

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

Whitetail Solar 3, LLC	)	
	)	Docket No. ER20-1851-000, -001
	)	

**COMMENTS AND MOTION  
OF THE INDEPENDENT MARKET MONITOR FOR PJM**

Pursuant to Rules 211 and 212 of the Commission’s Rules and Regulations,<sup>1</sup> Monitoring Analytics, LLC, acting in its capacity as the Independent Market Monitor (“Market Monitor”) for PJM Interconnection, L.L.C. (“PJM”),<sup>2</sup> submits these comments on the filing submitted by Whitetail Solar 3, LLC (“Whitetail 3”) on August 12, 2020 (“Deficiency Response”). In that pleading, Whitetail 3 responds to the deficiency notice issued July 13, 2020 (“Deficiency Notice”). This proceeding concerns a filing submitted by Whitetail 3 to establish rates for reactive capability under Schedule 2 of the PJM OATT for a 20 MW generating facility under development by Whitetail 3 located in Franklin County, Pennsylvania (“Whitetail 3 Facility”).<sup>3</sup> The Deficiency Response confirms that the Whitetail 3 Facility does not provide reactive capability to PJM under Schedule 2 of the PJM OATT.

The Deficiency Response does not show that the Whitetail 3 Facility is interconnected to the PJM Transmission System.<sup>4</sup> Whitetail 3 also fails to show that the

---

<sup>1</sup> 18 CFR §§ 385.211 & 385.212 (2019).

<sup>2</sup> Capitalized terms used herein and not otherwise defined have the meaning used in the PJM Open Access Transmission Tariff (“OATT”), the PJM Operating Agreement (“OA”) or the PJM Reliability Assurance Agreement (“RAA”).

<sup>3</sup> See Whitetail 3 Filing, Docket No. ER20-1851-000 (May 19, 2020) (“Whitetail 3 Filing”).

<sup>4</sup> See Deficiency Response at 7–8, 10–11.

Whitetail 3 Facility is under PJM's operational control. Reactive capability rates are available only to generating facilities providing service to the PJM Transmission System and to PJM in its role as Transmission Provider.<sup>5</sup> Reactive capability provided to other systems and providers is not eligible for compensation under Schedule 2. The unsupported claim that some reactive output may flow into PJM is irrelevant even if true. The filings are not properly filed because they do not meet an essential predicate for filing. Accordingly the Market Monitor moves for rejection of the Whitetail 3 Filing with prejudice and moves that this proceeding be terminated.

## I. COMMENTS

The Deficiency Notice includes three questions concerning the nature of the interconnection service received by the Whitetail 3 Facility.<sup>6</sup>

In response to the Deficiency Notice, Whitetail 3 explains that it interconnects to the MAIT system at a 34.5 kV line. The Whitetail 3 Facility interconnection is sub-BES (Bulk Electric System) (which NERC defines as equipment rated below 100 kV).

---

<sup>5</sup> See OATT Schedule 2.

<sup>6</sup> The three questions include:

- (1) At what voltage is the Whitetail 3 Facility interconnected to its transmission and/or distribution utilities? Provide a diagram of the generator's connection to the respective interconnection point or points both at distribution and transmission voltages (100 kV and above).
- (2) Provide the interconnection agreements for the Whitetail 3 Facility.
- (3) Since the Whitetail 3 Facility is interconnected to 34.5 kV facilities (the McConnellsburg-Mercersburg to Guilford line owned by Mid Atlantic Interstate Transmission, LLC), provide an explanation of the reactive power requirements at each facility's interconnection point(s) at voltages below 100 kV, indicating for each facility whether it is design requirements of the distribution facility owner or part of the interconnection agreement. Also explain how your generator, which are interconnected at distribution voltages, will follow the reactive power requests of both the distribution system and the transmission system at the same time.

The Whitetail 3 Facility is not part of the PJM Transmission System.<sup>7</sup> It is part of a distribution system operated by an entity other than PJM. Reactive capability provided by the Whitetail 3 Facility does not support the PJM Transmission System. Any reactive capability the Whitetail 3 Facility provides supports another system. That some reactive power may flow from a nontransmission system into PJM, and some of that flow may come from the Whitetail 3 Facility is irrelevant to entitlements under Schedule 2.<sup>8</sup> The Deficiency Response (to Questions 1, 5 and 6) does not show that the Whitetail 3 Facility has obligations beyond those to the distribution system where the facility is interconnected. The Deficiency Response does not demonstrate that PJM has authority to dispatch the Whitetail 3 Facility to provide reactive support for the PJM Transmission System. On the contrary, the record shows PJM must request the distribution company to address voltage support issues.<sup>9</sup>

PJM models distribution facilities that are not part of the Transmission System in order to better understand conditions on the grid, including on facilities that are not its direct responsibility. PJM does not even model most of the facilities to which the Whitetail 3 Facility is interconnected. PJM generally does not directly monitor generation interconnected on a transmission line below 69 kV.

---

<sup>7</sup> See OATT § 1 (Definitions –T –U –V) (“‘Transmission System’ shall mean the facilities controlled or operated by the Transmission Provider within the PJM Region that are used to provide transmission service under Tariff, Part II and Part III.”).

<sup>8</sup> A system is adjacent to the PJM Transmission System regardless of whether it is horizontally adjacent, i.e. MISO, or vertically adjacent, i.e., the Dominion distribution system. Whether another system is horizontal or vertical to the PJM Transmission System, PJM does not operate such system, is not the Transmission Provider and is not responsible to provide reactive supply and voltage control service. That PJM should not pay for reactive capability provided to MISO by generating facilities interconnected to MISO is obvious. It should be equally obvious that PJM should not pay for reactive capability provide by generating facilities interconnected to the Dominion distribution system.

<sup>9</sup> See Deficiency Response, Joint Affidavit of Thomas M. Piascik and Harry E. Hackman, Jr. at 10.

Schedule 2 of the OATT provides:

In order to maintain transmission voltages on the Transmission Provider's transmission facilities within acceptable limits, generation facilities and non-generation resources capable of providing this service that are under the control of the control area operator are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation or Other Sources Service must be provided for each transaction on the Transmission Provider's transmission facilities. The amount of Reactive Supply and Voltage Control from Generation or Other Sources Service that must be supplied with respect to the Transmission Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by the Transmission Provider.

Reactive Supply and Voltage Control from Generation or Other Sources Service is to be provided directly by the Transmission Provider. The Transmission Customer must purchase this service from the Transmission Provider.

In addition to the charges and payments set forth in this Tariff, Schedule 2, Market Sellers providing reactive services at the direction of the Office of the Interconnection shall be credited for such services, and Market Participants shall be charged for such services, as set forth in Tariff, Attachment K-Appendix, section 3.2.3B.

The Transmission Provider shall administer the purchases and sales of Reactive Supply. PJMSettlement shall be the Counterparty to (a) the purchases of Reactive Supply from owners of Generation or Other Sources and Market Sellers and (b) the sales of Reactive Supply to Transmission Customers and Market Participants.

PJM is the Transmission Provider responsible under Schedule 2 to procure "the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by the Transmission Provider." PJM procures reactive capability for its system to ensure that it will have the reactive power to operate its system at acceptable transmission voltages.

Reactive capability is an ancillary service.<sup>10</sup> Generation facilities provide a portion of the needed reactive capability, but the service remains an ancillary service.<sup>11</sup>

Schedule 2 authorizes PJM to charge its Transmission Customers for reactive capability and to pay generating facilities that provide the reactive capability that supports reactive supply and voltage control service.

PJM is interconnected to nontransparent systems, including transmission systems and distribution systems. The operators of those systems are responsible to ensure sufficient reactive capability for those systems.

Nowhere does Schedule 2 create an obligation for PJM Transmission Customers to pay for reactive capability provided to neighboring systems and only incidentally supporting the PJM transmission system.

The compensation to the Whitetail 3 Facility for reactive capability from the distribution customers receiving service on the distribution systems where they are located is not at issue. Whether the reactive capability of the Whitetail 3 Facility has value and should be compensated is not the issue. Whitetail 3 has not established that the Whitetail 3 Facility is entitled to file rates under Schedule 2 of the OATT and receive compensation from PJM Transmission Customers. The Deficiency Response provides enough information to conclude that Whitetail 3 cannot establish such entitlement. Accordingly, the Market Monitor moves that the filing be rejected with prejudice and that this proceeding be terminated.

---

<sup>10</sup> See, e.g., *Chehalis Power Generating, L.P.*, 123 FERC ¶ 61,038 at P 2 (2008).

<sup>11</sup> The same generating plant is used to provide both reactive capability producing MVars and generation capacity producing MW. It is therefore essential that the PJM Market Rules avoid double counting of investment in generating plant.

## II. CONCLUSION

The Market Monitor respectfully requests that the Commission afford due consideration to these comments and grant its motion to reject the Whitetail 3 Filing with prejudice.

Respectfully submitted,



---

Jeffrey W. Mayes

General Counsel  
Monitoring Analytics, LLC  
2621 Van Buren Avenue, Suite 160  
Eagleville, Pennsylvania 19403  
(610) 271-8053  
*jeffrey.mayes@monitoringanalytics.com*

Joseph E. Bowring  
Independent Market Monitor for PJM  
President  
Monitoring Analytics, LLC  
2621 Van Buren Avenue, Suite 160  
Eagleville, Pennsylvania 19403  
(610) 271-8051  
*joseph.bowring@monitoringanalytics.com*

Thomas Blair  
Senior Analyst  
Monitoring Analytics, LLC  
2621 Van Buren Avenue  
Eagleville, Pennsylvania 19403  
(610) 271-8050  
*thomas.blair@monitoringanalytics.com*

Dated: September 2, 2020

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Eagleville, Pennsylvania,  
this 2<sup>nd</sup> day of September, 2020.



---

Jeffrey W. Mayes

General Counsel

Monitoring Analytics, LLC

2621 Van Buren Avenue, Suite 160

Eagleville, Pennsylvania 19403

(610) 271-8053

*jeffrey.mayes@monitoringanalytics.com*