

124 FERC ¶ 61,006  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Sudeen G. Kelly, Marc Spitzer,  
Philip D. Moeller, and Jon Wellinghoff.

PJM Interconnection, L.L.C.

Docket No. ER08-928-000

ORDER CONDITIONALLY ACCEPTING LOCAL TRANSMISSION  
LOADING RELIEF PROCEDURES

(Issued July 2, 2008)

1. On May 8, 2008, PJM Interconnection, L.L.C. (PJM) filed proposed revisions to adopt Local Transmission Loading Relief (TLR) Procedures (revised TLR tariff procedures). As discussed below, we accept PJM's revised TLR procedures effective on July 8, 2008 and direct PJM to file a schedule of parties adopting PJM's local TLR procedures, within 60 days of the date of this order. We also direct each transmission-owning public utility in the Virginia-Carolinas (VACAR) South region adopting the PJM local TLR procedures to file, within 60 days of the date of this order, revised tariff sheets adopting the revised TLR procedures.

**I. Background**

2. On March 30, 2005, the Commission accepted the North American Electric Reliability Corporation's (NERC) TLR procedures.<sup>1</sup> On March 16, 2007, the Commission approved NERC's TLR procedures as mandatory Reliability Standard IRO-006-3, which establishes a detailed TLR process for use in the Eastern Interconnection to alleviate loadings on the system by curtailing or changing transactions based on their priorities and according to different levels of TLR procedures.<sup>2</sup> Attachment 1 of Reliability Standard IRO-006-3 (Transmission Loading Relief Procedure – Eastern Interconnection), section 1.5.1, provides as follows:

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<sup>1</sup> *North American Electric Reliability Council*, 110 FERC ¶ 61,388 (2005) (March 30 Order).

<sup>2</sup> *Mandatory Reliability Standards for the Bulk-Power System*, Order No. 693, FERC Stats. & Regs. ¶ 31,242 at P 952-964, *order on reh'g*, Order No. 693-A, 120 FERC ¶ 61,053 (2007).

**Use of TLR Procedures with ‘local’ procedures.** A Reliability Coordinator shall be allowed to implement a local transmission loading relief or congestion management procedure simultaneously with an Interconnection-wide procedure...

3. PJM proposes to revise its TLR procedures consistent with the NERC TLR procedure and with the support of its stakeholders. PJM explains that it will implement the Local TLR Procedure with neighboring control areas through agreements adopting PJM’s Local TLR Procedure. PJM explains that it intends to sign such an agreement as soon as possible with the VACAR South Members<sup>3</sup> acting as the Reliability Coordinator<sup>4</sup> for VACAR South to be effective upon approval of PJM’s Tariff revisions by the Commission adopting the subject Local TLR Procedures. PJM notes that Commission precedent makes it clear that TLR procedures and any revisions to those procedures affect the rates terms and conditions of jurisdictional service and, thus, must be filed under Federal Power Act section 205.<sup>5</sup>

## **II. Notice and Interventions**

4. Notice of PJM’s filing was published in the *Federal Register*, 73 Fed. Reg. 31,850 (2008), with comments, protests, and interventions due on or before May 29, 2008. On May 23, 2008, Exelon Corporation filed a motion to intervene.

## **III. Discussion**

### **A. Procedural Matters**

5. Pursuant to Rule 214 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2008), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

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<sup>3</sup> The VACAR South Members include: Duke Energy Carolinas, LLC; Progress Energy Carolinas, Inc.; Southeastern Power Administration; South Carolina Electric & Gas Company; South Carolina Public Service Authority; and Alcoa Power Generating, Inc., Yadkin Division.

<sup>4</sup> The Reliability Coordinator is the highest level of authority responsible for the operation of the bulk electric system. The Reliability Coordinator has the operating tools and the authority to prevent or mitigate emergency situations in both the next day analysis and in real-time operations.

<sup>5</sup> March 30 Order at P 6.

**B. PJM's Filing**

6. PJM states that revised Tariff Sheet No. 546 adds a "Notice of Adoption of Local Transmission Loading Relief Procedures." PJM further states that this Local TLR Procedure is added to the existing "Notice of Adoption of NERC Transmission Loading Relief Procedures" adopted by reference in accordance with the March 30 Order. PJM explains that, consistent with NERC Reliability Standard IRO-006-3, the Local TLR Procedure described in revised Tariff Sheet No. 546 will be used to supplement, and not as a substitute for, the Interconnection-wide NERC TLR procedure. PJM also explains that the parties following the Local TLR procedure must agree that they will comply with the NERC TLR procedure and all NERC Reliability Standards at all times.

7. According to PJM, it will use the current NERC TLR procedure that has a five percent Transfer Distribution Factor (TDF) for determining non-firm schedule curtailment.<sup>6</sup> PJM explains that under the Local TLR procedure set forth in the revised tariff sheet, if the NERC TLR procedure does not provide the required relief from non-firm schedules, then the parties will curtail non-firm schedules down to three percent TDF in accordance with the Local TLR Procedure. PJM states that this will be done for any tagged schedule which has a three percent TDF that can provide relief on the flowgate, where either PJM or a reciprocal party is a source or sink for the schedule. PJM further states that, if any curtailment of any schedule will provide relief on the flowgate, such schedule will be curtailed until the flow is reduced on the flowgate or all of the schedules have been curtailed.

8. PJM states that it received stakeholder support for the PJM Tariff revision from the following committees: (i) the Operating Committee; (ii) the Markets and Reliability Committee; and (iii) the Members Committee.

**C. Commission Determination**

9. Our review indicates that the revised TLR procedures appear to be just and reasonable and we accept the revised tariff sheets, subject to the modifications discussed below. We find that the proposed revision is consistent with Order No. 890's principle that non-firm transmission service is subordinate to firm transmission service. At present, non-firm transmission schedules that impact a flowgate by a transfer distribution factor of less than five percent may be permitted to flow, while firm transmission schedules with a transfer distribution factor of five percent or greater will be curtailed.

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<sup>6</sup> According to the NERC Glossary of Terms Used In Reliability Standards, the transfer distribution factor is the portion of an interchange transaction, typically expressed in per unit that flows across a transmission facility (flowgate).

Thus, the modification permits the firm transmission schedules of market participants to flow, prior to non-firm transmission schedules over a constrained flowgate.

10. Section 1.5.1 of the applicability provision in Attachment 1 of IRO-006-3 permits a Reliability Coordinator in the Eastern Interconnection to implement a Local TLR or congestion management procedure simultaneously with an Interconnection-wide procedure. PJM indicates that it plans to implement the local TLR procedure with the VACAR South Members pursuant to agreements adopting the PJM local TLR procedures. While PJM commits that it will sign a TLR agreement with VACAR South Members to be effective upon approval of PJM's Tariff provisions by the Commission, we direct PJM to file a schedule of the parties adopting PJM's local TLR procedures, within 60 days of the date of this order. We also require PJM to file a schedule with the Commission updating the parties adopting PJM's local TLR procedures on an annual basis. Additionally, consistent with our determination in *North American Electric Reliability Council*,<sup>7</sup> we direct each transmission-owning public utility in VACAR South adopting PJM's local TLR procedures to file, within 60 days of the date of this order, revised tariff sheets adopting PJM's local TLR procedures.

The Commission orders:

(A) PJM's proposed revisions to the NERC TLR procedures are hereby accepted for filing, to become effective on July 8, 2008, as requested.

(B) PJM is directed to file a schedule of the parties adopting its local TLR procedures, within 60 days of the date of this order and on annual basis thereafter.

(C) Each transmission-operating public utility adopting PJM's Local TLR procedures to its TLR procedures shall file with the Commission, within 60 days of the date of this order, revised tariff sheets adopting the revised TLR procedures.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.

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<sup>7</sup> 113 FERC ¶ 61,013, at P10 (2005). See also *North American Electric Reliability Council*, 91 FERC ¶ 61,122, at 61,476 (2000); *North American Electric Reliability Council*, 110 FERC ¶ 61,388 (2005).