

134 FERC ¶ 61,192
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Marc Spitzer, Philip D. Moeller,
John R. Norris, and Cheryl A. LaFleur.

PJM Interconnection, L.L.C.

Docket No. EL08-47-006

ORDER ON COMPLIANCE FILING

(Issued March 17, 2011)

1. On July 1, 2010, PJM Interconnection, L.L.C. (PJM) submitted a compliance filing containing revised Tariff sections intended to establish provisions for Non-Regulatory Opportunity Costs pursuant to a proceeding to establish just and reasonable tariff provisions for determining opportunity cost adders for mitigation established under section 206 of the Federal Power Act (FPA).¹ In this order, we accept PJM's filing in part, and establish the just and reasonable provisions for determining Non-Regulatory Opportunity Costs.

I. Background

2. On May 16, 2008, the Commission granted a Maryland Public Service Commission (Maryland PSC) complaint in part and eliminated market rule provisions that exempted certain generation resources from energy offer price mitigation.² Some of the protesting parties in that proceeding also raised questions about whether, if these exemptions were eliminated, PJM's existing market power screen, the three-pivotal-supplier test, should be retained as the test for determining whether to mitigate offers. On February 19, 2009, the Commission, in response to the Maryland PSC complaint, found insufficient evidence showing that the three-pivotal-supplier test is unjust and unreasonable as it relates to assessing the structural competitiveness of the PJM energy

¹ *PJM Interconnection, L.L.C.*, 126 FERC ¶ 61,145 (February 19, 2009 Order), *order on clarification*, 127 FERC ¶ 61,188 (2009) (May 28, 2009 Clarification Order); *see* 16 U.S.C. § 824e (2006).

² *PJM Interconnection, L.L.C.*, 123 FERC ¶ 61,169, *order on reh'g*, 125 FERC ¶ 61,340 (2008).

market. However, based on the filings in the proceeding, the Commission found, under section 206, that PJM's mitigation procedures were unjust and unreasonable insofar as they failed to include opportunity costs in the determination of mitigated offer prices. The Commission established procedures to determine the just and reasonable method for taking opportunity costs into account in setting mitigated offer prices. The Commission required PJM to make a compliance filing on or before July 31, 2009, that proposed an approach for addressing the incorporation of opportunity costs in mitigated offers.

3. In the May 28, 2009 Clarification Order, the Commission clarified that PJM's compliance filing was not limited to opportunity costs related to energy and environmental limitations.³ The Commission also found that it was reasonable for PJM to focus on opportunity costs related to energy and environmental limitations in the July 31, 2009 compliance filing and to include a plan for developing additional market rules for other types of opportunity costs.

4. On July 31, 2009, PJM submitted revised sheets to Schedule 1 of the Operating Agreement, the parallel provisions of Attachment K - Appendix of the Tariff, and Schedule 2, in order to comply with the Commission's February 19, 2009 Order regarding opportunity costs related to energy and environmental limitations (Regulatory Opportunity Costs).⁴ After several additional orders and filings, the Commission, on October 25, 2010, accepted provisions governing regulatory opportunity costs.⁵

5. In a filing made on July 1, 2010, PJM included additional revised sheets to Schedule 1 of the Operating Agreement, the parallel provisions of Attachment K - Appendix of the Tariff, and Schedule 2, to address the inclusion of non-regulatory opportunity costs.⁶ On December 30, 2010, PJM submitted a supplemental filing to

³ May 28, 2009 Clarification Order, 127 FERC ¶ 61,188 at P 7 (“... the references to these two types of cost in the order were by way of example, and PJM needs to consider all legitimate and verifiable opportunity costs as part of its stakeholder process and its compliance filing.”).

⁴ In the July 31, 2009 filing, PJM stated that it planned to submit a filing for addressing the inclusion of other types of opportunity costs no later than July 1, 2010.

⁵ *PJM Interconnection, L.L.C.*, 133 FERC ¶ 61,081 (2010) (October 25, 2010 Order).

⁶ PJM states that the Tariff and Operating Agreement revisions have not been finally considered by the PJM stakeholders. However, PJM states that the substance of the proposed revisions was based on a proposal that was overwhelmingly approved by stakeholders.

reflect further discussions with stakeholders related to these non-regulatory opportunity costs (December 30, 2010 Filing).⁷

II. PJM's Proposal

6. In the July 1, 2010 Filing, PJM proposes to allow the recovery of opportunity costs for generating units that can demonstrate physical equipment limitations that can be documented by an original equipment manufacturer recommendation or bulletin, or a documented restriction imposed on the generating unit by the insurance carrier for the Market Participant. PJM also proposes to allow recovery of opportunity costs for units that experience an Out of Management Control fuel limitation that is recognized by PJM's eGADS system.⁸ Further, PJM proposes that generating units that experience a fuel supply limitation other than an Out of Management Control fuel limitation may also recover those costs if the Market Participant can document that event by providing PJM with a copy of the disturbance report for the event that was filed under the requirements of NERC EOP-004 Disturbance Reporting.⁹

7. To implement the recovery of such opportunity costs, PJM proposes to include a newly-defined term, Non-Regulatory Opportunity Cost, to distinguish opportunity costs for resources with limited run hours or start times due to non-regulatory limitations from other types of opportunity costs that Market Participants may recover. Specifically, PJM proposes to define, as new Section 1.3.17A of Schedule 1 of the Operating Agreement and new Section 1.3.17A of Attachment K - Appendix of the Tariff, that:

⁷ The July 1, 2010 Filing requests an effective date of October 1, 2010. In the December 30, 2010 Filing, PJM requests that the proposed revisions become effective the day after Commission acceptance.

⁸ PJM's Generator Availability Data System (eGADS) is an internet application that supports the submission and processing of generator outage and performance data as required by PJM and North American Electric Reliability Corporation (NERC) reporting standards.

⁹ PJM states that some stakeholders also requested that PJM seek Commission approval of a process pursuant to which generators could obtain recovery of opportunity costs in circumstances outside of the proposed revisions subject to PJM and the PJM Independent Market Monitor (PJM IMM) oversight. PJM explains that, because it believes that the requested revisions do not meet the Commission's requirement that PJM provide a mechanism by which opportunity costs can be included in mitigated bids in order to eliminate the need to evaluate the opportunity cost of resources on a case-by-case basis, PJM opted not to submit such revisions to the Commission for approval.

Non-Regulatory Opportunity Cost shall mean the difference between:

(a) the forecasted cost to operate a specific generating unit when the unit only has a limited number of starts or available run hours resulting from (i) the physical equipment limitations of the unit due to original equipment manufacturer recommendations or insurance carrier restrictions, (ii) an Out of Management Control fuel supply limitation as defined in the PJM eGADS User Manual, or (iii) a fuel supply limitation for which a disturbance report was filed pursuant to the requirements of NERC EOP-004 Disturbance Reporting; and, (b) the forecasted future hourly Locational Marginal Price at which the generating unit could run while not violating such limitations. Non-Regulatory Opportunity Cost therefore is the value associated with a specific generating unit's lost opportunity to produce energy during a higher valued period of time occurring within the same period of time in which the unit is bound by the referenced restrictions, and is reflected in the rules set forth in PJM Manual 15. Non-Regulatory Opportunity Costs shall be limited to those resources which are specifically delineated in Schedule 2 of the Operating Agreement.

8. To provide for recovery of Non-Regulatory Opportunity Costs, PJM also proposes additions to section (a) of Schedule 2 of the PJM Operating Agreement to state that:

For a generating unit that is subject to operational limitations resulting from (i) the physical equipment limitations of the unit due to original equipment manufacturer recommendations or insurance carrier restrictions, (ii) an Out of Management Control fuel supply limitation as defined in the PJM eGADS User Manual, or (iii) a fuel supply limitation for which a disturbance report was filed pursuant to the requirements of NERC EOP-004 Disturbance Reporting, the Market Participant may include in the calculation of its "other incremental operating costs" an amount reflecting the unit-specific Non-Regulatory Opportunity Costs expected to be incurred. Such unit-specific Non-Regulatory Opportunity Costs are calculated by forecasting Locational Marginal Prices based on future contract prices for electricity using PJM Western Hub forward prices, taking into account historical variability and basis differentials for the bus at which the generating unit is located for the prior three year

period immediately preceding the period of time in which the unit is bound by the referenced restrictions, and subtract therefrom the forecasted costs to generate energy at the bus at which the generating unit is located, as specified in more detail in PJM Manual 15. If the difference between the forecasted Locational Marginal Prices and forecasted costs to generate energy is negative, the resulting Non-Regulatory Opportunity Cost shall be zero.

9. In the July 1, 2010 Filing, PJM also states that it intends to continue discussions with stakeholders regarding whether there are any additional types of legitimate and verifiable opportunity costs that should be recoverable under Schedule 2 of the Operating Agreement. Specifically, PJM stated it would continue discussions with stakeholders to consider whether to (a) develop guidelines for allowing engineering analyses to be eligible for opportunity cost recovery, (b) limit the recovery of opportunity costs to no more than x times in y years and if so, whether the limitation should be automatic or whether a review should be triggered upon a request to exceed recovery for such costs more than x times in y years, and (c) permit the recovery of short term Non-Regulatory Opportunity Costs (typically of limited duration, lasting 30 days or less). PJM states that it would file a proposal for additional legitimate and verifiable opportunity costs with the Commission no later than January 1, 2011, unless it determines that no such costs should be permitted under Schedule 2 of the Operating Agreement, or advise the Commission that there is no agreement among stakeholders on such proposals.

10. In the December 30, 2010 Filing, PJM states that, because neither PJM nor its stakeholders determined that there were any additional types of legitimate and verifiable Non-Regulatory Opportunity Costs that should be recoverable, it is not proposing any revisions to the Tariff or Operating Agreement. Rather, PJM states that it contemplates revising its Manual 15: Cost Development Guidelines (Manual 15) to incorporate further clarification of the limitations on a resource's ability to recover Non-Regulatory Opportunity Costs. There was no agreement among stakeholders that an engineering analysis is acceptable grounds for requesting use of an opportunity cost to document a physical equipment limitation. However, an alternate proposal that eliminated the recommendation to allow an engineering analysis "to serve as grounds for requesting use of an opportunity cost to document a physical equipment limitation" did achieve stakeholder approval with a sector-weighted vote of 4.1/5.0 in favor.¹⁰ Therefore, the December 30, 2010 Filing addresses the two recommendations approved by PJM's stakeholders: (1) limiting the recovery of opportunity costs and (2) permitting the recovery of short-term Non-Regulatory Opportunity Costs.

¹⁰ December 30, 2010 Filing at 5.

III. Notice of Filing, Comments, Protests, and Responsive Pleadings

11. Notice of the July 1, 2010 Filing was published in the *Federal Register*, 75 Fed. Reg. 40,815 (2010), with interventions and protests due on July 22, 2010. Comments generally supportive of the July 1, 2010 Filing were filed by Dayton Power and Light Company (Dayton) and Shell Energy North America, (US), L.P. (Shell Energy) (together, Dayton and Shell Energy), and Calpine Corporation (Calpine).¹¹ Mirant Parties (Mirant) filed comments in support and a limited protest.¹² Comments opposing the July 1, 2010 Filing, including an alternative proposal, were submitted by Monitoring Analytics, LLC.¹³ PJM filed an answer to the comments and protest, and the PJM IMM filed for leave to answer, and an answer to PJM's answer. Dayton and PJM Power Providers Group (P3) filed comments and limited protests on the December 30, 2010 Filing.¹⁴ The PJM IMM filed an answer to the comments of Dayton and P3, and PJM filed an answer.

IV. Commission Discussion

A. Procedural Matters

12. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure,¹⁵ the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.¹⁶ Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, the Commission will grant the late-filed motion to intervene of P3, given the absence of undue prejudice or delay, the parties' interest, and the early stage of the proceeding.¹⁷

¹¹ Calpine filed a motion to intervene with its comments. Dayton and Shell Energy intervened previously in this proceeding.

¹² Mirant Energy Trading, LLC; Mirant Potomac River, LLC; Mirant Chalk Point, LLC; and Mirant Mid-Atlantic, LLC (collectively, Mirant Parties).

¹³ Monitoring Analytics, LLC filing in its capacity as the PJM IMM.

¹⁴ P3 filed a motion to intervene with its limited protest.

¹⁵ 18 C.F.R. § 385.214 (2010).

¹⁶ Mirant intervened previously in this proceeding.

¹⁷ 18 C.F.R. § 385.214(d) (2010).

13. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure prohibits an answer to a protest unless otherwise ordered by the decisional authority.¹⁸ We will accept the responsive pleadings because they have provided information that assisted us in our decision making process.

B. Non-Regulatory Opportunity Costs

14. Under section 206 of the FPA, we will accept as just and reasonable, PJM's filing to include as a Non-Regulatory Opportunity Cost the physical equipment limitations of a unit due to original equipment manufacturer recommendations or insurance carrier restrictions, with certain revisions. We find that operational limitations on the number of hours a unit may run is a just and reasonable method for determining opportunity costs because a mitigated unit with a limited number of run hours can lose its opportunity to run in higher priced hours.

15. However, we will require PJM to make certain revisions to its Tariff regarding operational limitations. PJM must make revisions to its definitions regarding start-time used as an operational limitation and include short-term opportunity costs in its Tariff, as proposed in the December 30, 2010 Filing. We also find unsupported PJM's proposal to permit Out of Management Control fuel supply limitations as an opportunity cost. At this time therefore, we will not require that this provision be included in PJM's Tariff. PJM may seek to justify such a provision in its compliance filing or make a separate section 205 filing.

16. We find under section 206 of the FPA that the provisions we adopt here with the specific revisions discussed below are just and reasonable, and will become effective 30 days from the date of this order. PJM is required to make a compliance filing within 30 days of the date of this order to revise its Tariff.

17. We discuss below the issues raised in the protests.

1. Start-Time Limitations

18. The PJM IMM requests that the Commission require PJM to delete the reference to start times as a component of the definition of Non-Regulatory Opportunity Cost. The PJM IMM contends that a limited number of starts should be taken into account only to the extent that it can be translated into a limitation on run hours, and that, since no method for doing so has been developed, the reference to start times as a component of the definition of Non-Regulatory Opportunity Cost should be deleted.

¹⁸ 18 C.F.R. § 385.213(a)(2) (2010).

19. We deny the PJM IMM's protest to eliminate start times from the definition of Non-Regulatory Opportunity Cost. Start times, like run hours, is a legitimate operational limitation on the ability of a generator to run. For example, generators may be able to substantiate a Non-Regulatory Opportunity Cost based upon the number of starts because, as shown in the filings, General Electric bases gas turbine maintenance requirements on independent counts of starts and hours and some generator manufacturers convert number of starts to an equivalent number of operating hours for purposes of determining maintenance intervals.¹⁹

20. We note that the language in the proposed definition of Non-Regulatory Opportunity Cost is different from the language proposed for Schedule 2 of the Tariff since the definition refers to a limited number of starts or available run hours whereas the proposed language in Schedule 2 refers to operational limitations. To avoid confusion, the language in the Tariff referring to operational limitations should include the language in the definition referring to limited number of starts or available run hours, and PJM must include such a revision in its compliance filing.

2. Short-Term Opportunity Costs

21. In the December 30, 2010 Filing, PJM states that, based on further stakeholder discussions, Manual 15 will be revised to specify that Non-Regulatory Opportunity Costs may be recovered for short-term events and will reflect any limitations on the recovery of such costs. PJM explains that short-term Non-Regulatory Opportunity Costs will include recalculation of Non-Regulatory Opportunity Costs on a daily basis during short-term events, and the use of volatility scalars in the calculation of electricity prices. Because the tariff does not currently include short-term opportunity costs as recoverable costs, we will require PJM to include such costs in its tariff. While implementation details are appropriate for inclusion in Manual 15, the tariff must provide that short-term Non-Regulatory Opportunity Costs are recoverable.

3. Engineering Analysis to Document Physical Equipment Limitations

22. PJM did not include in its filing the ability of a generator to utilize an alternative method (other than limitations documented by original equipment manufacturer recommendations or insurance carrier restrictions) for determining physical equipment limitations.

¹⁹ Mirant's Attachment 1: General Electric manual "Heavy Duty Gas Turbine Operating and Maintenance Considerations" at 5.

a. **Comments**

23. Dayton and Shell Energy assert that there is good cause to provide a process for Market Participants to submit exceptions to the standardized rules where there is some non-standard source of opportunity costs that is legitimate and verifiable. Mirant, Dayton, and P3 favor allowing the submission of an engineering analysis, in addition to the OEM and insurance carrier qualifiers, to support the inclusion of Non-Regulatory Opportunity Costs.

24. The PJM IMM believes that there is wide latitude for a unit owner to exercise judgment about how to address an operational issue identified by an internal engineer and over what period of time to address the issue; and there is more reason to rely on an original equipment manufacturer and insurance carriers recommendations because the plant owner does not retain them in order to receive operational recommendations. In its initial comments, therefore the PJM IMM opposes allowing an alternative method of determining physical limitations, stating that determining for how many hours and at what output level a unit will be able to operate with a physical limitation and how long it will be before the unit can be repaired is not susceptible to objective criteria. In the PJM IMM's answer to the limited protests of Dayton and P3, it further states that the key difference between an analysis prepared by original equipment manufacturers and insurance carriers versus company employees and contractors is the obvious conflict of interest and potential for bias and even fraud. The PJM IMM states that P3 provides no evidence that PJM's decision to limit reliance to these sources is unjust or unreasonable, and that the assertion by Dayton that original equipment manufacturers are in many cases out of business and that plants often self-insure is not substantiated. Also, contrary to Dayton's claim, the PJM IMM states that original equipment manufacturers' operational recommendations cover the lifetime of a unit, not just their operations as they enter service.

25. The PJM IMM alternatively contends that, should the Commission find that an alternative method is permissible, any such proposal must include an engineering analysis that addresses concerns related to subjectivity and proper qualifications. In its answer to the limited protests of Dayton and P3, the PJM IMM further suggests that such requirements should include, at a minimum, affidavits from a certified professional engineer and a company officer, with supporting documentation.²⁰ PJM filed an answer supporting the PJM IMM recommendation that any engineering analysis, whether internally generated or from an outside consultant, be from a certified professional engineer.

²⁰ The PJM IMM also states that such proposed costs should be reviewed by the market monitoring unit, and considered and approved by the Commission, if necessary.

26. Mirant states that, in instances where PJM's dispatch of a generator unit abruptly increases, the maintenance schedule that was established is accelerated, sometimes dramatically, and the unit must conserve run hours until the parts can be procured to conduct the maintenance ahead of schedule. This unexpected increased operation during low-priced hours can result in the unit requiring maintenance and repairs prior to when the parts were ordered or expected to be delivered, rendering the unit unable to operate during higher priced hours. The PJM IMM responds that if a generator fails to implement a proper maintenance plan, and the consequence is an inability to run as much as expected for some period, the result should not be defined to be an opportunity cost that can be appropriately shifted to its customers. The PJM IMM states that the General Electric manual lists a number of factors within the control of a generator, including "the stocking of spare parts for immediate replacement."²¹ The PJM IMM believes that Mirant's proposal would have the unintended consequence of providing an incentive to unit owners that run primarily for local transmission constraints to reduce unit availability in order to increase offer caps and overall unit profitability.

b. Commission Determination

27. We find that PJM's proposal to allow the recovery of opportunity costs for generating units that can demonstrate physical equipment limitations that can be documented by an original equipment manufacturer recommendation or bulletin, or a documented restriction imposed on the generating unit by the insurance carrier is just and reasonable.

28. The PJM stakeholders voted to eliminate the recommendation to allow an engineering analysis "to serve as grounds for requesting use of an opportunity cost to document a physical equipment limitation." The PJM IMM is opposed to allowing an engineering analysis due to concerns of bias and fraud, and we believe that the PJM IMM would be overburdened by having to review and analyze various engineering analyses to detect errors or misrepresentations. We also agree with the PJM IMM that Dayton and P3 have not substantiated their claims that to limit reliance to original equipment manufacturers and insurance carriers is unjust or unreasonable. Finally, we do not find it reasonable to allow a resource to provide an engineering analysis to contradict the original equipment manufacturer recommendations or insurance carrier restrictions that cover the physical limitations of the equipment.

²¹ Answer of the PJM IMM at 4.

4. Out of Management Control Fuel Limitations

29. PJM proposes Tariff provisions to provide for the recovery of Non-Regulatory Opportunity Costs as a result of an Out of Management Control fuel supply limitation. PJM qualifies the Out of Management Control fuel supply limitation²² as defined in the PJM eGADS User Manual, or a fuel supply limitation for which a disturbance report was filed pursuant to the requirements of NERC EOP-004 Disturbance Reporting.

a. Comments and Answer

30. The PJM IMM questions whether any fuel related outages should be considered as an appropriate screen for eligibility for opportunity cost adders. The PJM IMM states that the use of Out of Management Control for fuel related outages has not been adequately explained. The PJM IMM states that an evaluation of Out of Management Control for fuel related outages is necessarily subjective, and that there is no objective, rule driven process for determining whether outages linked to these codes are actually within the control of management. The PJM IMM further contends that the eGADS system codes are too vague to serve as criteria for opportunity cost adders because they do not demonstrate that a unit has a defined, limited run time as a result.²³ The PJM IMM suggests that *force majeure* provisions, as included in the PJM Operating Agreement,²⁴ appropriately captures the concept of a fuel limitation that is outside of management control.

31. PJM states that it only supports two Out of Management Control causes recognized by PJM's eGADS system for fuel outage limitations, and that the NERC EOP-004 Disturbance Reporting is intended to be used as documentation in support of a fuel outage limitation. PJM does not oppose the use of a *force majeure* standard, but notes that such a standard has not been vetted through the stakeholder process.

²² PJM states that, out of 34 Out of Management Control Cause Codes that are defined in Appendix C to the eGADS User Manual, there are only two fuel limitations – Out of Management Control Cause Code 9130 – “Lack of fuel (water from rivers or lakes, coal mines, gas lines, etc) where the operator is not in control of contracts, supply lines, or delivery of fuels” and Out of Management Control Cause Code 9150 – “Labor strikes company-wide problems or strikes outside the company’s jurisdiction such as manufacturers (delaying repairs) or transportation (fuel supply) problems.”

²³ The PJM IMM points out that as of July 20, 2010, there are eleven additional Out of Management Control Cause Codes related to fuel limitations became available in PJM's eGADS.

²⁴ PJM Operating Agreement, Section 18.9.

b. Commission Determination

32. We find that the proposed Tariff provisions for an Out of Management Control fuel supply limitation are unclear and unsupported. In its transmittal letter, PJM has not explained why an Out of Management Control fuel event will necessarily result in a limited number of run hours.²⁵ We also agree with the PJM IMM that the language that PJM has proposed in its Tariff (“a fuel supply limitation for which a disturbance report was filed pursuant to the requirements of NERC EOP-004 Disturbance Reporting”) is not consistent with PJM’s stated intention that the NERC EOP-004 Disturbance Report would only be considered as evidence in support of the eligibility of costs related to a fuel limitation. PJM therefore must remove these provisions.

c. Other Issues

33. In its December 30, 2010 Filing, PJM states that stakeholders further considered whether limitations should be imposed on the number of times recovery of opportunity costs should be allowed. In the December 30, 2010 Filing, PJM states that stakeholders agreed to a proposed trigger level of three times in five years for similar issues, with the word similar being defined as three of the same fuel limitation or same physical equipment limitation for the same unit. But PJM has not proposed to include any of these limitations in its Tariff.

34. Mirant Parties objects to an automatic limitation. It argues that a review of frequent limitations was originally discussed to address concerns with the use of an engineering analysis.

35. PJM cannot enforce such a limitation through its manuals, and we find no basis for requiring PJM to include in its Tariff a limitation on the number of times opportunity costs claims are allowed. Generators should be able to include opportunity costs whenever such costs are legitimate. Should PJM develop additional evidence to justify such a limit, it may propose a limit, through a new filing under section 205.

36. PJM advises the Commission that, if any resource subject to a fuel supply or physical equipment limitation makes use of the calculation procedure prescribed in PJM Manual 15 and runs out of hours during the Delivery Year, with the resource being self-scheduled 50 percent of the available run hours or greater, then PJM will consider this outage a Forced Outage (as defined by NERC). However, if the resource was self-scheduled less than 50 percent of the available run hours, then PJM will consider this

²⁵ For example, an outage under Out of Management Control Cause Code 9130 can be attributed to lack of fuel from a gas line, but unless the generator has gas storage, such an event would not necessarily lead to a future limitation on run hours.

outage to be Outside Management Control. PJM must apply its current Tariff, i.e., the filed rate, in determining Forced Outages. PJM has not shown whether this proposal is included in or even consistent with its current Tariff, and therefore this issue is not before us in this filing.

The Commission orders:

(A) PJM's compliance filing is hereby accepted in part, as discussed in the body of this order.

(B) PJM is hereby required to submit a compliance filing to revise its Tariff as directed, within thirty days of the date of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.