

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

PJM Interconnection, L.L.C.

Docket Nos. ER21-1635-007
ER21-1635-008
ER21-1635-011
ER21-1635-012

ORDER OF CHIEF JUDGE ACCEPTING COMPLIANCE FILING AND GRANTING
MOTION TO IMPLEMENT SETTLEMENT RATES ON INTERIM BASIS

(Issued November 22, 2024)

1. On November 7, 2024, PJM Interconnection, L.L.C. (PJM) filed an amendment to prior eTariff “clean-up” compliance filings related to its rates for certain black start units (Amended Clean-Up Filing).¹ That latest compliance filing revised only the effective date in the prior clean-up filings² (collectively, the June Filings) from January 1, 2024 to June 1, 2024.³ On the same day, PJM also filed an *Unopposed Motion for Interim Rate Authority, Waiver of Answer Period, and Expedited Treatment* (Motion). The Motion relates to an Offer of Settlement (August Settlement),⁴ which the Presiding Judge certified as an uncontested settlement on October 31, 2024.⁵ The Motion’s answer period

¹ Amendment to Tariff Clean-Up Filing for Capital Recovery Factor Rate, Docket No. ER21-1635-011, at 1 (filed Nov. 7, 2024).

² Tariff Clean-Up Filing for Capital Recovery Factor Rate, Docket No. ER21-1635-007 (filed June 7, 2024); Revision to Clean-Up Tariff Filing for Capital Recovery Factor Rate, Docket No. ER21-1635-008 (filed June 10, 2024).

³ Amended Clean-Up Filing at 1-2 (“PJM thus files herein redlined and clean tariff records that are identical to those submitted in the June Filings except for the amended effective date of June 1, 2024.”).

⁴ Offer of Settlement, Docket No. ER21-1635-009 (filed Aug. 14, 2024).

⁵ *PJM Interconnection, L.L.C.*, 189 FERC ¶ 63,007, at PP 3, 249 (2024).

was shortened to conclude on November 18, 2024.⁶ As no participant filed an answer, the Motion is unopposed. For the reasons discussed below, the Amended Clean-Up Filing is ACCEPTED, and the Motion is GRANTED.

I. Background

2. On April 7, 2021, as amended on June 11, 2021, PJM filed revisions to Schedule 6A of its Open Access Transmission Tariff (Tariff),⁷ including revisions to the Capital Recovery Factor (CRF) values in the Capital Cost Recovery Rate for non-legacy black start units.⁸ On August 10, 2021, the Commission (1) accepted PJM's proposed Tariff revisions, to be effective June 6, 2021, subject to minor conditions, and (2) initiated a Federal Power Act section 206⁹ proceeding to determine whether the CRF values and resulting rates for legacy black start units¹⁰ remain just and reasonable in light of the 2017 tax rate changes.¹¹ On March 24, 2023, the Commission established hearing and settlement procedures for the section 206 proceeding.¹² The settlement procedures were eventually terminated and the Presiding Judge was designated on August 24, 2023.¹³

⁶ See 18 C.F.R. § 385.213(d)(1) (2024) (requiring a 15-day answer period to motions “unless otherwise ordered”); *Order of Chief Judge Shortening Answer Period*, Docket No. ER21-1635-012, at P 2 (Nov. 12, 2024).

⁷ PJM, Intra-PJM Tariffs, Open Access Transmission Tariff, Sched. 6A (12.1.0).

⁸ See *PJM Interconnection, L.L.C.*, 176 FERC ¶ 61,080, at P 1 (2021) (Show Cause Order). The “non-legacy black start units” are the units selected after June 6, 2021, to provide black start service. See *PJM Interconnection, L.L.C.*, 189 FERC ¶ 63,007 at P 9.

⁹ See 16 U.S.C. § 824e.

¹⁰ The “legacy black start units” are the units selected to provide black start service before June 6, 2021. See *PJM Interconnection, L.L.C.*, 189 FERC ¶ 63,007 at P 9.

¹¹ *PJM Interconnection, L.L.C.*, 182 FERC ¶ 61,194, at P 1 (2023) (Hearing Order); Show Cause Order, 176 FERC ¶ 61,080 at PP 1-2, 42, ordering para. (C).

¹² Hearing Order, 182 FERC ¶ 61,194 at PP 1, 32, ordering para. (A).

¹³ *Order of Chief Judge Terminating Settlement Judge Procedures, Designating Presiding Administrative Law Judge, and Establishing Track III Procedural Time Standards*, Docket Nos. EL21-91-000 and EL21-91-003, at PP 1-2 (2023).

3. On January 31, 2024, PJM filed an offer of settlement (January Settlement),¹⁴ and on February 1, 2024, it filed a related motion for interim rates (February Interim Rates Motion).¹⁵ On February 1, 2024, the Chief Judge granted the February Interim Rates Motion and authorized the rates to be effective January 1, 2024.¹⁶ But on March 13, 2024, the Presiding Judge declined to certify the January Settlement.¹⁷ On June 7, 2024, as revised on June 10, 2024, PJM therefore filed the June Filings, which asked to reinstate the CRF values for legacy black start units that were in effect prior to implementing the accepted interim settlement rates from the February Interim Rates Motion (Original CRF Rates).¹⁸

4. On August 14, 2024, PJM filed another settlement in this proceeding (August Settlement).¹⁹ The Presiding Judge certified it to the Commission as an uncontested settlement on October 31, 2024.²⁰

5. On November 7, 2024, PJM amended its June Filings to establish an effective date of June 1, 2024, rather than January 1, 2024, for the Original CRF Rates.²¹

II. Analysis

6. This Order first addresses PJM's Amended Clean-Up Filing and the prior June Filings. The Amended Clean-Up Filing requests to reinstate the Original CRF Rates because, as PJM explains, once the January Settlement was no longer under

¹⁴ Settlement Agreement and Offer of Settlement, Docket No. ER21-1635-005 (filed Jan. 31, 2024).

¹⁵ Motion to Implement Interim Settlement Rates, Request to Waive Answer Period, and Request for Expedited Treatment, Docket No. ER21-1635-006 (filed February 1, 2024).

¹⁶ *PJM Interconnection, L.L.C.*, 186 FERC ¶ 63,007, at P 4 (2024).

¹⁷ *PJM Interconnection, L.L.C.*, 186 FERC ¶ 63,019, at P 1 (2024).

¹⁸ Tariff Clean-Up Filing for Capital Recovery Factor Rate, Docket No. ER21-1635-007 (filed June 7, 2024); Revision to Clean-Up Tariff Filing for Capital Recovery Factor Rate, Docket No. ER21-1635-008 (filed June 10, 2024).

¹⁹ Offer of Settlement, Docket No. ER21-1635-009 (filed Aug. 14, 2024).

²⁰ *PJM Interconnection, L.L.C.*, 189 FERC ¶ 63,007 at PP 3, 249.

²¹ Amended Clean-Up Filing at 1-2.

consideration, PJM resumed charging the Original CRF Rate as of June 1, 2024.²² To effect PJM's requested conformance, the Amended Clean-Up Filing is hereby ACCEPTED. Furthermore, because the June Filings are identical to the Amended Clean-Up Filing, except for the revised effective date,²³ the June Filings are dismissed as moot.

7. Next, this Order addresses the Motion's request to implement, on an interim basis, the rates stated in the August Settlement (Settlement Rates), effective as of December 1, 2024.²⁴ To grant this request, implementation of the interim rates must result in lower rates pending Commission action on the August Settlement.²⁵

8. PJM's interim Settlement Rates set forth in the Motion constitute an overall reduction from the Original CRF Rates.²⁶ Specifically, PJM's proposed interim Settlement Rates reduce the CRF values listed in Schedule 6A for the legacy black start units.²⁷ Additionally, implementing the interim Settlement Rates is in the public interest because such rates will be effective while the Commission considers the related August Settlement.

9. Accordingly, the Motion is GRANTED. The interim Settlement Rates are hereby accepted and authorized to be effective as of December 1, 2024.²⁸ The interim Settlement Rates shall remain in effect pending Commission action on the August

²² Amended Clean-Up Filing at 1-2.

²³ See *supra* P 1 & n.3.

²⁴ Motion at 5.

²⁵ 18 C.F.R. § 375.307(a)(1)(iv); see also *Chief Administrative Law Judge's Notices to the Public, Motions to Place Interim Settlement Rates into Effect*, Docket No. AD20-12-000 (June 15, 2022) (providing guidance for motions to place interim settlement rates into effect).

²⁶ Motion at 1, 5, 7, Attach. A; see also *PJM Interconnection, L.L.C.*, 186 FERC ¶ 63,007 at PP 2-3 (determining that the rates proposed in the January Settlement constituted a reduction).

²⁷ See Motion at Attach. A; *PJM Interconnection, L.L.C.*, 186 FERC ¶ 63,007 at P 3; see also February Interim Rates Motion at Attach. A; January Settlement at Attach. A.

²⁸ *PJM Interconnection, L.L.C., Intra-PJM Tariffs*, [OATT SCHEDULE 6A, OATT SCHEDULE 6A \(14.9.0\)](#).

Settlement and shall be subject to refund or surcharge, with interest, computed in accordance with section 35.19a of the Commission regulations.²⁹

10. The 60-day prior notice and filing requirement of Federal Power Act section 205(d) is hereby WAIVED so that the interim Settlement Rates can be implemented effective as of December 1, 2024.³⁰

11. This Order terminates Docket No. ER21-1635-012.

SO ORDERED.

Andrew Satten
Chief Administrative Law Judge

²⁹ 18 C.F.R. § 35.19a. The Motion requests, in part, that “any order granting this motion specify that to the extent re-settlement for periods the Interim Settlement Rates are in effect becomes necessary, that re-settlement will take place at the conclusion of these proceedings consistent with the prior order authorizing interim rates.” Motion at 6. By granting the Motion, this Order confirms that any necessary re-settlement for periods the interim Settlement Rates are in effect will take place at the conclusion of these proceedings, as requested.

³⁰ 16 U.S.C. § 824d(d); 18 C.F.R. § 35.3.