

134 FERC ¶ 61,177
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

March 8, 2011

In Reply Refer To:
PJM Interconnection, L.L.C.
Docket No. ER11-2650-000

PJM Interconnection, L.L.C.
Attn: Steven R. Pincus, Assistant General Counsel
Valley Forge Corporate Center
955 Jefferson Avenue
Norristown, PA 19403-2497

Re: Proposed Revisions to the Definition of “Station Power”

Dear Mr. Pincus:

1. On January 7, 2011, pursuant to section 205 of the Federal Power Act (FPA),¹ PJM Interconnection, L.L.C. (PJM) filed revisions to its Open Access Transmission Tariff (PJM Tariff) Attachment K Appendix and Amended and Restated Operating Agreement (Operating Agreement) Schedule 1.² In the amendment, PJM proposes to clarify that energy used for compressors at a compressed air energy storage facility is excluded from the definition of Station Power. The Commission accepts the proposed revisions to the PJM Tariff and Operating Agreement, effective March 9, 2011, as requested.

¹ 16 U.S.C. § 824d (2006).

² PJM states that it is also making corresponding revisions to PJM Manual 28 (Operating Agreement Accounting), which was reviewed by PJM’s Members along with the revisions to the PJM Tariff and Operating Agreement.

2. PJM proposes to amend the definition of “Station Power”³ in section 1.3.33B of the PJM Tariff and Operating Agreement to “clarify that energy used for compressors at a compressed air energy storage facility is excluded from the definition of Station Power.”⁴ PJM states that the filing is designed to put compressed air energy storage facilities on an equal footing with more conventional energy storage devices such as pumped hydro energy storage facilities and rapid response Energy Storage Resource devices. PJM further states that the filing is intended to ensure that such facilities are treated the same while maintaining the current process used for PJM and its stakeholders to analyze evolving energy storage technologies to determine if they can also be treated in a like manner. PJM explains that compressed air energy storage facilities fit the same properties and rationale which support exclusion from the definition of Station Power of energy used for pumping at pumped hydro energy storage facilities and used to charge an Energy Storage Resource. That is, such energy is stored for later delivery and not consumed.⁵

3. Notice of the filing was published in the *Federal Register*, 76 Fed. Reg. 3619 (2011), with interventions and protests due on or before January 28, 2011. FirstEnergy Service Company filed a timely motion to intervene and comments in support of the filing.⁶ Exelon Corporation and American Municipal Power, Inc. filed timely motions to intervene. No protests were filed.

³ “Station Power” is currently defined in section 1.3.33B as “energy used for operating the electric equipment on the site of a generation facility located in the PJM Region or for the heating, lighting, air-conditioning and office equipment needs of buildings on the site of such a generation facility that are used in the operation, maintenance, or repair of the facility. Station Power does not include any energy (i) used to power synchronous condensers; (ii) used for pumping at a pumped storage facility; (iii) used for charging an Energy Storage Resource; or (iv) used in association with restoration or black start service.”

⁴ Transmittal Letter at 1.

⁵ PJM states that because compressed air storage is viewed by the Commission as similar to pumped hydro energy storage facilities, PJM and the PJM stakeholders opted to address compressed air in the same way as pumped storage is addressed in the PJM Tariff; that is directly including such resources as an exclusion to the definition of Station Power as opposed to expanding the definition of Energy Storage Resource.

⁶ FirstEnergy Solutions supports the filing subject to a reservation of its rights to at some future time have its Norton Energy Storage Project classified as an Energy Storage Resource.

4. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.⁷

5. We find the proposed tariff changes to be just and reasonable and we will accept them, effective March 9, 2011, as requested. We find that excluding the energy used for compressors at a compressed air energy storage facility from the definition of Station Power treats such facilities in a similar manner to pumped hydro energy storage facilities and ensures no undue discrimination. The revisions are also consistent with past Commission precedent.⁸ Therefore, the Commission accepts the proposed revisions to the PJM Tariff and Operating Agreement, effective March 9, 2011, as requested.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

⁷ 18 C.F.R. § 385.214 (2010).

⁸ See *PJM Interconnection, LLC*, 132 FERC ¶ 61,203 (2010).