



PJM Interconnection, L.L.C.
2750 Monroe Boulevard
Audubon, PA 19403

Jacquelynn B. Hugee
Sr. Director and Managing Counsel
T: (610) 666-8208
jacquelynn.hugee@pjm.com

April 6, 2021

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

*Re: PJM Interconnection, L.L.C., Docket No. ER21-972-000
Informational Filing - Waiver of PJM Operating Agreement, section 15.1.5 to Allow
Limited Market Participation of Panda Stonewall LLC*

Dear Secretary Bose:

Pursuant to the Federal Energy Regulatory Commission's ("Commission") Order Granting Waiver Subject to Condition issued on February 5, 2021 in this docket,¹ PJM Interconnection, L.L.C. ("PJM") together with PJM Settlement, Inc. ("PJM Settlement") (collectively hereafter referred to as PJM), hereby submit this second informational filing to provide the Commission with additional information regarding Panda Stonewall, LLC's ("Panda Stonewall") progress toward satisfying PJM's January 21, 2021 Collateral Call² and provide PJM's final determination concerning whether Panda Stonewall presents an unreasonable credit risk to the PJM Markets.

I. BACKGROUND

On January 28, 2021, PJM filed a limited waiver of Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. ("Operating Agreement"), section 15.1.5(i) in order to allow Panda Stonewall a limited ability to continue to sell capacity, energy, and ancillary services in the PJM Markets, despite the fact that Panda Stonewall had only partially satisfied the

¹ *PJM Interconnection, L.L.C.*, 174 FERC ¶ 61,083 (February 5, 2021), at P 16 ("Order").

² Terms capitalized and not otherwise defined herein have the meanings set forth for them in the Operating Agreement or the PJM Open Access Transmission Tariff ("Tariff").

referenced Collateral Call. The requested waiver was sought to support PJM's efforts to secure the additional Collateral requested from Panda Stonewall, through Panda Stonewall's continuing market participation, for the protection of customers.

The Commission granted the waiver in its Order, effective January 22, 2021 as requested, subject to the condition that PJM continue collecting some or all of the weekly settlement amounts otherwise payable to Panda Stonewall and transferring those funds to Panda Stonewall's Collateral account held by PJM to address the referenced Collateral Call.³ The Commission further directed PJM to submit an informational filing within thirty days of the February 5, 2021 order, and every thirty days thereafter until Panda Stonewall satisfies that Collateral Call, "to provide the Commission with information on Panda Stonewall's progress toward satisfying PJM's Collateral Call and PJM's final determination concerning whether Panda Stonewall presents an unreasonable credit risk."⁴

On March 5, 2021, PJM filed its first informational filing, advising that PJM made its final determination that Panda Stonewall presents an unreasonable credit risk posed by its refund obligation that remains pending final resolution by the Commission in Docket No. ER17-1821, and that Panda Stonewall satisfied the referenced PJM Collateral Call. PJM further advised that it will withhold an additional amount each month as Collateral until Panda Stonewall's reactive rate proceeding is resolved and any refund obligation is satisfied.

II. PJM'S SECOND INFORMATIONAL FILING

In its March 5, 2021 informational filing PJM indicated it would continue to monitor the Commission's proceedings in the referenced reactive rate case to determine whether to increase

³ Order at P 16.

⁴ *Id.*

the amount of Collateral that PJM needs to hold to address the potentially increasing refund or market activity. PJM notes that on March 31, 2021 the Commission issued its Opinion No. 574, Order on Initial Decision and Contested Offer of Settlement in Docket No. ER17-1821-002.⁵ In Order No. 574, the Commission affirmed in part and reversed in part the Initial Decision of the Administrative Law Judge, rejected Panda Stonewall's unilateral offer of settlement filed on July 10, 2019 on various grounds, and directed Panda Stonewall to submit a compliance filing within thirty days "to reflect adjustments to its reactive power rate as required by this order."⁶

Consistent with PJM's March 5, 2021 informational filing, PJM has retained the amount of Collateral that was necessary to satisfy PJM's January 21, 2021 Collateral Call, and will continue to withhold an additional amount each month as Collateral until Panda Stonewall's reactive rate proceeding 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 (i.e., the collateral held for the purpose of satisfying the reactive rate refund obligation) to be used to satisfy the refund obligation.

Since that initial informational filing, Panda Stonewall has continued to satisfy PJM's credit requirements. However, should PJM determine that additional Collateral is appropriate, PJM will communicate its concerns to Panda Stonewall, consistent with the requirements of Tariff, Attachment Q and work with Panda Stonewall to determine an acceptable means by which Panda Stonewall may satisfy PJM's concerns including but not limited to requesting additional Collateral.

⁵ *Panda Stonewall LLC*, 174 FERC ¶ 61,266 (2021).

⁶ *Id.* at P 272.

PJM will stay its current course of action until there is clarity on the refund obligation *and* that obligation has been satisfied by Panda Stonewall.

III. COMMUNICATIONS

Correspondence and communications related to this filing should be sent to the following individuals:


Craig Glazer
Vice President–Federal Gov’t Policy
PJM Interconnection, L.L.C.
1200 G Street, N.W.
Suite 600
Washington, D.C. 20005
(202) 423-4743
craig.glazer@pjm.com

Jacquelynn B. Hugee
Sr. Director and Managing Counsel
PJM Interconnection, L.L.C.
2750 Monroe Boulevard
Audubon, PA 19403
(610) 666-8208
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IV. CONCLUSION

PJM respectfully requests that the Commission accept this informational filing effective as responsive to its reporting requirement as set forth in the Order.

Craig Glazer
Vice President–Federal Gov’t Policy
PJM Interconnection, L.L.C.
1200 G Street, N.W.
Suite 600
Washington, D.C. 20005
(202) 423-4743
craig.glazer@pjm.com

Respectfully submitted,

Jacquelynn B. Hugee
Sr. Director and Managing Counsel
PJM Interconnection, L.L.C.
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Audubon, PA 19403
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jacquelynn.hugee@pjm.com

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing documents upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Audubon, PA, this 6th day of April, 2021.

/s/ Jacquelyn B. Hugee
Jacquelyn B. Hugee

Attorney for
PJM Interconnection, L.L.C.