

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

March 7, 2013

In Reply Refer To:  
PPL EnergyPlus, LLC  
Docket No. ER13-882-000

Sandra E. Rizzo  
Bracewell & Giuliani LLP  
2000 K. St., NW  
Suite 500  
Washington, DC 20006

Dear Ms. Rizzo:

1. On February 4, 2013, PPL EnergyPlus, LLC (PPL EnergyPlus) requested a limited, temporary waiver in order to extend through February 14, 2013, the deadline for the submission of information to support a unit-specific Avoidable Cost Rate (ACR), as required by Attachment DD of PJM Interconnection, L.L.C.'s (PJM) Open Access Transmission Tariff (Tariff). PPL EnergyPlus states that it has been authorized to represent that the Independent Market Monitor (IMM) for PJM supports PPL EnergyPlus's request for waiver and that PJM does not oppose its request. For good cause shown, the Commission grants the waiver.
2. PPL Energy Plus is a Pennsylvania-based power marketer affiliated with PPL Brunner Island, LLC (PPL Brunner Island) and PPL Montour, LLC (PPL Montour), which are both exempt wholesales generators with market-based rate authority.<sup>1</sup> PPL EnergyPlus states that PPL Brunner Island owns the Brunner Island Steam Electric Station, a 1,435 MW facility (the Brunner Island facility) in East Manchester, Pennsylvania and that PPL Montour owns the Steam Electric Station (Montour facility), a 1,505 MW facility in Derry, Pennsylvania.

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<sup>1</sup> See *PPL Electric Utilities Corp.*, Docket No. ER10-2010-000, unpublished letter order (June 30, 2011) (renewing market-based rate authority of PPL Energy Plus, PPL Montour, and PPL Brunner Island); *PPL Brunner Island, LLC*, 97 FERC ¶ 62,141 (2001) (affirming PPL Brunner Island's EWG status); *PSEG Fossil, LLC*, 95 FERC ¶ 61,105 (2001) (affirming PPL Montour's EWG status).

3. PPL EnergyPlus notes that PJM's Reliability Pricing Model capacity market consists of multiple auctions intended to satisfy the region's unforced capacity obligation: a Base Residual Auction (BRA) and incremental auctions.<sup>2</sup> PPL EnergyPlus states that following the BRA, a series of incremental auctions are held to procure additional capacity to accommodate changes in system conditions.<sup>3</sup> PPL EnergyPlus notes that an entity planning to offer capacity into an auction (Capacity Market Seller) first must provide PJM and its IMM with information and documentation to establish a Market Seller Offer Cap, which sets the maximum offer price applicable to a particular Capacity Market Seller in an auction.<sup>4</sup> PPL EnergyPlus states that the Market Seller Offer Cap either can be based on opportunity cost or ACR minus expected energy and ancillary service market revenues.<sup>5</sup> PPL EnergyPlus states that the Capacity Market Seller may request a unit-specific ACR or, in the alternative, rely on the default ACR values set in the Tariff.<sup>6</sup> Pursuant to section 6.7 of Attachment DD to the Tariff, if a Capacity Market Seller requests a unit-specific ACR, it must submit to IMM its calculation of ACR, with detailed supporting documentation,<sup>7</sup> no later than 120 days prior to the commencement of the offer period for the auction.

4. For the auction in question, PPL EnergyPlus states that the 120-day deadline fell on January 13, 2013. PPL EnergyPlus claims that it had submitted to the IMM what it believed to be sufficient information to satisfy the Tariff by January 11, 2013, and that it was therefore in compliance. However, on January 12, the IMM notified PPL EnergyPlus that it required additional information. On January 16, PPL EnergyPlus states that PJM notified PPL EnergyPlus that its submission was incomplete due to this need for additional information, and that PJM would therefore use the default ACR rather than PPL EnergyPlus's requested ACR for the Market Seller Offer Cap. However, PPL EnergyPlus states that PJM also informed PPL EnergyPlus that it could continue to pursue its requested ACR if it received a waiver of the 120-day deadline from the Commission.

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<sup>2</sup> PJM Tariff, Attachment DD §§ 3.1-3.2.

<sup>3</sup> *Id.* § 5.4

<sup>4</sup> *Id.*

<sup>5</sup> *Id.* §§ 2.41C, 6.4(b).

<sup>6</sup> *Id.* § 6.8(a); *see also PJM Interconnection, L.L.C.*, 119 FERC ¶ 61,318, at P 141, *order on reh'g*, 121 FERC ¶ 61,173 (2007), *order on compliance*, 122 FERC ¶ 61,264 (2008).

<sup>7</sup> Tariff, Attachment DD § 6.8(a).

5. PPL EnergyPlus argues that it meets the Commission's criteria for granting waiver of RTO tariff deadlines. PPL EnergyPlus argues that the Commission grants waiver when four conditions are met:

- a. The failure to comply with the Tariff was due to an error, which was made in good faith;
- b. The waiver is of limited scope;
- c. Granting waiver would remedy a concrete problem; and
- d. The waiver does not have undesirable consequences (such as harming third parties).<sup>8</sup>

6. PPL EnergyPlus argues that the Commission has found good-faith error in similar situations. It notes that it had never submitted a request under this Tariff provision, and thus was unfamiliar with what documentation IMM and PJM would desire, and notes that it promptly worked with IMM and PJM to provide the additional documentation. PPL EnergyPlus argues that the requested waiver would be limited in scope, since it would only apply to one, specific deadline for the limited purpose of setting its ACR for the upcoming auction. PPL EnergyPlus argues that extending the deadline would remedy a concrete problem, by permitting PJM to use the requested rate calculations in place of the default ACR. Finally, PPL EnergyPlus argues that granting its request would have no undesirable consequences. It claims that in some cases, the Market Seller Offer Cap for a particular resource has not been finalized until much later than PPL EnergyPlus's request would require.

7. Notice of PPL EnergyPlus's filing was issued on February 5, 2013, with protests or interventions due on or before February 19, 2013. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure,<sup>9</sup> notices of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. PJM did not oppose the request for waiver, and no protests or adverse comments were filed.

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<sup>8</sup> Petition at 5 (citing *ISO New England, Inc. and Footprint Power, LLC*, 142 FERC ¶ 61,051, at P 20 (2013); *East Kentucky Power Cooperative, Inc.*, 142 FERC ¶ 61,028 (2013); *PJM Interconnection, L.L.C.*, 141 FERC ¶ 61,103 (2012); *Linden VFT, LLC*, 140 FERC ¶ 61,244 (2012); *Pittsfield Generating Co., L.P. and Pawtucket Power Associates, L.P.*, 130 FERC ¶ 61,182 (2010); *ISO New England, Inc.*, 122 FERC ¶ 61,297 (2008)).

<sup>9</sup> 18 C.F.R. § 385.214 (2012).

8. We find that PPL EnergyPlus has shown good cause for its request. The Commission has granted limited, temporary waivers in similar situations.<sup>10</sup> We particularly note that the IMM authorized PPL EnergyPlus to state that it supports the request for waiver, and that no parties intervened to oppose the request or challenge PPL EnergyPlus's assertions. Based on the record before us, it therefore appears that PPL EnergyPlus's failure to meet the Tariff requirement in a timely manner was indeed due to a good faith error, that the requested waiver is limited in nature, that it would allow PPL EnergyPlus and IMM to remedy a concrete problem, and that it would have no undesirable consequences for the IMM, PJM, or any third parties. Accordingly, we grant waiver of Attachment DD of the PJM Tariff for the limited purpose of extending PPL EnergyPlus's deadline for the submission of information to support a unit-specific ACR to February 14, 2013, as requested.

By direction of the Commission.

Kimberly D. Bose  
Secretary.

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<sup>10</sup> *E.g., supra* n.8.