



**MC Legal Report
Summary of Significant Filings, Legal Activity
and
Federal Energy Regulatory Commission (Commission) and Court Orders
(November 6 – December 3, 2021)**

ORDERS

On December 2, 2021, in Docket Nos. EL18-183-002 and EL18-183-003, the Commission issued an Order Clarifying Resettlement Obligations in response to PJM's and ComEd's rehearing request of the Commission's April 2020 Order on paper hearing. In the Order, the Commission found (1) that Radford is not entitled to ICTRs for the 2019/2020 Delivery Year; (2) rejected PJM's 2020 compliance filing in part; and (3) directed PJM to resettle the ICTR payments for the 2019/2020 Delivery Year.

On November 22, 2021, in Docket Nos. ER21-2774-000 and ER21-2774-001, the Commission issued a letter order accepting tariff revisions to OATT, Schedule 12-Appx A, section 16 submitted on August 26, 2021, and section 15 as amended on October 8, 2021. The tariff revisions are to revise cost allocation responsibility for certain baseline upgrades included in the update to the Regional Transmission Expansion Plan approved by the PJM Board of Managers on July 29, 2021. The tariff revisions become effective as of November 24, 2021.

On November 19, 2021, in Docket No. ER21-2958-000, the Commission accepted PJM's revisions to the PJM OA, Schedule 12, and the RAA, Schedule 17, to (i) add the new members, (ii) remove withdrawn members, (iii) reflect the signatories to the RAA, and (iv) reflect members' whose corporate names changed during the first and second quarters of 2021. The revisions are effective as of June 22, 2021.

On November 19, 2021, in Docket No. ER21-2282, the Commission issued an order addressing proposed revisions to the Tariff submitted by PJM on behalf of the PJM Transmission Owners (PJM TOs) to implement an option for PJM TOs to elect to fund and earn a return of and on the capital cost of Network Upgrades required for generator interconnections. The Commission accepted and suspended the filing for five months, to become effective February 1, 2022, subject to refund and to the outcome of paper hearing procedures.

FILINGS

On December 2, 2021, in Docket Nos. EL19-47-000, EL19-63-000, ER21-2444-000, and ER21-2877-000, PJM filed an Answer to the Independent Market Monitor's Answer regarding the Motion for Clarification and/or Waiver related to certain Market Seller Offer Cap deadlines. In this Answer, PJM clarifies the requested waiver deadlines in light of the Market Monitor's December 1, 2021 Answer.



On November 30, 2021, in Docket No. RM21-17-000, PJM submitted reply comments in response to certain issues raised in other commenters' initial comments on the Commission's July 15, 2021 Advance Notice of Proposed Rulemaking (ANOPR). The ANOPR considers the potential need for reforms or revisions to existing regulations to improve electric regional transmission planning, cost allocation and generator interconnection processes.

On November 24, 2021, in Docket No. ER22-475-000, PJM submitted proposed revisions to the PJM OA, Schedule 12 and the RAA, Schedule 17, to reflect the permanent termination of Switch Energy, LLC (Switch) as a PJM Member in accordance with OA, section 15.1.6 (c) and 4.1 (c), because Switch failed to make payments when due twice during a 12 month period. PJM requested the revisions be effective as of January 24, 2022.

On November 23, 2021, in Docket Nos. EL19-47-000, EL19-63-000, ER21-2444-000, and ER21-2877-000, PJM filed an Answer to the Independent Market Monitor's request for clarification, or in the alternative, waiver with respect to the establishment of revised Market Seller Offer Caps (MSOC) for the upcoming 2023/2024 RPM Base Residual Auction. In this Answer, PJM requests that the Commission reject the Market Monitor's motion for clarification since the deadlines in the process of reviewing MSOC requests are explicitly established in the PJM Tariff. Notwithstanding, PJM requests the Commission approval of the IMM's waiver request on the condition that the Commission approves an expanded version of the IMM's waiver so as to allow Market Sellers that previously chose not to request a unit-specific MSOC on the basis of the default MSOC available prior to October 1, 2021 to now do so. As part of this modified waiver request, PJM proposes a timeline by which the Market Monitor and PJM may evaluate those new unit-specific requests. PJM believes this modified waiver best balances the dual objectives of ensuring accurate information on which to execute the auction and ensuring equitable treatment for all Market Sellers. PJM's proposal maintains the current schedule of executing the Base Residual Auction beginning on January 25, 2022.

On November 22, 2021, in Docket No. EL21-39-000, PJM and the Indicated PJM Transmission Owners submitted reply comments in response to the initial comments and responses filed on October 8, 2021 in this proceeding to develop a further record to determine whether the 1% de minimis threshold and netting provisions of PJM's solution-based distribution factor method result in rates that have become unjust and unreasonable.

On November 19, 2021, in Docket No. ER22-451-000, PJM submitted revisions to the Amended and Restated OA of PJM Interconnection, L.L.C. (OA), Schedule 6, section 1.5.8(e) that would permit PJM to modify the technical specifications of a project proposal submitted through a competitive proposal window in the event such project proposal fails the critical substation planning analysis. The proposed revisions are intended to allow PJM the flexibility to modify a project proposal to avoid inadvertently creating new, or aggravating existing, critical transmission stations or substations as identified pursuant to NERC Reliability Standard CIP-014-2. PJM requested that the proposed OA revisions be effective as of January 19, 2022.

On November 18, 2021, in Docket No. ER22-429-000, PJM submitted a filing with proposed revisions to the Tariff and OA definitions of No-load Cost and Incremental Energy Offer.



On November 15, 2021, in Docket No. ER13-198-008, PJM submitted a motion for leave to answer and limited answer to correct the record on two issues raised in the answer filed by the LSP Transmission Holdings II, LLC, Central Transmission, LLC, American Municipal Power, Inc., Public Power Association of New Jersey, PJM Industrial Customer Coalition, Indiana Office of Utility Consumer Counselor, and Office of the People's Counsel for the District of Columbia (Protestors) on October 29, 2021 in response to PJM's Updated Compliance Filing related to its use of the pro forma Designated Entity Agreement.

On November 12, 2021, in Docket No. EL19-58-000, PJM submitted a Motion for Extension of Effective Date, requesting that the Commission extend the effective date of those revisions to the Tariff and OA accepted in the reserve price formation proceeding, currently designated as May 1, 2022, to October 1, 2022.

On November 12, 2021, in Docket Nos. ER19-105-000, EL19-58-005, and ER19-1486-001, PJM filed an answer to the Public Interest and Public Organizations' Answer regarding the remand of the ten percent adder. In this answer, PJM makes clear on the record the timelines and feasibility of implementing a potential removal of the ten percent adder for the next scheduled Base Residual Auction.

On November 8, 2021, in Docket No. ER22-26-000, PJM filed an answer to the PJM Industrial Customer Coalition's October 22, 2021 protest to PJM's October 1, 2021 proposed revisions to the PJM Tariff to update the manner in which PJM recovers its administrative costs to better ensure both rate equity among PJM's Service Categories and revenue adequacy.

On November 8, 2021, in Docket No. RM18-9-000, PJM submitted an informational filing describing the status and target schedule of its Order No. 2222 stakeholder process, as required by the Commission's April 9, 2021 Order extending the due date of PJM's Order No. 2222 compliance filing from July 19, 2021 to February 1, 2022.