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July 27, 2021

The Honorable Kimberly D. Bose, Secretary Federal Energy Regulatory Commission 888 First Street, N.E. Room 1A Washington, D.C. 20426

#### *Re: PJM Interconnection, L.L.C., Docket No. ER21-*2524000 *Compliance Filing and Request for Waiver of Certain NAESB Business Practice Standards*

Dear Secretary Bose:

PJM Interconnection, L.L.C. submits for filing revisions to the PJM Open Access Transmission Tariff ("Tariff") to comply with the Final Rule issued on February 4, 2020, by the Federal Energy Regulatory Commission ("FERC" or the "Commission") in Docket No. RM05-5-027 ("Final Rule" or "Order No. 676-I").<sup>1</sup> As explained below, PJM: (1) incorporates by reference the latest version of the Standards for Business Practices and Communication Protocols for Public Utilities ("Business Practice Standards") adopted by the Wholesale Electric Quadrant ("WEQ") of the North American Energy Standards Board ("NAESB"); (2) requests a continued waiver of certain WEQ NAESB Business Practice Standards previously granted by the Commission; and (3) requests new waivers of WEQ NAESB Business Practice Standards that are newly proposed in version 3.2.

#### I. BACKGROUND

In the Final Rule, the Commission amended its regulations to incorporate by reference, with certain exceptions, Version 003.2 of the WEQ NAESB Business Practice Standards ("WEQ

<sup>&</sup>lt;sup>1</sup> Standards for Business Practices and Communication Protocols for Public Utilities, 170 FERC ¶ 61,062 (2020).

Version 003.2 Standards").<sup>2</sup> The WEQ Version 003.2 Standards build upon the standards in the WEQ Version 003.1 Standards and include, in their entirety, the modifications submitted to the Commission in WEQ Version 003.1, which were the subject of an earlier notice of proposed rulemaking.<sup>3</sup>

The Commission also directed each public utility to submit a compliance filing by July 27, 2021, to incorporate the WEQ Version 003.2 Standards into their respective Open Access Transmission Tariff by reference, request waiver of certain standards, or both.<sup>4</sup> In the Final Rule, the Commission stated that if a public utility asserts that its circumstances warrant a continued waiver of the regulations, the public utility may file a request for a waiver wherein public utility can detail the circumstances it believes warrant a waiver. If the request is for the continued waiver of a previously granted standard, the public utility must include the date of the FERC order granting the waiver, docket number of the proceeding in which the order was issued, and explanation for why the waiver was initially granted by the Commission.<sup>5</sup>

PJM submits revisions to the PJM Tariff to comply with the Commission's directives in Order No. 676-I, and, as discussed below, seeks waivers of specified requirements of the Business Practice Standards because PJM's current processes are consistent with, or superior to, those requirements.

<sup>5</sup> Id.

<sup>&</sup>lt;sup>2</sup> Order No. 676-I at P 1.

<sup>&</sup>lt;sup>3</sup> *Id*. at P 2.

<sup>&</sup>lt;sup>4</sup> *Id*. at P 63.

# II. COMPLIANCE REVISIONS TO PJM TARIFF TO INCORPORATE STANDARDS

Pursuant to the Commission's directive in the Final Rule and with the exception of the requested waivers of the NAESB Business Practice Standards described below, PJM submits amendments to section 4.2 of the PJM Tariff to incorporate, by reference, the Business Practice Standards approved by the Commission in Order No. 676-I.

#### III. REQUEST FOR CONTINUED WAIVER OF WEQ-001 STANDARD RELATED TO SERVICE ACROSS MULTIPLE TRANSMISSION SYSTEMS

In its compliance filing for Order No. 676-H,<sup>6</sup> PJM requested a waiver of the standards related to Service Across Multiple Transmission Systems ("SAMTS") in WEQ-001 by modifying the *pro forma* language adopted by the Commission to incorporate by reference WEQ-001 excluding standards 001-9.5, 001-10.5, 001-14.1.3, 001-15.11, and 001-106.2.5, as well as the timing requirements established in 001-23, to the extent inconsistent with transmission provider's current practice and as accepted by the Commission in transmission provider's compliance filing to Order No. 676-H.<sup>7</sup> PJM explained that SAMTS Business Practice Standards were developed to provide a process for customers to complete cross-regional transactions and included modifications to WEQ-000, WEQ-001, WEQ- 002, WEQ-003 and WEQ-013, which collectively were designed to address the coordination of point-to-point transmission service and/or network transmission service requests across multiple transmission systems.<sup>8</sup> Recognizing the benefit to customers of a consistent approach across transmission providers, PJM proposed to implement the

<sup>&</sup>lt;sup>6</sup> Standards for Business Practices and Communication Protocols for Public Utilities, 148 FERC ¶ 61,205 (2014) ("Order No. 676-H").

<sup>&</sup>lt;sup>7</sup> *PJM Interconnection, L.L.C.*, Order on Compliance Filing and Request for Waivers, 151 FERC ¶ 61,141, P 8 (2015) ("676-H Compliance Order").

<sup>&</sup>lt;sup>8</sup> 676-H Compliance Order at P 9.

intent of SAMTS essentially as prescribed in the Business Practice Standards, but with minor exceptions intended to address, in part, the adverse effect on the timeline to evaluate short-term transmission service requests.<sup>9</sup>

PJM explained that, because of its automated approval process, the 24-hour period established by SAMTS Business Practice Standards, as adopted, could hinder PJM's ability to timely evaluate a specific request, or any other subsequent requests, for service.<sup>10</sup> To eliminate this impact, PJM proposed to evaluate SAMTS transactions without delay using an approach consistent with PJM's current processes and procedures and closely aligned with the adopted SAMTS evaluation process.<sup>11</sup> PJM offered that that its approach results in an added benefit to customers, permitting them to receive automated transaction evaluation that allows them to make business decisions without paying for service that could not be secured on another transmission system.<sup>12</sup> PJM stated that the standards addressing SAMTS in WEQ-001 may cause delays in evaluating transmission service requests with no discernable benefit to customers.<sup>13</sup>

On May 18, 2015, in Docket No. ER15-527-001, the Commission issued an order granting the SAMTS-related waivers proposed by PJM.<sup>14</sup> The Commission found PJM's processes and procedures are closely aligned with the adopted SAMTS evaluation process.<sup>15</sup>

<sup>9</sup> Id.

<sup>10</sup> *Id*. at P 10.

<sup>11</sup> *Id*.

 $^{12}$  *Id*.

<sup>13</sup> *Id*. at P 18.

 $^{14}$  *Id*.

<sup>15</sup> Id.

Regarding Order No. 676-I, PJM requests a continued waiver of the SAMTS-related standards in the WEQ Version 003.2 Business Practice Standards because the circumstances that initially warranted the waivers continue to exist. PJM proposes to continue to implement the intent of SAMTS essentially as prescribed in the Business Practice Standards, but with minor exceptions intended to address, in part, the adverse effect on the timeline to evaluate short-term transmission service requests. Without the continued waiver of the standards addressing SAMTS in WEQ-001, PJM may experience considerable delay in evaluating transmission service requests with no discernable benefit to customers.

#### IV. REQUEST FOR CONTINUED WAIVER OF WEQ-000, WEQ-001, WEQ-002, AND WEQ-003 STANDARDS RELATED TO NETWORK INTEGRATION TRANSMISSION SERVICE

In its compliance filing for Order No. 676-H, PJM requested waivers of the WEQ Version 003 Business Practice Standards related to Network Integration Transmission Service ("NITS") within WEQ-000, WEQ-001, WEQ-002, and WEQ-003, which are designed to support the OASIS functionality associated with NITS.<sup>16</sup> PJM requested waivers of these requirements by modifying the *pro forma* language to incorporate these standards by reference: "[t]o the extent not inconsistent with Transmission Provider's current NITS practices and procedures."<sup>17</sup> PJM explained that its Commission-approved Regional Transmission Expansion Plan, its capacity market model, and its wholesale energy market processes govern both the study and commitment of internal and external network resources and load designations as contemplated in the NITS Business Practice Standards in an open and nondiscriminatory manner.<sup>18</sup> PJM further explained

<sup>&</sup>lt;sup>16</sup> *Id*. at P 12.

<sup>&</sup>lt;sup>17</sup> Id.

<sup>&</sup>lt;sup>18</sup> *Id*. at P 13.

that its practices relative to NITS adhere to the principles established in the Order No. 890<sup>19</sup> series of orders and the NITS Business Practice Standards adopted in Order No. 676-H.<sup>20</sup> PJM also explained that, while the exact methods of posting and evaluating the designation and undesignation of network resources and loads may not match the exact requirements of WEQ Version 003 Business Practice Standards, PJM rules and requirements meet, and even exceed, the intent of those requirements.<sup>21</sup>

In the 676-H Compliance Order, FERC granted the NITS-related waivers proposed by PJM.<sup>22</sup> FERC found that PJM's method for posting and evaluating the designation/un-designation of network resources and load that meets the intent of the WEQ Version 003 Business Practice Standards. The Commission also found that, through the provisions relating to the integration and dispatch of network resources that are part of PJM's overall approved Tariff and market design, PJM demonstrated good cause for waiver of the adopted WEQ Version 003 Business Practice Standards.<sup>23</sup>

PJM requests a continued waiver of the NITS-related standards in the WEQ Version 003.2 Business Practice Standards because the circumstances that initially warranted the waivers continue to exist. PJM's Commission-approved Regional Transmission Expansion Plan, its capacity market model, and its wholesale energy market processes govern both the study and commitment of internal and external network resources and load designations as contemplated in

<sup>22</sup> Id.

 $^{23}$  *Id*.

<sup>&</sup>lt;sup>19</sup> Preventing Undue Discrimination and Preference in Transmission Service, Order No. 890, 72 FR 12,266 (2007) ("Order No. 890").

<sup>&</sup>lt;sup>20</sup> 676-H Compliance Order at P 13.

<sup>&</sup>lt;sup>21</sup> *Id*. at P 19.

the NITS Business Practice Standards in an open and nondiscriminatory manner. Therefore, PJM continues to have a method in place for posting and evaluating the designation and un-designation of network resources and load that continues to meet the intent of the Business Practice Standards. The PJM planning process and capacity procurement methods, taken together, analyze the network resources and load requirements for PJM on an ongoing, regional basis rather than evaluating specific resources to a specific load. PJM maintains that the designation and un-designation of network resources and load is done utilizing eRPM application and associated PJM capacity and market rules, rather than utilizing OASIS templates. Therefore, good cause exists for the continued waiver of the WEQ Version 3.2 Business Practice Standards related to NITS within WEQ-000, WEQ-001, WEQ-002, and WEQ-003.

# V. REQUEST FOR WAIVER OF STANDARDS RELATED TO PREEMPTION AND ROFR

A. Background on Preemption Standards and PJM's Previously-Accepted Variations

WEQ Version 003.2 Standards include revisions to OASIS suite of Business Practice Standards to support directives in FERC Order Nos. 888<sup>24</sup> and 890.<sup>25</sup> Among other revisions to the Business Practice Standards, these modifications to existing standards and newly developed standards support the short-term preemption process and the merger of like transmission reservations.<sup>26</sup>

<sup>&</sup>lt;sup>24</sup> See Standards for Business Practices and Communication Protocols for Public Utilities, Report of the North American Energy Standards Board Wholesale Electric Quadrant Business Practice Standards, Docket No. RM05-5-000, p. 5 (Dec. 8, 2017) ("NAESB Report").

<sup>&</sup>lt;sup>25</sup> Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmission Utilities, Order No. 888, 61 FR 21,540 (1996) ("Order No. 888").

<sup>&</sup>lt;sup>26</sup> NAESB Report at p. 5.

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As first held in FERC Order No. 888 and reaffirmed in FERC Order No. 890, 890-A,<sup>27</sup> and 890-B,<sup>28</sup> the Commission established that before the applicable reservation deadline, a holder of a conditional short-term firm point-to-point reservation would have the right of first refusal ("ROFR") to match any longer-term firm point-to-point reservation before being displaced. Colloquially, this process is referred to as preemption and is documented in the Commission's *pro forma* Open Access Transmission Tariff as part of section 13.2 (*Nature of Firm Point-to-Point Transmission Service Reservation Priority*).

In Order No. 890, the Commission also required a transmission provider that is an independent system operator ("ISO") or regional transmission organization ("RTO") to submit a section 206 compliance filing that: (i) contains the revised, non-rate terms and conditions set forth in Order No. 890; or (ii) demonstrates that its existing tariff provisions are consistent with, or superior to, the revised provisions of the Commission's *pro forma* OATT within 210 days after the publication of Order No. 890 in the Federal Register.<sup>29</sup> The Commission recognized that some changes adopted in Order No. 890 "may not be as relevant to ISO/RTO transmission providers as they are to nonindependent transmission providers."<sup>30</sup> The Commission further indicated that "nothing in [Order No. 890] is intended to upset the market designs used by existing ISOs and

<sup>30</sup> *Id*. at P 158.

<sup>&</sup>lt;sup>27</sup> Preventing Undue Discrimination and Preference in Transmission Service, Order No. 890, 72 FR 12,266 (March 15, 2007), FERC Stats. & Regs. ¶ 31,241 (2007), order on reh'g, Order No. 890-A, 73 FR 2,984 (Jan. 16, 2008), FERC Stats. & Regs. ¶ 31,261 (2007).

<sup>&</sup>lt;sup>28</sup> Preventing Undue Discrimination and Preference in Transmission Service, Order No. 890, 72 FR 12,266 (March 15, 2007), FERC Stats. & Regs. ¶ 31,241 (2007), order on reh'g, Order No. 890-A, 73 FR 2,984 (Jan. 16, 2008), FERC Stats. & Regs. ¶ 31,261 (2007), order on reh'g, Order No. 890-B, 74 FR 39,091 (July 8, 2008), FERC Stats. & Regs. ¶ 61,299 (2009).

<sup>&</sup>lt;sup>29</sup> Order No. 890 at P 157.

RTOs."<sup>31</sup> Additionally, the Commission recognized "that ISOs and RTOs may well have adopted practices that are already consistent with or superior to the reforms adopted [in Order No. 890.]"<sup>32</sup>

In response to PJM's compliance filing for Order No. 890, the Commission granted PJM requests for variations from preemption rules in section 13.2 the *pro forma* OATT, which the Commission previously accepted in two dockets: (i) Docket No. ER98-3963-000, implemented on October 1, 1998; and (ii) Docket No. ER99-1550, effective February 1, 1999 ("Previously-Accepted Variations").<sup>33</sup> The Previously-Accepted Variations of the PJM Tariff added procedures for customers to obtain short-term firm point-to-point transmission service, with a reservation window, and offered short-term point-to-point transmission service on a first-come, first-served basis without preemption rights.<sup>34</sup> These variations assist PJM in the orderly processing of high volumes of transactions on the PJM transmission system.<sup>35</sup> The variations accepted in Docket No. ER99-1550 expanded the reservation process for monthly service, addressed preemption (i.e., bumping) procedures in the event the PJM transmission system becomes oversubscribed, and facilitated the processing of the large volume of monthly service requests.<sup>36</sup> To effectuate some of these variations, section 13.2 of the PJM Tariff references other sections regarding the

<sup>&</sup>lt;sup>31</sup> *Id*.

 $<sup>^{32}</sup>$  *Id*.

<sup>&</sup>lt;sup>33</sup> *PJM Interconnection, L.L.C.*, Order Accepting Compliance Filing as Modified, 123 FERC ¶ 61,145, P 14 (2008) ("890 Compliance Order"); the Previously-Accepted Variations are variations granted by the Commission in sections 13.1, 13.2, 17.1, and 17.8 of the PJM Tariff.

<sup>&</sup>lt;sup>34</sup> PJM Interconnection, L.L.C., Order No. 890 Compliance Filing, FERC Docket No. OA08-9-000, p 19 (Oct. 11, 2007) ("PJM Order No. 890 Compliance Filing"). Depending on the outcome of upcoming stakeholder meetings and discussions, PJM may file with the Commission revisions to section 14.2 of the PJM Tariff to include the same preemption variations for short-term non-firm transmission service that are in section 13.2 of the PJM Tariff. If the Commission accepts such revisions, the preemption waiver requested herein would also apply to the revised short-term non-firm transmission service rules in section 14.2 of the PJM Tariff.

<sup>&</sup>lt;sup>35</sup> 890 Compliance Order at P 12.

<sup>&</sup>lt;sup>36</sup> PJM Order No. 890 Compliance Filing at p 19.

procedures transmission customers are to use to request service and states that only requests for monthly transmission service may be preempted by requests for long-term firm point-to-point transmission service or network integration transmission service.<sup>37</sup>

## B. Continued Need for Previously-Accepted Variations and Waiver of Preemption and ROFR Standards in WEQ Version 003.2 Standards

The circumstances resulting in the Previously-Accepted Variations continue to exist today and, as a result, the Previously-Accepted Variations in section 13.2 are still necessary variations to assist PJM in the orderly processing of high volumes of transactions on the PJM transmission system. There continues to be a high volume of transmission service requests. PJM processes more than 45,000 transmission service requests annually. Implementing the preemption and ROFR standards in NAESB 003.2 would harm market participants' ability to participate in the PJM day-ahead and real-time energy market by causing previously approved interchange transactions to be curtailed, which would negatively incent participation in the day-ahead energy market. Customers selected in the day-ahead energy market and committed to deliver in the realtime market would be unable to do so if their previously confirmed service was displaced by a competing request.

As mentioned above, the Previously-Accepted Variations expanded the reservation process for monthly service, addressed preemption procedures in the event the PJM transmission system becomes oversubscribed, and facilitated the processing of the large volume of service requests. Moreover, the Previously-Accepted Variations offered short-term point-to-point transmission service on a first-come, first-served basis without preemption rights. The variations also address

<sup>&</sup>lt;sup>37</sup> 890 Compliance Order at P 12.

preemption procedures if the PJM transmission system becomes oversubscribed, and facilitated the processing of the large volume of service requests. However, the preemption and ROFR Business Practice Standards in NAESB 003.2 would negate the benefits of the Previously-Accepted Variations by allowing short-terms reservation to be preempted (i.e., bumped) by a later reservation.

# C. Request for Waiver of NAESB Business Practice Standards for Preemption and ROFR

To ensure the orderly processing of high volumes of transactions on the PJM transmission system, PJM requests waiver of the following standards: WEQ-001-25 (*Preemption-ROFR Process*), WEQ-002-4.3.6.6.1 (*Preemption of Service Rights, Request to Exercise ROFR*), and WEQ-002-4.3.6.6.2 (*Preemption of Service Rights, Status to Exercise ROFR*) and includes associated proposed revisions to section 4.2 of the PJM Tariff to effectuate such waivers. Without such waivers, the Previously-Accepted Variations—which are still necessary today for the reasons described herein—would be negated.

The WEQ Version 003.2 Standards related to preemption and ROFR were developed to improve upon existing business practices governing the preemption of transmission service by competing requests. For preemption events wherein a challenging request invokes a defending request's ROFR, the new Business Practice Standards outline very explicit steps that each transmission provider must take to pause request processing, identify all defending requests affected by the challenging request, initiate and complete the ROFR process, and finally, resume the processing of any subsequent requests that may also compete for the same capacity.

PJM has been supportive of the initiative to develop these improved preemption and competition standards, and recognizes the customer benefit of a consistent approach across

transmission providers. However, the new Business Practice Standards go beyond what is required for transmission customers to receive both a consistent experience and consistent results, because they dictate many of the mechanical steps that a transmission provider's OASIS must follow to process a preemption-ROFR event. While PJM is not opposed to these requirements considering they provide detailed guidance to those transmission providers without pre-existing automation, PJM employs existing software automation and proposes to implement the intent of the Preemption-ROFR process as prescribed in the WEQ Version 003.2 Standards with exceptions from the WEQ-001-25, WEQ-002-4.3.6.6.1, and WEQ-002-4.3.6.6.2 requirements that impact PJM's ability to continue using that software and related internal procedures. As described below, these exceptions allow PJM to continue utilizing practices that are superior to or consistent with the WEQ Version 003.2 Standards related to pre-emption and ROFR while still providing the benefits of the preemption-ROFR process business practices and an identical outcome for transmission customers.

The WEQ Version 003.2 Standards related to preemption and ROFR dictate a process wherein a transmission provider, upon the submission of a competing request for transmission service, must pause transmission service request processing and initiate a back-and-forth communication process with all identified Defenders. This pause on transmission service request processing can persist up to 150 minutes for a single hourly request, and can last more than 24hours for a request with service increments greater than "hourly." It is understood that this pause in processing gives the transmission service customer that submitted the initial request sufficient time to submit matching and remaining requests per the standards, for the transmission provider to then evaluate those requests, and finally, for the transmission customer that submitted the competing request to confirm the service they may have been granted. Kimberly D. Bose, Secretary July 27, 2021 Page 13

However, since PJM employs a highly-automated and efficient transmission service request processing engine, these built-in processing delays would adversely affect the timeline by which customers receive a response with regard to PJM's first-come, first-served automated transaction approval process. Not only would these requirements introduce unnecessary risk and uncertainty into PJM's very robust day-ahead and real-time energy markets, but these processing delays would hinder PJM's current practices of quickly and efficiently evaluating competing requests on an accelerated timeline (instantaneously), and potentially cause cascading delays in the processing of subsequent competing requests.

The vast majority of PJM's service requests are granted shortly before the start of service. In 2020, over 90 percent of the approximately 45,000 confirmed requests were hourly or daily service granted within twenty-four hours of service start time, and over 97 percent were granted within 48 hours of Start Time. Statistics are similar for both 2018 and 2019. As such, there is risk that the processing delays could stack, and those processing delays could significantly affect transmission customers' ability to make timely business decisions. The processing delays may also affect the timely submission of day-ahead bids, which could contribute to increased uncertainty within PJM's day-ahead energy market. Finally, transmission customers who are either unable or unwilling to exercise a ROFR may be subject to related interchange curtailments. Any delays related to PJM's ability to calculate the outcome of the ROFR process and to initiate curtailments will have detrimental impacts on PJM's real-time energy market as those customers may have insufficient time to make alternate arrangements that will enable their schedules to flow as intended.

To reaffirm, PJM supports the intent of the WEQ-001-25 requirements; however, since PJM's transmission service request volume is overwhelmingly comprised of hourly and daily

requests granted close to service start time, PJM proposes to evaluate preemption-ROFR transactions without delay in accordance with the Previously-Accepted Variations and waivers requested in this filing. As part of this proposal, PJM will permit customers to submit ROFR profiles in advance of a scenario where there may be competing requests for transmission service, using the same mechanisms outlined in the WEQ Version 003.2 Standards, and grant them the ability to modify that profile up until the Preemption-ROFR deadline prevents further instances of competition. This modification results in a streamlined process allowing PJM to make an instantaneous preemption evaluation, provide an immediate response to the customer, and continue to evaluate subsequent requests for service without delay. Transmission customers will have ample opportunity to indicate or adjust the maximum amount of additional service they are willing to purchase via ROFR without waiting for Preemption-ROFR events ahead of them to conclude, and without needing to respond individually to every preemption event that may affect them.

Under PJM's approach, PJM will implement the intent of the preemption-ROFR process as prescribed in the in the WEQ Version 003.2 Standards, but with minor exceptions intended to address the adverse effect on the evaluation timeline for short-term transmission service requests. These proposed modifications are consistent with or superior to the WEQ Version 003.2 Standards related to preemption and ROFR and still provide the benefits of the of such Business Practice Standards by: (1) ensuring that the preemption-ROFR process is completed instantaneously without participants needing to wait for a potentially lengthy competition process to conclude; and (2) implementing a process that is, in all meaningful respects, consistent with the WEQ Version 003.2 Standards related to preemption and ROFR.

This approach is consistent with PJM's current OASIS processes and procedures. It closely aligns with the WEQ Version 003.2 Standards related to preemption and ROFR, with the added

benefit of supporting automated transaction evaluations that enable customers to make business decisions without delay, and with minimized administrative burden. In this way, PJM believes the proposed Preemption-ROFR processes meet the intent of the Preemption-ROFR Process Business Practice Standards and, in many ways, are superior to the design components of WEQ-001-25. Accordingly, PJM requests that the Commission recognize the close alignment between PJM's proposed processes and the approved Preemption-ROFR Process Business Practice Standards, while also recognizing that the slight deviations from the approved processes are "superior to or consistent with" those standards.

Moreover, this approach continues to ensure the *pro forma* tariff preferences for longerterm transactions is satisfied. PJM requires requests for short-term firm service to be made for standardized products of one day, one week, and one month. Without the standardized product categories, incompatible configurations of multiple daily or weekly service requests would become extremely complicated to administer and susceptible to gaming. In order to ensure that the *pro forma* tariff preferences for longer-term transactions is satisfied, PJM staggers the application windows for each product, starting with monthly service and followed, in order, by weekly and daily service. This process of prioritizing longer- term transactions eliminates the need for sequential bumping and matching iterations.

#### VI. EFFECTIVE DATE

PJM requests an effective date of October 27, 2021, for the PJM Tariff revisions proposed in this filing. If PJM's request for waivers described herein is denied, PJM requests an additional twelve months to comply with the WEQ Version 003.2 Standards to allow PJM to make the necessary coding changes to comply with those as-filed requirements.

#### VII. DOCUMENTS ENCLOSED

Under, PJM encloses the following documents with this transmittal letter:

- 1. a redlined version of the proposed revisions to the PJM Tariff (Attachment A); and
- 2. a clean version of the proposed revisions to the PJM Tariff (Attachment B).

#### VIII. CORRESPONDENCE AND COMMUNICATIONS

Correspondence and communications regarding this filing should be sent to the following

individuals:

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#### IX. SERVICE

PJM has served a copy of this filing on all PJM members and on all state utility regulatory commissions in the PJM region by posting this filing electronically. In accordance with the Commission's regulations,<sup>38</sup> PJM will post a copy of this filing to the FERC Filings section of its Web site, located at http://www.pjm.com/documents/ferc-manuals/ferc-filings.aspx, with a specific link to the newly filed document, and will send an e-mail on the same date as this filing to all PJM members and all state utility regulatory commissions in the PJM region<sup>39</sup> alerting them of the filing and its availability on PJM's website. PJM also serves the parties listed on the

<sup>&</sup>lt;sup>38</sup> See 18C.F.R §§ 35.2(e) and 385.2010(f)(3).

<sup>&</sup>lt;sup>39</sup> PJM already maintains updates and regularly uses e-mail lists for all PJM members and affected state commissions.

Commission's official service list for this docket. Notwithstanding the foregoing, if the document is not immediately available by using the referenced link, it will be available within 24 hours of the filing. A copy of this filing will also be available on the Commission's eLibrary website located at http://www.ferc.gov/docs-filing/elibrary.asp in accordance with the Commission's regulations and Order No. 714.

#### X. CONCLUSION

Wherefore, for the foregoing reasons, PJM respectfully requests that the Commission accept the revisions to the PJM Tariff proposed herein.

Respectfully submitted,

Jos M. John

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## Attachment A

### Revisions to the PJM Open Access Transmission Tariff

(Marked / Redline Format)

#### 4.2

Pursuant to the Commission's September February 1824, 2014-2020 Final Rule, Order No. 676-HI (148-170 FERC ¶ 61, 205062, corrections applied at 149 FERC ¶ 61,014) amending its regulations under the Federal Power Act, and the grant of waivers from specified provisions of WEQ-001, WEQ-002 and WEQ-003 approved by the Commission in *PJM Interconnection*, *L.L.C.*, 151 FERC ¶ 61,141 (May 18, 2015) and in response to PJM's compliance filing for Order No. 676-I, the Transmission Provider hereby incorporates by reference the following standards promulgated by the WEQ of the NAESB:

- WEQ-000, Abbreviations, Acronyms, and Definition of Terms, <u>(WEQ Version 003.1, September 30, 2015)</u> (including only the definitions of Interconnection Time Monitor, <u>Time Error, and Time Error Correction</u>) WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Oct. 4, 2012, Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-000, Abbreviations, Acronyms, and Definition of Terms (WEQ Version 003.2, Dec. 8, 2017) (with minor correction applied July 23, 2019);
- To the extent not inconsistent with Transmission Provider's current NITS practices and procedures, WEQ-001, Open Access Same-Time Information System (OASIS), [OASIS] Version 2.02\_5(WEQ Version 003.2, Dec. 8, 2017), July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013) excluding sStandards WEQ-001-9 preamble text, WEQ-001-10 preamble text, WEQ-001-9.5, WEQ-001-10.5, WEQ-001-14.1.3, -WEQ-001-15.1.2, and WEQ-001-106.2.5, WEQ-001-25 in its entirety, as well as the timing requirements established in 001-23, to the extent not inconsistent with Transmission Provider's current practice;
- To the extent not inconsistent with Transmission Provider's current NITS practices and procedures, WEQ-002, Open Access Same-Time Information System (OASIS) Business Practice Standards and Communication Protocols (S&CP), [OASIS] Version 2.02, (WEQ Version 003.2, Dec.8, 2017), excludingJuly 31, 2012, as modified by NAESB final actions ratified on Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- To the extent not inconsistent with Transmission Provider's current NITS practices and procedures, WEQ-003, Open Access Same-Time Information System (OASIS) Data Dictionary Business Practice Standards, [OASIS] Version 2.02, (WEQ Version 003.2, Dec. 8, 2017) July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied <u>Nov. 26Jul. 23</u>, 20193);
- -WEQ-004, Coordinate Interchange, (WEQ Version 003.2, Dec. 8, 2017), July 31, 2012 (with Final Action ratified December 28, 2012);

- -WEQ-005, Area Control Error (ACE) Equation Special Cases, (WEQ Version 003.2, <u>Dec. 8, 2017)</u>, July 31, 2012;
- WEQ-006, Manual Time Error Correction, (WEQ Version 003.2, Dec. 8, 2017) July 31, 2012;
- WEQ-007, Inadvertent Interchange Payback, —(WEQ Version 003.2, <u>Dec. 8</u>, <u>2017)July 31, 2012</u>;
- WEQ-008, Transmission Loading Relief (TLR) Eastern Interconnection, (WEQ Version 003.2, Dec. 8, 2017)July 31, 2012 (with minor corrections applied November 28, 2012);
- WEQ-011, Gas/Electric Coordination, -(WEQ Version 003.2, Dec. 8, 2017)July 31, 2012;
- WEQ-012, Public Key Infrastructure (PKI), (WEQ Version 003.2, <u>Dec. 8, 2017</u>)July 31, 2012 (as modified by NAESB Final Actions ratified on October 4, 2012);
- WEQ-013, Open Access Same-Time Information System (OASIS) Implementation Guide, [OASIS] Version 2.20, (WEQ Version 003.2, Dec. 8, 2017)July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-015, Measurement and Verification of Wholesale Electricity Demand Response, (WEQ Version 003.2, <u>Dec. 8, 2017)July 31, 2012</u>; and
- WEQ-021, Measurement and Verification of Energy Efficiency Products, (WEQ Version 003.2, <u>Dec. 8, 2017)July 31, 2012.</u>;
- WEQ-022, Electric Industry Registry Business Practice Standards (WEQ Version 003.2, Dec. 8, 2017); and
- WEQ-023, Modeling. The following standards are incorporated by reference: WEQ-023-5; WEQ-023-5.1; WEQ-023-5.1.2; WEQ-023-5.1.2; WEQ-023-5.1.2; WEQ-023-5.1.2; WEQ-023-5.1.2; WEQ-023-5.1.2; WEQ-023-6; WEQ-023-6.1; WEQ-023-6.1.2; and WEQ-023-A Appendix A. (WEQ Version 003.2, Dec. 8, 2017).

The Commission has granted Transmission Provider with waivers of specified provisions of WEQ-001, WEQ-002 and WEQ-003 as those Business Practice Standards relate to Service Across Multiple Transmission Systems (SAMTS) and Network Integration Transmission Service (NITS).

With respect to SAMTS, the Transmission Provider has adopted Tariff, Part II, section 17.9 and Tariff, Part II, section 18.4, specifying processing timelines for all short-term transmission service requests. The Transmission Provider will process and set the status of a SAMTS request or reservation consistent with a non-SAMTS transaction and the customer may withdraw, annul or reduce their request or reservation without financial penalty in accordance with the Transmission Provider's Regional Transmission and Energy Scheduling Practices document which can be found on the Transmission Provider's website.

With respect to NITS requests, the Transmission Provider has adopted rules in Tariff, Part III relating to the study and commitment of internal and external network resources and load designations, including Tariff, Part III, section 30 (relating to designation and termination of Network Resources), Tariff, Part III, section 31 (relating to the designation of Network Load), and Tariff, Part III, section 32 (relating to Initial Study procedures for NITS), all of which are subject, however, to the applicable requirements of PJM"s Reliability Pricing Model (RPM) rules as set forth in Tariff, Attachment DD and associated requirements as set forth in Transmission Provider's FERC-filed Reliability Assurance Agreement Among Load Serving Entities (RAA) and associated Manuals. Moreover, consistent with the Transmission Provider's planning processes, Network Resources proposing to interconnect to the Transmission System in the PJM Region must comply with the terms, conditions, rules and procedures for interconnection as specified in Tariff, Part IV.

## Attachment B

### Revisions to the PJM Open Access Transmission Tariff

(Clean Format)

Pursuant to the Commission's February 24, 2020 Final Rule, Order No. 676-I (170 FERC ¶ 61, 062) amending its regulations under the Federal Power Act, and the grant of waivers from specified provisions of WEQ-001, WEQ-002 and WEQ-003 approved by the Commission in *PJM Interconnection*, *L.L.C.*, 151 FERC ¶ 61,141 (May 18, 2015) and in response to PJM's compliance filing for Order No. 676-I, the Transmission Provider hereby incorporates by reference the following standards promulgated by the WEQ of the NAESB:

- WEQ-000, Abbreviations, Acronyms, and Definition of Terms (WEQ Version 003.1, September 30, 2015) (including only the definitions of Interconnection Time Monitor, Time Error, and Time Error Correction);
- WEQ-000, Abbreviations, Acronyms, and Definition of Terms (WEQ Version 003.2, Dec. 8, 2017) (with minor correction applied July 23, 2019);
- To the extent not inconsistent with Transmission Provider's current NITS practices and procedures, WEQ-001, Open Access Same-Time Information System (OASIS), [OASIS] Version 2.2 (WEQ Version 003.2, Dec. 8, 2017), excluding standards WEQ-001-9 preamble text, WEQ-001-10 preamble text, WEQ-001-9.5, WEQ-001-10.5, WEQ-001-14.1.3, WEQ-001-15.1.2, WEQ-001-106.2.5, WEQ-001-25 in its entirety, as well as the timing requirements established in 001-23, to the extent not inconsistent with Transmission Provider's current practice;
- To the extent not inconsistent with Transmission Provider's current NITS practices and procedures, WEQ-002, Open Access Same-Time Information System (OASIS) Business Practice Standards and Communication Protocols (S&CP), [OASIS] Version 2.2 (WEQ Version 003.2, Dec.8, 2017), excluding;
- To the extent not inconsistent with Transmission Provider's current NITS practices and procedures, WEQ-003, Open Access Same-Time Information System (OASIS) Data Dictionary Business Practice Standards, [OASIS] Version 2.2 (WEQ Version 003.2, Dec. 8, 2017) (with minor corrections applied Jul. 23, 2019);
- WEQ-004, Coordinate Interchange (WEQ Version 003.2, Dec. 8, 2017);
- WEQ-005, Area Control Error (ACE) Equation Special Cases (WEQ Version 003.2, Dec. 8, 2017);
- WEQ-006, Manual Time Error Correction (WEQ Version 003.2, Dec. 8, 2017);
- WEQ-007, Inadvertent Interchange Payback (WEQ Version 003.2, Dec. 8, 2017);
- WEQ-008, Transmission Loading Relief (TLR) Eastern Interconnection (WEQ Version 003.2, Dec. 8, 2017);

- WEQ-011, Gas/Electric Coordination, (WEQ Version 003.2, Dec. 8, 2017);
- WEQ-012, Public Key Infrastructure (PKI) (WEQ Version 003.2, Dec. 8, 2017);
- WEQ-013, Open Access Same-Time Information System (OASIS) Implementation Guide, [OASIS] Version 2.2 (WEQ Version 003.2, Dec. 8, 2017);
- WEQ-015, Measurement and Verification of Wholesale Electricity Demand Response (WEQ Version 003.2, Dec. 8, 2017);
- WEQ-021, Measurement and Verification of Energy Efficiency Products (WEQ Version 003.2, Dec. 8, 2017);
- WEQ-022, Electric Industry Registry Business Practice Standards (WEQ Version 003.2, Dec. 8, 2017); and
- WEQ-023, Modeling. The following standards are incorporated by reference: WEQ-023-5; WEQ-023-5.1; WEQ-023-5.1.1; WEQ-023-5.1.2; WEQ-023-5.1.2.1; WEQ-023-5.1.2; WEQ-023-5.1.2.3; WEQ-023-5.1.3; WEQ-023-5.2; WEQ- 023-6; WEQ-023-6.1; WEQ-023-6.1.1; WEQ-023-6.1.2; and WEQ-023-A Appendix A. (WEQ Version 003.2, Dec. 8, 2017).

The Commission has granted Transmission Provider with waivers of specified provisions of WEQ-001, WEQ-002 and WEQ-003 as those Business Practice Standards relate to Service Across Multiple Transmission Systems (SAMTS) and Network Integration Transmission Service (NITS).

With respect to SAMTS, the Transmission Provider has adopted Tariff, Part II, section 17.9 and Tariff, Part II, section 18.4, specifying processing timelines for all short-term transmission service requests. The Transmission Provider will process and set the status of a SAMTS request or reservation consistent with a non-SAMTS transaction and the customer may withdraw, annul or reduce their request or reservation without financial penalty in accordance with the Transmission Provider's Regional Transmission and Energy Scheduling Practices document which can be found on the Transmission Provider's website.

With respect to NITS requests, the Transmission Provider has adopted rules in Tariff, Part III relating to the study and commitment of internal and external network resources and load designations, including Tariff, Part III, section 30 (relating to designation and termination of Network Resources), Tariff, Part III, section 31 (relating to the designation of Network Load), and Tariff, Part III, section 32 (relating to Initial Study procedures for NITS), all of which are subject, however, to the applicable requirements of PJM''s Reliability Pricing Model (RPM) rules as set forth in Tariff, Attachment DD and associated requirements as set forth in Transmission Provider's FERC-filed Reliability Assurance Agreement Among Load Serving Entities (RAA) and associated Manuals. Moreover, consistent with the Transmission Provider's planning processes, Network Resources proposing to interconnect to the Transmission System in

the PJM Region must comply with the terms, conditions, rules and procedures for interconnection as specified in Tariff, Part IV.