

MC Legal Report
Summary of Significant Filings, Legal Activity and
Federal Energy Regulatory Commission (Commission) and Court Orders
(January 20, 2023 – February 13, 2023)

ORDERS

On February 6, 2024, in Docket No. ER24-98-000, et al., the Commission issued an order rejecting PJM's proposed changes designed to enhance rules related to the Market Seller Offer Cap, update Capacity Performance, and adopt a forward looking energy and ancillary service offset.

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On February 1, 2024, in Docket No. ER21-1635-006, the Order of Chief Judge Granting Motion to Implement Settlement Rates on an Interim Basis was issued (Order). The Order grants PJM's Unopposed Motion to Place Settlement Rates into Effect on an Interim Basis, Waiver of Answer Period, and Request for Expedited Treatment to place the Black Start Service Capital Recovery Factor (CRF) proceeding settlement rates into effect on an interim basis as of January 1, 2024. The interim Settlement Rate shall remain in effect pending consideration of the Settlement filed to resolve the issues in the Black Start CRF rate proceeding, Docket No. EL21-91-003. and will be subject to refund or surcharge pending the outcome of that proceeding.

On January 31, 2024, in Docket No. ER23-1784, FERC issued a letter order accepting PJM's filing submitted on January 9, 2024 in compliance with the Commission's October 26, 2023 Order on Compliance and Request for Waivers ("Compliance Filing"). The Compliance filing amended the PJM Tariff, section 4.2 to revise the first and second paragraphs of Tariff, section 4.2, to add to the current list of citations to orders granting waivers a citation to the October 26 Order. This proceeding concerns modifications to the Tariff to incorporate by reference the North American Energy Standards Board ("NAESB") Wholesale Electric Quadrant ("WEQ") Business Practice Standards revisions that were adopted in Order No. 676-J. Consistent with the October 26 Order, the Tariff revisions are effective as of February 1, 2024.

On January 23, 2024, in Docket No. ER24-686-000, the Commission accepted PJM/NYISO's proposed revisions to the JOA. The revisions clarify the existing definition of "Other Coordinated Flowgate", enhance the description of IROLs and streamline the process for updating the list of interconnection facilities. There were no comments or protests to the filing and the revisions are effective February 14, 2024, as requested.

On January 30, 2024, in Docket No. ER24-99-000 and ER24-99-001, the Commission accepted PJM's proposed capacity market reforms designed to support reliability of the electric grid amid increasingly extreme weather and a changing generation fleet. The enhancements in this filing are effective December 12, 2023.

On January 30, 2024, in Docket No. ER24-321-000, the Commission issued an order accepting PJM's proposed revisions to PJM Tariff, Schedule 12-Appendix A, to incorporate cost responsibility assignments for 3 baseline upgrades in the recent update to the Regional Transmission Expansion Plan approved by the PJM Board of Managers on October 3, 2023. PJM's revisions become effective date of January 31, 2024.

On January 30, 2024, in Docket No. ER24-99-000 and ER24-99-001, the Commission accepted PJM's proposed capacity market reforms designed to support reliability of the electric grid amid increasingly extreme weather and a changing generation fleet. The enhancements in this filing are effective December 12, 2023.

On January 30, 2024, in Docket No. ER24-99-000 and ER24-99-001, the Commission accepted PJM's proposed capacity market reforms designed to support reliability of the electric grid amid increasingly extreme weather and a changing generation fleet. The enhancements in this filing are effective December 12, 2023.

On January 30, 2024, the Commission issued a letter order accepting the filing PJM submitted in Docket No. ER24-804-000, submitted on behalf of Potomac-Appalachian Transmission Highline, LLC (PATH) and its operating companies PATH Allegheny Transmission Company, LLC and PATH West Virginia Transmission Company, LLC a Notice of Cancellation of Attachments H-19, H-19A, and H-19B to the PJM Interconnection, L.L.C. Open Access Transmission Tariff. (Notice of Cancellation). PATH's requested Notice of Cancellation will be effective January 10, 2024.

On January 25, 2024, in Docket No. ER22-2201-001, the Commission issued a letter order accepting the filing by PJM on behalf of Delmarva Power & Light Company of an executed, uncontested Settlement Agreement resolving, upon the Commission's approval, all issues in Docket No. ER22-2201 and all sub-dockets thereto. Delmarva Power & Light Company's requested Settlement Agreement becomes effective as of September 1, 2022 and Delmarva, in conjunction with PJM is directed to make a compliance filing with revised tariff records in eTariff format, within 30 days of this order, to reflect the Commission's action in this order.

On January 19, 2024, in Docket No. ER24-461-000, the Commission issued an order accepting PJM's revisions to the PJM Tariff related to the Peak Market Activity credit requirement. The revisions allow PJM to establish collateral requirements in a manner more closely correlated to credit risk and strike a reasonable balance between protecting PJM's markets and its members against the risk of default and ensuring that market participants have adequate flexibility to manage their collateral requirements. PJM's revisions become effective as of January 22, 2024.

FILINGS

On February 12, 2024, in Docket No. ER24-1242-000, PJM submitted a request for prospective waiver and expedited Commission action to delay the Base Residual Auction associated with the 2025/2026 Delivery Year by 35 days, along with a delay of the associated pre-auction deadlines. PJM requested a shortened five-day comment period to expedite consideration of this waiver request and issuance of a Commission order by February 26, 2024.

On February 8, 2024, in Docket No. ER24-976-000, PJM filed a protest in response to the January 18, 2024 Waiver Request filed by Prairie Creek Wind, LLC (Prairie Creek), seeking waiver of Tariff, Part VII, Subpart A, section 301(A)(7)(b) to allow Prairie Creek to obtain an Engineering and Procurement Agreement in advance of the time permitted under the Tariff. In the protest PJM stated Prairie Creek had not satisfied the Commission's requirements for granting Tariff waivers or demonstrated that its Waiver Request should be granted, and the Commission therefore should deny its request.

On February 7, 2024, in Docket No. ER24-8-001, PJM submitted to the Commission a Motion for Leave to Answer and Answer to the comments submitted on January 23, 2024, and the answer submitted on February 1, 2024, by EDF Renewables, Inc. against PJM's response to the Commission's letter requesting additional information concerning certain service agreements and PJM's informational filing concerning the interconnection process transition, respectively.

On February 7, 2024, in Docket No. ER22-910-04, PJM submitted on behalf of Rockland Electric Company (RECO) a refund report in compliance with the Commission's October 24, 2023 order.

On February 6, 2024, in Docket No. ER24-786-000, PJM submitted its Motion for Leave to Answer and Limited Answer to the Protest of Long Island Power Authority and Neptune Regional Transmission System, LLC (jointly, the Protesters) to PJM's 2024 RTEP Update Filing revising Schedule 12-Appendices to update responsibility for cost allocations consistent with each zone's annual peak load and updated solution-based DFAX analysis for projects

scheduled to enter service in 2024 or projects in-service. In its Answer, PJM requested that the Commission reject the Protest and accept the Tariff revisions proposed in the 2024 Update Filing, effective January 1, 2024.

On February 5, 2024, in Docket Nos. ER22-957-000 and EL22-26-000 (not consolidated), PJM submitted its eighth informational update to provide the Commission with the most updated congestion pattern information on the Northern Neck Peninsula.

On February 2, 2024, in Docket No. ER24-1187-000, PJM submitted an executed State Agreement Approach Study Agreement (SAA 2.0 Study Agreement), between PJM and the New Jersey Board of Public Utilities, designated as Service Agreement No. 7156, to implement the State Agreement Approach process in Operating Agreement, Schedule 6, section 1.5.9. PJM requests a January 3, 2024 effective date for the Agreement, or if that date is not granted, PJM alternatively requests an effective date of February 3, 2024.

On February 2, 2024, in Docket Nos. ER22-2931-000 and EL24-26-000, the Commission issued a letter order extending the deadline for (1) submitting a response to the paper hearing question, and (2) PJM to respond to the show cause directive, for 60 days to and including April 2, 2024. The due date for comments on the response to the paper hearing question is similarly extended for 60 days to and including May 2, 2024.

On February 1, 2024, in Case Nos. 20-1372, 20-1373, 20-1374, and 21-1117 at the U.S. Court of Appeals for the District of Columbia Circuit, PJM submitted a response in support of the motion to vacate the court's August 23, 2021 voluntary remand order related to the appeals of FERC's reserve price formation order.

On January 31, 2024, in Docket Nos. ER22-2931-000 and EL24-26-000, PJM filed an answer to the January 26, 2024 answer of Copenhagen Infrastructure Partners Inc. (CIP) opposing PJM's January 19, 2023 motion to hold the Docket Nos. ER22-2931-000 and EL24-26-000 proceedings in abeyance. PJM stated that the Commission should reject the relief sought by CIP, and grant PJM's request to hold the proceedings in abeyance, for the reasons stated in PJM's January 19, 2024 motion.

On January 31, 2024, in Docket No. ER13-198-000, PJM submitted for filing consistent with the PJM Operating Agreement, Schedule 6, section 1.5.8(m)(1), the 2024 informational report that includes: (i) Appendix A - a list of Immediate-need Reliability Projects approved by the PJM Board of Managers in 2023 for which an existing incumbent transmission owner was selected as the designated entity; and (ii) Appendix B - a status update listing the Immediate-need Reliability Projects included in the 2023 informational report filed in this docket.

On January 31, 2024, in Docket No. EL21-91-003, PJM filed a letter notifying all the parties in the Black Start Service Capital Recovery Factor (CRF) rate proceedings that PJM filed (i) in Docket No. ER21-1635-005 a Settlement Agreement and Offer of Settlement that would resolve all issues concerning the Black Start Service Capital Recovery Factor set for hearing in Docket No. EL21-91-003; and (ii) in Docket No. ER21-1635-006 an Unopposed Motion to Place Settlement Rates into Effect on an Interim Basis, Waiver of Answer Period, and Request for Expedited Treatment to place the Black Start CRF settlement rates into effect on an interim basis as of January 1, 2024.

On January 31, 2024, in Docket No. ER21-1635-006, in the Black Start Service Capital Recovery Factor rate proceedings PJM filed an Unopposed Motion to Place Settlement Rates into Effect on an Interim Basis, Waiver of Answer Period, and Request for Expedited Treatment to place the settlement rates into effect on an interim basis as of January 1, 2024.

On January 31, 2024, in Docket No. ER21-1635-005, PJM filed a Settlement Agreement and Offer of Settlement that would resolve all issues concerning the Black Start Service Capital Recovery Factor set for hearing in Docket No. EL21-91-003.

On January 31, 2024, in Docket No. ER21-1635-006, in the Black Start Service Capital Recovery Factor rate proceedings PJM filed an Unopposed Motion to Place Settlement Rates into Effect on an Interim Basis, Waiver of Answer Period, and Request for Expedited Treatment to place the settlement rates into effect on an interim basis as of January 1, 2024.

On January 31, 2024, in Docket No. ER21-1635-005, PJM Interconnection, L.L.C. filed a Settlement Agreement and Offer of Settlement that would resolve all issues concerning the Black Start Service Capital Recovery Factor set for hearing in Docket No. EL21-91-003.

On January 29, 2024, in Case No. D-1-GN-22-000396, PJM Interconnection, L.L.C. v. Hill Energy Resource & Services, et. al. in the District Court of Travis County, Texas, PJM filed a motion to dismiss for lack of jurisdiction the breach of contract claim of Hill Energy Resource & Services, LLC.

On January 29, 2024, in Docket No. ER24-284-000, PJM filed a supplemental filing to the record to comply with the Commission's December 18, 2023 Letter Order accepting revisions to the Tariff, OA and RAA in connection with the integration of FirstEnergy Pennsylvania Electric Company (FE PA), and Keystone Appalachian Transmission Company into PJM as a result of FirstEnergy Corp.'s internal corporate reorganization. This filing provides the Commission with the effective date of January 1, 2024, the date of the consummation of the FE PA transaction and effective date of the revisions already accepted by the Commission.

On January 29, 2024, in Docket No. ER24-285-000, PJM filed a supplemental filing to the record to comply with the Commission's December 18, 2023 Letter Order accepting revisions to the CTOA, in connection with the integration of FirstEnergy Pennsylvania Electric Company (FE PA), and Keystone Appalachian Transmission Company into PJM as a result of FirstEnergy Corp.'s internal corporate reorganization. This filing provides the Commission with the effective date of January 1, 2024, the date of the consummation of the FE PA transaction and effective date of the revisions already accepted by the Commission.

On January 25, 2024, in Docket No. EL24-8-000, PJM Interconnection, L.L.C. electronically submitted to FERC a supplement to the answer originally filed on November 30, 2023 in response to the complaint filed by Elevate Renewables F7, LLC and Parkway Generation Operating LLC on October 31, 2023. Consistent with FERC's eService requirement, an electronic copy of today's filing is attached.

On January 22, 2024, in Docket No. ER24-99-000, PJM submitted a Limited Answer to oppose the Motion to Lodge of LS Power Development, LLC filed in the capacity market reform docket.