



**MC Legal Report
Summary of Significant Filings, Legal Activity
and
Federal Energy Regulatory Commission (Commission) and Court Orders
(March 13, 2021 – April 9, 2021)**

ORDERS

On April 9, 2021, the Commission granted PJM's motion requesting an extension of the deadline to submit PJM's Order No. 2222 compliance filing, relating to the participation of distributed energy resource aggregations in PJM markets. The new deadline for PJM to submit its Order No. 2222 compliance filing is February 1, 2022. (RM18-9)

On March 31, 2021, the Commission issued an Order Denying Petition for Declaratory Order filed May 3, 2019 by Generation Owners seeking guidance on the Commission's cost-based methodology to compensate generators for Reactive Supply and Voltage Control from Generation or Other Sources Service (Reactive Supply) under PJM Tariff, Schedule 2. The Commission found that these issues are more appropriately resolved on a case-by-case basis based on the facts of the individual cases, and referenced its ruling in the Panda Stonewall Reactive Supply case as guidance for generators. (EL19-70)

On March 31, 2021, the Commission issued a Notice of Complaint filed by Jackson Generation, LLC requesting that PJM change its calculation of its unit-specific offer under the Minimum Offer Price Rule (MOPR) under PJM's Reliability Pricing Model (RPM) rules for the Base Residual Auction (BRA) for the 2022/2023 Delivery Year. The Answer/Comments due date is **April 15, 2021**. The executive sponsor is Stu Bresler. (EL21-62)

On March 31, 2021, the Commission accepted a request for limited waiver of certain deadlines related to its deficiency review requirements of New Service Requests. The Commission directed PJM to submit an informational filing within 45 days of the date of the order, May 17, 2021, to update the Commission on the stakeholder review of PJM's deficiency review Tariff provisions unless relevant Tariff revisions are filed with the Commission prior to the due date for the informational filing. (ER21-1016)

On March 23 - 24, 2021, the Commission held a Technical Conference on Resource Adequacy in the Evolving Electricity Sector focused primarily on PJM's capacity market and MOPR in particular. On April 5, 2021, the Commission issued a notice inviting post-technical conference comments related to MOPR. Initial comments are due on **April 26, 2021**. (AD21-10)

On March 18, 2021, the Commission issued an order granting complaints from the Independent Market Monitor and various consumer advocates. In the order, the Commission concluded that the existing Market Seller Offer Cap is unjust and unreasonable and invited parties to submit briefs on the appropriate remedy within 45 days of the date of this order, i.e. **May 3, 2021**. The Commission also expressly stated that the upcoming May 2021 BRA will not be delayed or impacted by this order. (EL19-47 and EL19-63)

On March 18, 2021, the Commission issued an order granting Hollow Road Solar's petition for declaratory order finding that the Virginia tax abatement statute does not constitute a state subsidy under the MOPR. (EL21-35)



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FILINGS

On April 7, 2021, PJM filed proposed revisions to PJM Tariff, Schedule 6A to clarify and rationalize the requirements for Black Start Units, including testing requirements, substitution provisions, involuntary termination rules, and the Minimum Tank Suction Level (MTSL) calculation. In addition, PJM proposed Tariff revisions to provide for transparency and annual updates to the Capital Recovery Factor (CRF) component of Black Start Service payments for units that require new or additional capital investment, and a commitment period for Black Start Units electing to recover new or additional Black Start Capital Costs based on the life of the Black Start Equipment. The CRF and lifetime commitment revisions will apply only to Black Start Units selected after the effective Date of the Tariff changes. PJM requested a June 6, 2021, effective date for the proposed Tariff revisions. (ER21-1635)

On April 7, 2021, PJM nominated Mike Bryson as panelist for the Commission-hosted Climate Change, Extreme Weather, and Electric System Reliability Technical Conference to be held **June 1-2, 2021**. (AD21-13)

On April 6, 2021, PJM and PJM Settlement (collectively PJM) submitted an informational filing, in compliance with the Commission's directive in its February 5, 2021 Order allowing PJM to waive PJM Operating Agreement, section 15.1.5 to allow Panda Stonewall LLC (Panda Stonewall) to continue participating in the PJM Markets to secure additional revenue to satisfy a PJM Collateral Call. PJM advised that it has retained the amount of Collateral that was necessary to satisfy PJM's Collateral Call, and will continue to withhold an additional amount each month as Collateral until Panda Stonewall's reactive rate proceeding in Docket No. ER17-1821 is resolved and any refund obligation is satisfied, or Panda Stonewall directs any Collateral that is in excess of any other Collateral obligation of Panda Stonewall to be used to satisfy the refund obligation. (ER21-972)

On April 5, 2021, PJM filed comments in the border rate proceeding in response to Presiding Administrative Law Judge, the Honorable Patricia M. French's April 2, 2021 order directing responses from participants regarding the need for an additional prehearing conference. (ER19-2105-003)

On April 1, 2021, PJM submitted proposed revisions to the PJM Tariff and PJM Operating Agreement relating to the use of Real Time Values. PJM is seeking an effective date of June 1, 2021 for the proposed revisions. (ER21-1591)

On March 24, 2021, PJM filed an answer to comments filed in response to PJM's February 16, 2021 compliance filing in the fast-start pricing proceeding. (ER19-2722-003)

On March 22, 2021, PJM filed its Reply Memorandum on the scope of issues subject to evidentiary hearing in the border rate proceeding. PJM generally supported the PJM Transmission Owners comments on scope as set forth in their initial comments and limited its Reply Memorandum to two issues. First, PJM argued that the scope of the evidentiary hearing does not require a review of all projects approved under the PJM



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Regional Transmission Plan to select only certain Transmission Facilities for inclusion in the Border Rate. Second, PJM argued that the scope of hearing does not include whether the maximum rate for non-firm Border Service should be equivalent to the rate for firm Border service. (ER19-2105-003)

On March 22, 2021, PJM filed comments generally in support of the Commission's proposal, with certain exceptions, in response to the NOPR on transmission line ratings. In the NOPR, the Commission proposes to require: (1) transmission providers to implement ambient-adjusted ratings on their transmission lines; (2) RTOs/ISOs to establish and implement the systems and procedures necessary to allow transmission owners to electronically update transmission line ratings at least hourly; and (3) transmission owners to share transmission line ratings and transmission line rating methodologies with their respective transmission providers and, in RTOs/ISOs, relevant market monitor(s). (RM20-16)

On March 22, 2021, PJM submitted a response to the Commission's February 18, 2021 deficiency notice regarding PJM's December 23, 2020 filing of amendments to the PJM Tariff, Schedule 12-Appendix and Schedule 12-Appendix A to provide updated annual cost allocations for Regional Facilities and Necessary Lower Voltage Facilities included in the PJM Regional Transmission Expansion Plan. (ER21-726-001)

On March 19, 2021, Respondent - Intervenors (PJM, along with nine PJM Transmission Owners and six state public utility commissions) filed a Final Joint Brief in the D.C. Circuit Court of Appeals proceeding addressing the appeal filed by Linden VFT and Long Island Power Authority regarding cost allocation to merchant transmission of prior period costs covered by the contested settlement in FERC Docket No. EL05-121 (*i.e.*, the Regional Cost Allocation Settlement). (Case No. 20-1033, consolidated with Case Nos. 20-1035 and 20-1273)

On March 15, 2021, PJM filed comments in response to the February 12, 2021 Southeast Energy Exchange Market Agreement (Southeast EEM Agreement) filed by Alabama Power Company, et al., on February 12, 2021, to establish a new voluntary electronic trading platform designed to enhance the existing bilateral market in the Southeast. PJM stated, among other things, that it does not anticipate any negative impacts to the PJM bulk power system as a result of the Southeast EEM Agreement and will work with the Southeast EEM to establish a process to analyze the impacts of flows on each other's bulk power systems in the future. (ER21-1111)

On March 15, 2021, PJM filed a Motion and Initial Memorandum for issuance of an order determining the scope of the evidentiary hearing in the Border Rate matter before Administrative Law Judge John P. Dring. (ER19-2105)