



Gas Contingencies Cost Recovery

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Action Required	Deadline	Who May Be Affected
Comments/Revisions Requested	09/4/2019	All stakeholders

Below the table, three circular icons are positioned: a blue flag icon on the left, a green calendar icon with the number 10 in the center, and an orange ear icon on the right.

Gas Contingencies Operating Instruction

- In December, 2017, stakeholders endorsed revisions to PJM Manuals 03 and 13 to address issuance of Operating Instructions (as defined by NERC) for gas contingencies that could result in switching fuel types (e.g., gas to oil) or fuel sources (e.g., alternate pipeline).

Problem Statement to Develop Compensation

- In January, 2018 stakeholders endorsed a Problem Statement & Issue Charge to develop a compensation mechanism for costs incurred by Market Sellers taking actions to follow a Gas Contingencies Operating Instruction.

Compensation Proposal

- In December, 2018, stakeholders endorsed a compensation proposal that defined specific costs to be filed with FERC for acceptance. PJM filed its proposal on December 21, 2018 in Docket No. ER19-664. On February 21, 2019, the Commission rejected PJM's filing without prejudice (166 FERC ¶ 61,115).

Objective 1

- Explicitly state the “conditions or events” impacting natural gas (as opposed to electric) infrastructure that would lead PJM to issue a switching instruction.
 - Paragraphs (i), (ii)

PJM will commit to analyze, assess, and address through a stakeholder process whether adequate compensation exists for any future operating instructions associated with fuel switching that fall outside of the criteria established in this tariff filing. Such analysis will also consider the mechanisms through which such compensation shall be obtained.

Objective 2

- Replace the defined cost buckets with a direct “but for” test to encompass all costs that would not have been incurred “but for” the generator’s compliance with the switching instruction.
 - Paragraph (iii)

Objective 3

- Incorporate by reference all potentially applicable gas tariffs/rate schedules/contracts in the PJM Region, and use this incorporation as the basis for ensuring applicable pipeline/LDC authorization.
 - Paragraphs (iv), (v)

Objective 4

- Respect the penalty structure of each potentially applicable gas tariff/rate schedule/contract in the PJM Region.
 - Paragraphs (iv), (v)

	MIC	MRC	MC
First Read	8.7.19	8.22.19	
Endorsement	9.11.19	9.26.19	9.26.19

Filed at FERC	10.15.19
Effective	12.15.19

- Please send comments/revisions to:

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