participants to submit resource-specific sell offers or buy bids into PJM’s [Reliability Pricing Model] auctions.” Id. at 5 n.9.

25 Id. at 5-6.
18. As indicated in Order No. 676-H, PJM may request and show good cause for the Commission to grant waiver of specific Business Practice Standards.\textsuperscript{26} PJM explains that the standards addressing SAMTS in WEQ-001 may cause delays in evaluating transmission service requests with no discernable benefit to customers. We find that PJM’s processes and procedures are closely aligned with the adopted SAMTS evaluation process. Therefore, we grant the requested waiver and direct a further compliance filing as discussed below.

19. With regard to the Version 003 Business Practice Standards related to NITS within WEQ-001, WEQ-002, and WEQ-003, we find 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, we find that through the provisions relating to the integration and dispatch of network resources that are part of PJM’s overall approved Tariff and market design, PJM has shown good cause for waiver of the adopted Version 003 Business Practice Standards. Therefore, we grant the requested waivers of WEQ-001, WEQ-002, and WEQ-003. However, we deny 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. We also direct a further compliance filing as discussed below.

20. 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.

21. Finally, we direct PJM to include in its compliance filing Tariff revisions to address the clerical errors in section 4.2 of the PJM Tariff, as listed in the Appendix.

The Commission orders:

(A) PJM’s request for waivers is hereby granted in part and denied in part, as discussed in the body of this order.

(B) PJM’s compliance filing is hereby conditionally accepted, as discussed in the body of this order.

\textsuperscript{26} See Order No. 676-H, FERC Stats. & Regs. ¶ 31,359 at P 66.
(C) PJM is hereby directed to submit a further compliance filing within 60 days of the date of the issuance of this order, as discussed in the body of this order.

By the Commission.

(SEAL)

Nathaniel J. Davis, Sr.,
Deputy Secretary.
Appendix

In the first sub-paragraph of section 4.2, relating to WEQ-000: 1) insert a comma after “Abbreviations” and delete the first “and” in the 3rd line; and 2) correct “NASEB” to read “NAESB” in the 4th line.

In the third sub-paragraph of section 4.2, relating to WEQ-002: 1) correct “Systems” to read “System” in the 2nd line; and 2) correct “Communications” to read “Communication” in the 3rd line.

In the fourth sub-paragraph of section 4.2, relating to WEQ-003, correct “Systems” to read “System” in the 2nd line.

In the fifth sub-paragraph of section 4.2, relating to WEQ-004, insert a comma after “Interchange” in the 1st line.

In the eleventh sub-paragraph of section 4.2, relating to WEQ-0012, replace “(with” with “as modified by NAESB” in the 1st line.

In the twelfth sub-paragraph of section 4.2, relating to WEQ-013, correct “Systems” to read “System” in the 1st line.