

141 FERC ¶ 61,103
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Philip D. Moeller, John R. Norris,
Cheryl A. LaFleur, and Tony T. Clark.

PJM Interconnection, L.L.C.

Docket No. ER12-2599-000

ORDER GRANTING REQUEST FOR WAIVER

(Issued November 6, 2012)

1. On September 7, 2012, PJM Interconnection, L.L.C. (PJM), requested a tariff waiver, effective as of January 1, 2006, to allow a designated Black Start Unit¹ (Designated Generating Unit), owned and operated by Ohio Power Company, an operating subsidiary of American Electric Power Company, Inc.'s (AEP), continued provision of Black Start Service to PJM. PJM requests that the Commission grant this waiver from January 1, 2006 and allow this waiver to remain in effect until such time that AEP terminates the provision of Black Start Service from the Designated Generating Unit, which is currently expected to occur no later than December 31, 2012. As discussed below, the Commission grants PJM's request for waiver from January 1, 2006 to December 31, 2012.

Background

2. Schedule 6A of the PJM Tariff governs the provisions of and compensation for Black Start Service. According to Paragraph 7 of Schedule 6A, Black Start Units must have three distinct capabilities. The first capability, and the one relevant to the instant waiver request, is that the unit must "be able to close its output circuit breaker to a dead (de-energized) bus within 90 minutes of a request from the Transmission Owner (TO) or

¹ The PJM Open Access Transmission Tariff (Tariff) defines a Black Start Unit as a generating unit that has equipment enabling it to start without an outside electrical supply or a generating unit with a high operating factor (subject to Transmission Provider concurrence) with the demonstrated ability to automatically remain operating, at reduced levels, when disconnected from the grid. PJM Tariff, Schedule 6A, Paragraph 2.

PJM.”² Paragraph 12 of Schedule 6A also states that Black Start Units must be tested annually to verify that they can be started and operated without being connected to the PJM system.

3. According to PJM’s waiver request, it accepted the Designated Generating Unit as a Black Start Unit on January 1, 2006, for the AEP transmission zone, and compensation commenced on that date. During its most recent black start test, conducted on March 24, 2012, the Designated Generating Unit reported that it was only capable of closing its output breaker to a dead bus in 5.5 hours, exceeding the 90-minute requirement mandated by Schedule 6A. During an internal investigation, PJM discovered that in each of the annual tests the Designated Generating Unit submitted to PJM since 2006, the Unit was not capable of meeting the 90-minute requirement. PJM further states that it discovered that it had incorrectly classified the Designated Generating Unit as an Automatic Load Rejection (ALR) unit, which is designed to automatically remain operating when disconnected from the grid. According to PJM, this mistaken classification caused it to disregard the Designated Generating Unit’s tests demonstrating the unit’s inability to meet the 90-minute requirement.³ For that reason, PJM states it did not notify AEP that its Designated Generating Unit was failing the 90-minute requirement, and it continued to compensate the Designated Generating Unit as a Black Start Unit as though the unit met all the necessary requirements under Schedule 6A of the PJM Tariff.

4. Having discovered that the Designated Generating Unit cannot demonstrate one of the capabilities necessary to be designated as a Black Start Unit pursuant to Schedule 6A, PJM requests waiver of the “90-minute to close” provision applicable to the Designated Black Start Unit for the period January 1, 2006 through December 31, 2012. In support of its waiver request, PJM avers that the Designated Generating Unit meets all other operational specifications to qualify as a Black Start Unit in the AEP transmission zone under Schedule 6A and emphasizes that it and the PJM Transmission Owners have relied upon the availability of the Designated Generating Unit to provide Black Start Service in

²A Black Start Unit must also: (1) be capable of maintaining frequency and voltage under varying load; and (2) be able to maintain rated output for a period of time identified by each Transmission Owner’s system restoration requirements, in conjunction with the Transmission Provider. PJM Tariff, Schedule 6A, Paragraph 7.

³PJM explains that testing an ALR unit’s ability to meet the 90-minute requirement is difficult. When an ALR is disconnected from a “live” grid (as would be the case during testing, when the grid is energized), it needs a significant amount of time to synchronize with the energized grid prior to closing the breaker, causing the ALR to miss the 90-minute requirement. During an actual outage, however, an ALR unit would not need that amount of time for synchronization because the grid would not be energized. Thus, PJM reasonably would disregard an ALR’s unit inability to meet the “90-minutes to close” requirement.

developing its system restoration plan. Moreover, PJM asserts that it currently has no alternative means of acquiring Black Start Service in the AEP transmission zone in the event of a blackout. PJM states that it anticipates finding an alternative provider by the end of December 2012. PJM also argues that the 90-minute requirement is a legacy operational standard adopted prior to the implementation of mandatory Reliability Standards, and therefore it has questionable application considering the needs of today's transmission system. PJM notes that a PJM task force is currently considering whether to remove the "90-minute to close" requirement from the PJM Tariff altogether.

5. PJM asserts that its waiver request meets all the factors the Commission typically considers when evaluating a waiver request. First, PJM argues that the underlying error giving rise to this request was the result of its mistaken assumption that the Designated Generating Unit is an ALR unit. Second, PJM contends that the waiver request applies only to the Designated Generating Unit and is limited in scope, such that it will only continue until PJM can find an alternative black start provider, which PJM anticipates will be December 31, 2012. Third, PJM asserts that the waiver is needed to address a concrete issue, in that denying the request would jeopardize the existing AEP system restoration plan. Lastly, PJM asserts that granting waiver will not harm or prejudice any third parties because no other generator responded to PJM's solicitations for an alternative black start provider in the AEP zone. On the contrary, PJM contends that denying the waiver will harm several third parties, in that it will prevent PJM and AEP from ensuring the reliable restoration of the AEP zone.

Notice of Filing

6. Public notice of the filing was issued on September 7, 2012. Interventions and protests were due on or before September 28, 2012. On September 28, 2012, Dominion Resources Services, Inc. filed a motion to intervene. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. ¶ 385.214 (2012), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. No protests or adverse comments were filed.

Discussion

7. The Commission determines that PJM has met the criteria for granting the waiver and, therefore, grants the waiver from January 1, 2006 to December 31, 2012.

8. The Commission has typically granted waivers of tariff provisions when: (1) the waiver is of limited scope; (2) a concrete problem needed to be remedied; and (3) the waiver did not have undesirable consequences, such as harming third parties.⁴

⁴ See, e.g., *Demand Response Partners, Inc.*, 140 FERC ¶ 61,093 (2012); *New York Power Authority.*, 139 FERC ¶ 61,157 (2012); *ISO New England, Inc.*, 134 FERC ¶ 61,182 (2011); *New York Indep. Sys. Operator, Inc.*, 122 FERC ¶ 61,119

9. Here, the Commission finds that, first, the waiver is of limited scope, as the waiver will apply only to the Designated Generating Unit identified in this order. The waiver will not apply to any other PJM Black Start Units nor will it apply to any other transmission zone other than the AEP transmission zone at issue in this proceeding.

10. Second, the waiver remedies a concrete problem. PJM and the Transmission Owners have relied upon the availability of the Designated Generating Unit in the development of a system restoration plan and PJM asserts there are no other available units to serve this particular transmission zone. Therefore, waiver of section 7 of Schedule 6A of the PJM Tariff recognizes that the Designated Generating Unit provides Black Start Service where there appears to be no viable alternative in the AEP zone. Waiver is thus in the public interest.

11. Third, the Commission further finds that the continued designation of the Designated Generating Unit as a Black Start Unit will not adversely affect third parties and that, as stated above, the effective restoration of the AEP transmission zone in the event of a system blackout further justifies granting waiver.⁵

The Commission orders:

PJM's request for a tariff waiver to allow the Ohio Power designated Black Start Unit to provide Black Start Service to PJM from January 1, 2006 to December 31, 2012 is hereby granted.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

(2008); *ISO New England, Inc.*, 117 FERC ¶ 61,171 (2006); *New York Indep. Sys. Operator, Inc.*, 112 FERC ¶ 61,347 (2005).

⁵ The Commission also notes that no one has objected to or filed adverse comments against PJM's waiver request.