

145 FERC ¶ 61,210  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

December 13, 2013

In Reply Refer To:  
PPL EnergyPlus, LLC and  
PPL Renewable Energy, LLC  
Docket No. ER14-259-000

Bracewell & Giuliani LLP  
Attn: Sandra E. Rizzo, Esq.  
2000 K Street, NW  
Suite 500  
Washington, DC 20006

Dear Ms. Rizzo:

1. On October 31, 2013, you filed, on behalf of PPL Renewable Energy, LLC (PPL Renewable) and PPL EnergyPlus LLC (PPL EnergyPlus and collectively, PPL Companies), a request for waiver of certain provisions of the PJM Interconnection, L.L.C. (PJM) Open Access Transmission Tariff (Tariff or OATT). Specifically, PPL Companies request waiver of Sections 113 and 230 of the Tariff, Section 6.6(g) of Attachment DD, and any other requirements as necessary to terminate the status of PPL Renewable's Glendon Facility as a capacity resource and to otherwise allow withdrawal of the unit from participation in the wholesale markets administered by PJM. For good cause shown, the Commission grants the waiver, as requested.
2. In the October 31, 2013 filing, PPL Companies state that PPL Renewable is an exempt wholesale generator with market-based rate authority that owns several generation facilities located in the PJM balancing authority area, including the Glendon Facility, a 3.2 MW landfill gas-to-energy plant in Glendon, Pennsylvania. PPL Companies state that the Glendon Facility interconnects with the 34.5 kV distribution system of Metropolitan Edison Company (MetEd) and currently participates in the wholesale markets administered by PJM pursuant to a Wholesale Market Participation Agreement.
3. PPL Companies state that the Glendon Facility currently is designated as a capacity resource for the purpose of PJM's Reliability Pricing Model (RPM) capacity market and is committed to satisfy the capacity obligation of PPL EnergyPlus. PPL

Companies explain that they are in the process of transitioning the Glendon Facility from participating in the PJM wholesale markets to participating in MetEd's net metering program.<sup>1</sup> In addition, PPL Companies indicate that PPL EnergyPlus plans to procure replacement capacity to meet its current RPM capacity commitment through the mechanisms PJM offers.

4. PPL Companies explain that, after PPL EnergyPlus submitted a request to PJM to derate the capacity of the Glendon Facility, PJM advised PPL EnergyPlus that a generator designated as a capacity resource may not withdraw from capacity resource status unless the generator is eligible for a specific exception pursuant to the PJM Tariff. In particular, PJM stated that Section 6.6(g) of Attachment DD provides that a capacity market seller may qualify for an exception to the capacity must offer requirement if such resource demonstrates that it: (i) is reasonably expected to be physically unable to participate in the relevant delivery year; (ii) has a financially and physically firm commitment to an external sale of its capacity; or (iii) was interconnected to the transmission system as an energy resource and not subsequently converted to a capacity resource.<sup>2</sup>

5. PPL Companies state that, according to PJM, none of these tariff exceptions applies to PPL EnergyPlus and, therefore, PPL EnergyPlus must obtain waiver of the applicable tariff provisions. PPL Companies explain that, on this basis, they seek waiver of certain provisions of the PJM Tariff, including Section 6.6(g) of Attachment DD, Sections 113 and 230, and any other requirements to the extent necessary to permit PJM to grant the request to derate the capacity associated with the Glendon Facility and to otherwise allow withdrawal of the unit from participation in the wholesale markets administered by PJM.<sup>3</sup> PPL Companies state that they have been authorized to represent that PJM does not oppose their request.

6. Notice of PPL Companies' filing was published in the *Federal Register*, 78 Fed. Reg. 67,135 (2013), with interventions and protests due on or before November 21, 2013. PJM submitted a timely motion to intervene and a response in support of the waiver request.

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<sup>1</sup> PPL Companies explain that MetEd's net metering program, administered pursuant to the regulations of the Pennsylvania Public Utility Commission, allows qualifying renewable customer-owned generators connected to MetEd's distribution system to receive credit for energy produced in excess of the amount of power delivered by MetEd to the generator's facility for station parasitic needs.

<sup>2</sup> PJM, Intra-PJM Tariffs, OATT, Attachment DD (Reliability Pricing Model), § 6.6 (Offer Requirement for Capacity Resources).

<sup>3</sup> The PPL Companies state that if the Commission grants the requested waiver, it will work with PJM to terminate the Wholesale Market Participation Agreement applicable to the Glendon Facility.

7. In its response, PJM states that it supports the request for waiver under the specific circumstances present in this proceeding. PJM adds that the situation is unique both as to the size of the unit and the availability of the state-approved net metering program, which makes this waiver both narrow and limited to its unique facts.<sup>4</sup> PJM explains that, pursuant to its Tariff, a capacity resource may obtain an exemption from PJM's capacity must offer requirements only under certain, limited circumstances and also states that the specific exemptions would not apply to the Glendon Facility, making a waiver necessary. PJM adds that, when the exemptions to PJM's capacity must offer requirements were originally crafted, it did not contemplate state net metering programs, and that it may be time to add an exemption to accommodate participation in these programs going forward. PJM indicates that it plans to bring the issue to its stakeholders for consideration in the near term.

8. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure,<sup>5</sup> PJM's timely, unopposed motion to intervene serves to make PJM a party to this proceeding.

9. In granting waivers of tariff provisions, the Commission has generally required that the entity seeking waiver be acting in good faith, and that the requested waiver be of limited scope, address a concrete problem that needs to be remedied, and not have undesirable consequences, such as harming third parties. We find that, in the limited circumstances presented here, waiver of the provisions described above satisfies the Commission's standard for tariff waivers. We particularly note that PJM supports the waiver request and that no parties have intervened to oppose the request or otherwise challenge PPL Companies' assertions.

10. First, PPL Companies' efforts to transition the Glendon Facility from participating in the PJM wholesale markets to MetEd's net metering program have been made in good faith. As PPL Companies explain, PPL Renewable pursued participation in MetEd's net metering program based on its good faith belief that it would be able to effectuate the transition if it took the requisite steps in accordance with PJM's Tariff. The PPL Companies state that they only recently learned that PJM interprets its Tariff to prohibit the withdrawal of a generating facility from capacity resource status in order to participate in such net metering programs except in the limited instances enumerated in Section 6.6 of Attachment DD.

11. Second, the requested waiver is limited in nature. The PPL Companies are only requesting waiver for the limited purpose of transitioning the Glendon Facility and the capacity associated with the facility from the PJM wholesale markets to participation in MetEd's state-approved net metering program.

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<sup>4</sup> PJM Motion to Intervene at 3-4.

<sup>5</sup> 18 C.F.R. § 385.214 (2013).

12. Third, granting the waiver request will solve a concrete problem, as it will remove barriers to the Glendon Facility's participation in MetEd's state-approved net metering program.

13. Finally, granting the waiver request will not have undesirable consequences or cause harm to third parties. The PPL Companies assert that granting the request for waiver will not endanger or otherwise undermine the goals underlying PJM's markets, because the output of the Glendon Facility will remain operational and there will be no necessary net change in overall PJM resource needs. In addition, PPL Companies state that the withdrawal of the Glendon Facility from participation in the PJM markets as a wholesale electricity seller and a capacity resource will not impact PJM's ability to meet resource adequacy requirements, given the small size of the Glendon Facility, and given that PPL EnergyPlus will still be responsible for purchasing replacement capacity to meet its three-year forward capacity obligation pursuant to PJM's market rules.

14. Accordingly, we grant waiver of Sections 113 and 230 of the PJM Tariff, as well as Section 6.6(g) of Attachment DD, and any other requirements as necessary to terminate the status of PPL Renewable's Glendon Facility as a capacity resource and to otherwise allow withdrawal of the unit from participation in the wholesale markets administered by PJM, as requested.

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.