



2750 Monroe Boulevard
Audubon, PA 19403

Michael Bryson
Vice President, Operations

May 14, 2018

Re: *Continued Provision of Essential Reliability Service, Primary Frequency Response*

Dear Generator Owner:

PJM is writing this letter in response to recent statements from generator owners suggesting that—based upon the Federal Energy Regulatory Commission’s (the “Commission” or “FERC”) Order No. 842 regarding primary frequency response—generators with existing governors or equivalent equipment have authority under that Order to cease providing primary frequency response effective May 15, 2018, which is the effective date of Order No. 842. Through this letter, PJM is going on record to indicate that, in PJM’s view, generators with existing governors or equivalent equipment do not have this authority to simply cease providing primary frequency response.

PJM’s currently-effective tariffs, PJM’s currently-effective manuals, good utility practice, and continued course of dealings require generators with primary frequency response capability to provide primary frequency response. Order No. 842, which order only applies to newly interconnecting generators and material modifications to existing generators, does not preclude the application of primary frequency response requirements to existing generators that have installed capability to provide such support through PJM’s existing tariff and manual provisions or through new clarifying tariff provisions PJM intends to file pursuant to section 205 of the Federal Power Act.¹ Nor are PJM’s recent efforts to clarify PJM’s manuals and governing agreements an admission or evidence that generators are not required to provide primary frequency response. *As such, PJM expects that generators that have demonstrated this capability will continue to provide primary frequency response as required by the PJM tariffs, manuals, good utility practice, and continued course of dealings on and after May 15, 2018.* If a generator ceases to provide primary frequency response, PJM will take any action necessary to ensure the generator continues to provide primary frequency response so as to maintain system reliability.

Respectfully,

A handwritten signature in black ink that reads "Michael Bryson".

Michael Bryson
Vice President, Operations

¹ PJM agrees that Order No. 842 does not impose a requirement to add primary frequency response capability on existing generators *that do not already have* primary frequency response capabilities aside from certain exceptions explained in Order No. 842, such as material modifications to customer facilities. Therefore, unless otherwise required under Order No. 842 and absent additional revisions to PJM’s governing agreements, PJM does not intend to require that generators without primary frequency response capability provide primary frequency response on May 15, 2018.