



PJM Interconnection, L.L.C.
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October 21, 2021

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E., Room 1A
Washington, D.C. 20426-0001

Re: PJM Interconnection, L.L.C. Docket No. ER22- 172-000
Tariff, Section 7.3 - Uniform Cure Period Revisions

Dear Secretary Bose:

Pursuant to Federal Power Act, section 205 (“FPA”),¹ and part 35 of the regulations of the Federal Energy Regulatory Commission (“Commission” or “FERC”),² PJM Interconnection, L.L.C. (“PJM”) submits for filing proposed technical revisions to the PJM Open Access Transmission Tariff (“Tariff”), section 7.3 to align cure periods applicable to Transmission Customers’ payment and credit defaults, with the parallel provisions in the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. (“Operating Agreement”), section 15.1.5, applicable to PJM Members’ or Participants’ defaults.³

On August 25, 2021, the Markets and Reliability Committee (“MRC”) voted on the proposed revisions by acclamation with no objections or abstentions, and September 29, 2021, the Members Committee (“MC”) endorsed the proposal on the consent agenda with no objection or abstentions.

¹ 16 U.S.C. § 824d.

² 18 C.F.R. Part 35.

³ Capitalized terms not otherwise defined herein have the meaning specified in, as applicable, the Tariff and the Operating Agreement.

PJM requests an effective date of December 21, 2021, for the attached revised Tariff section.

I. BACKGROUND

On March 31, 2020, in Docket No. ER20-1451-000, PJM submitted proposed revisions to the Tariff and the Operating Agreement to enhance and update the rules for evaluating and managing credit risk posed by entities that are seeking to participate or who are participating in the PJM-administered markets (“March 31 Filing”). The March 31 Filing, included proposed revisions to the default notification and remedy provisions in Operating Agreement, section 15.1.5 and the applicable cure periods for Members to remedy a breach following receipt of a notice as described in Operating Agreement, section 15.1.4. On May 29, 2021, the Commission accepted PJM’s March 31 Filing, effective June 1, 2020.⁴

However, PJM did not concurrently revise parallel provisions in Tariff, section 7.3 applicable to Transmission Customer payment and credit defaults in the March 31 Filing. This filing proposes to address that oversight by revising Tariff, section 7.3 to enhance clarity, avoid confusion, and align the PJM Governing Agreements’ default cure periods.

II. PROPOSED TARIFF REVISION

PJM proposes to revise Tariff, section 7.3 by deleting the specific two Business Day cure period applicable to a Transmission Customer or other entity after receipt of a credit or payment breach notice from PJM and replaced with “the applicable cure period described in Operating Agreement, section 15.1.5.” Replacing the specific cure period in Tariff, section 7.3 with a cross

⁴ *PJM Interconnection, L.L.C.*, Order Accepting Filing, 171 FERC ¶ 61,173 (May 29, 2020).

reference to the cure periods in Operating Agreement, section 15.1.5, will ensure alignment of the PJM Governing Agreement default provisions now, and going forward in the event PJM files additional changes to Operating Agreement, section 15.1.5.

III. STAKEHOLDER PROCESS

PJM received unanimous stakeholder support for the proposed Tariff revisions described herein. The proposed Tariff revision was endorsed by PJM's Risk Management Committee ("RMC") on June 22, 2021, PJM's MRC on August 25, 2021, and PJM's MC on September 29, 2021, with no objections.

IV. EFFECTIVE DATE

PJM requests an effective date of December 21, 2021, for the attached Tariff section, which is at least 60 days after the filing date.

III. DOCUMENTS ENCLOSED

PJM encloses the following:

1. this Transmittal Letter;
2. Attachment A: Revised Tariff, Section 7.3 (Marked); and
3. Attachment B: Revised Tariff, Section 7.3 (Clean)

IV. 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,⁵ PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: <http://www.pjm.com/documents/ferc-manuals/ferc->

⁵ See 18C.F.R §§ 35.2(e) and 385.2010(f)(3).

[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 Region⁶ alerting them this filing has been made by PJM and is available by following such link. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within 24 hours of the filing. Also, a copy of this filing will be available on the FERC's eLibrary website located at the following link: <http://www.ferc.gov/docs-filing/elibrary.asp> in accordance with the Commission's regulations and Order No. 714.

V. CORRESPONDENCE AND COMMUNICATIONS

All notices, communications or correspondence addressed to PJM regarding this matter should be directed to, and PJM requests that the Secretary include on the Commission's official service list, the following:

Craig Glazer
Vice President–Federal Government Policy
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⁶ PJM already maintains, updates and regularly uses e-mail lists for all PJM Members and affected state commissions.

Kimberly D. Bose, Secretary
October 21, 2021
Page 5

Respectfully submitted,

/s/ Steve R. Pincus

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Attachment A

Revisions to the PJM Open Access Transmission Tariff

(Marked / Redline Format)

7.3 Customer Default:

In the event the Transmission Customer or other entity (a) fails, for any reason, to make payment to PJMSettlement, for the benefit of PJMSettlement or the Transmission Provider, on or before the due date as described above, or (b) fails at any time to meet the Transmission Provider's creditworthiness requirements, and such failure is not corrected within the applicable cure period described in Operating Agreement, section 15.1.5~~two Business Days after the Transmission Provider notifies the Transmission Customer or other entity to cure such failure~~, a default by the Transmission Customer or other entity shall be deemed to exist. Upon the occurrence of a default, the Transmission Provider may initiate a proceeding with the Commission to terminate service but shall not terminate service until the Commission so approves any such request; provided however, that (i) in the event that a state required retail access program provides for continuation of retail service to affected end-use customers by another supplier that is a Transmission Customer, then the Transmission Provider may, upon default by a Transmission Customer, immediately terminate Transmission Service to the defaulting Transmission Customer for the load of such end-use customers, and (ii) in the event that a Transmission Customer is taking service under Part II to serve load outside of the PJM Region, then the Transmission Provider may, upon default by a Transmission Customer, immediately terminate Transmission Service to the defaulting Transmission Customer. Billing disputes between the Transmission Provider and the Transmission Customer or other entity shall be addressed through the Transmission Provider's dispute resolution procedures, and shall not relieve the Transmission Customer or other entity of the obligation to make payment of all amounts due hereunder.

If the Transmission Customer fails to meet these requirements for continuation of service, then the Transmission Provider may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy, or, in the case of a state required retail access program that provides for continuation of retail service to affected end-use customers by another supplier that is a Transmission Customer, immediately terminate Transmission Service as provided above.

Attachment B

Revisions to the PJM Open Access Transmission Tariff

(Clean Format)

7.3 Customer Default:

In the event the Transmission Customer or other entity (a) fails, for any reason, to make payment to PJMSettlement, for the benefit of PJMSettlement or the Transmission Provider, on or before the due date as described above, or (b) fails at any time to meet the Transmission Provider's creditworthiness requirements, and such failure is not corrected within the applicable cure period described in Operating Agreement, section 15.1.5, a default by the Transmission Customer or other entity shall be deemed to exist. Upon the occurrence of a default, the Transmission Provider may initiate a proceeding with the Commission to terminate service but shall not terminate service until the Commission so approves any such request; provided however, that (i) in the event that a state required retail access program provides for continuation of retail service to affected end-use customers by another supplier that is a Transmission Customer, then the Transmission Provider may, upon default by a Transmission Customer, immediately terminate Transmission Service to the defaulting Transmission Customer for the load of such end-use customers, and (ii) in the event that a Transmission Customer is taking service under Part II to serve load outside of the PJM Region, then the Transmission Provider may, upon default by a Transmission Customer, immediately terminate Transmission Service to the defaulting Transmission Customer. Billing disputes between the Transmission Provider and the Transmission Customer or other entity shall be addressed through the Transmission Provider's dispute resolution procedures, and shall not relieve the Transmission Customer or other entity of the obligation to make payment of all amounts due hereunder.

If the Transmission Customer fails to meet these requirements for continuation of service, then the Transmission Provider may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy, or, in the case of a state required retail access program that provides for continuation of retail service to affected end-use customers by another supplier that is a Transmission Customer, immediately terminate Transmission Service as provided above.