

146 FERC ¶ 61,033
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

PJM Interconnection, L.L.C.

Docket No. ER14-951-000

ORDER GRANTING WAIVER

(Issued January 17, 2014)

1. On January 3, 2014, PJM Interconnection, L.L.C. (PJM) filed a request for temporary waiver of provisions of the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. (Operating Agreement) from January 11, 2014 to the earlier of the effective date of tariff revisions implementing the Commission's Order No. 787¹ or March 31, 2014. The requested waiver is to permit PJM to utilize, during the winter heating season, the additional communication tools provided for in Order No. 787 to allow PJM to share certain non-public, operational information with interstate natural gas pipelines serving PJM-member generation, in order to ensure reliability. PJM requests expedited relief. As discussed below, the Commission finds good cause to grant the requested waiver.

Background and Details of the Filing

2. In Order No. 787, the Commission revised its regulations to provide explicit authority to interstate natural gas pipelines and public utilities that own, operate, or control facilities used for the transmission of electric energy in interstate commerce to share non-public, operational information with each other for the purpose of promoting reliable service or operational planning on either the public utility's or pipeline's system.

¹ *Communication of Operational Information Between Natural Gas Pipelines and Electric Transmission Operators*, Order No. 787, 78 Fed. Reg. 70,164 (Nov. 22, 2013), FERC Stats. & Regs. ¶ 31,350 (2013). See 18 C.F.R. § 38.2(a) (2013), available at: <http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=950e7f140022600ad4f3dbf8cf22164d&ty=HTML&h=L&r=SECTION&n=18y1.0.1.2.26.0.23.2>.

Order No. 787 also prohibited recipients of non-public, operational information pursuant to that rule from subsequently disclosing that information to third parties or marketing function employees. This rule became effective on December 23, 2013.²

3. On January 3, 2014, PJM filed concurrently two requests for waiver of section 18.17.1 of the Operating Agreement, in Docket No. ER14-951-000 and Docket No. ER14-952-000. On January 6, 2014, the Commission granted the request in Docket No. ER14-952-000 for temporary waiver from January 4, 2014 to January 10, 2014 to allow PJM to share specific generator commitment schedules with interstate natural gas pipeline operators during that period of forecasted extreme weather conditions (January 6, 2014 Waiver).

4. In the instant filing, PJM states that, while it has initiated a stakeholder process to propose tariff revisions to share non-public operational information with interstate natural gas pipelines consistent with Order No. 787, section 18.17.1 of its Operating Agreement currently prohibits PJM from disclosing, without prior authorization, to its members or third parties, any confidential or market sensitive documents, data, or other information of a member.³ PJM states that the instant waiver request in Docket No. ER14-951-000 is designed to bridge the gap between the January 6, 2014 Waiver and the end of the winter heating season.

5. PJM explains that the existing prohibition on sharing of information in section 18.17.1 of the Operating Agreement limits PJM's ability to review with pipelines the unit specific information and relevant pipeline conditions that would enhance PJM's ability to manage operational information during the cold weather season. PJM explains that the operational and reliability benefits from sharing such information could continue throughout the entire winter heating season and would eliminate the need for PJM to seek additional expected waivers in the event that weather conditions deteriorate in the future. Accordingly, PJM requests that the Commission grant waiver of the prohibition in section 18.17.1 of the Operating Agreement, effective January 11, 2014 until the earlier of the effective date of tariff revisions implementing the Commission's Order No. 787 or March 31, 2014, so as to allow it to share specific generator commitment schedules with interstate natural gas pipeline operators in the PJM Region.

² 78 Fed. Reg. 70,164 (2013).

³ PJM Interconnection, L.L.C., Intra-PJM Tariffs, [18.17, OA 18.17 Confidentiality, 4.1.0](#).

6. PJM contends that there is good cause to grant the waiver because: (1) the waiver only applies to the sharing of generation unit specific commitments with relevant natural gas pipeline operators in the PJM Region for a limited period of time; (2) the waiver is needed to address a concrete problem during which system reliability will not be jeopardized but rather enhanced; and (3) the waiver will have no undesirable consequences. PJM also states that the waiver is in line with the Commission's policy as elaborated in Order No. 787.

Notice and Responsive Pleadings

7. Notice of PJM's filing was published in the *Federal Register*, 79 Fed. Reg. 2823 (2014), with interventions and protests due on or before January 10, 2014. No protests were filed. Columbia Gas Transmission, L.L.C. (Columbia) filed a motion to intervene and comments. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure,⁴ the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

8. In its comments, Columbia supports PJM's request because the waiver will allow enhanced communication between PJM and interstate pipelines serving generation in PJM's footprint. Columbia states that the recent cold weather events highlight the value of information for potential increases in load during emergency conditions.

Discussion

9. The Commission finds good cause to grant the requested waiver of the prohibition in section 18.17.1 of the Operating Agreement, as discussed below.⁵ The Commission has previously granted waivers of tariffs in situations where: (1) the underlying error was made in good faith; (2) the waiver is of limited scope; (3) a concrete problem needed to be remedied; and (4) the waiver did not have undesirable consequences, such as harming third parties.⁶

⁴ 18 C.F.R. § 385.214 (2013).

⁵ See *Entergy Serv., Inc.*, 124 FERC ¶ 61,226, at PP 7-9 (2008). See also *State of Cal. ex rel. Lockyer v. FERC*, 329 F.3d 700, 710-11 (9th Cir. 2003); *Stingray Pipeline Co., L.L.C.*, 113 FERC ¶ 61,147, at P 7 (2005); *Southern Natural Gas Co.*, 113 FERC ¶ 61,218, at PP 8-9 (2005).

⁶ See, e.g., *New York Independent System Operator, Inc.*, 144 FERC ¶ 61,147, at P 8 (2013); *New York Independent System Operator, Inc.*, 139 FERC ¶ 61,108, at P 14 (2012); *PJM Interconnection, L.L.C.*, 137 FERC ¶ 61,184, at P 13 (2011);

(continued...)

10. We find that PJM has demonstrated good cause to grant the request for a tariff waiver. The requested waiver is for a limited time period from January 11, 2014 until the earlier of the effective date of tariff revisions proposed by PJM relating to communications with interstate pipelines or March 31, 2014. The waiver will help PJM ensure that communication between PJM and interstate pipelines serving generation within the PJM footprint can occur while PJM continues its stakeholder process. Such communication may help reduce potential reliability risks from winter weather conditions.⁷ Further, granting the requested waiver is consistent with Order No. 787, which authorized interstate natural gas pipelines and public utilities that own, operate, or control facilities used for the transmission of electric energy in interstate commerce to share non-public, operational information with each other for the purpose of promoting reliability. No party opposes the waiver, and we conclude that granting the requested waiver will not lead to undesirable consequences.

The Commission orders:

PJM's request for waiver of section 18.17.1 of the Operating Agreement from January 11, 2014 to the earlier of the effective date of tariff revisions proposed by PJM or March 31, 2014 is hereby granted, as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

ISO New England, Inc., 134 FERC ¶ 61,182, at P 8 (2011); *California Independent System Operator Corp.*, 132 FERC ¶ 61,004, at P 10 (2010); *accord ISO New England Inc. –EnerNOC, Inc.*, 122 FERC ¶ 61,297 (2008); *Central Vermont Public Service Corp.*, 121 FERC ¶ 61,225 (2007); *Waterbury Generation LLC*, 120 FERC ¶ 61,007 (2007); *Acushnet Co.*, 122 FERC ¶ 61,045 (2008).

⁷ See *ISO New England, Inc.*, 142 FERC ¶ 61,058, at P 19 (2013) (granting interim communication relief to permit RTO-pipeline communication).