

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

Whitetail Solar 1, LLC	)	Docket Nos. ER20-714-004
	)	EL20-23-002
	)	
Whitetail Solar 2, LLC	)	Docket No. ER21-936-001
	)	
	)	
Whitetail Solar 3, LLC	)	Docket Nos. ER20-1851-004
	)	EL21-27-001
	)	
Elk Hill Solar 2, LLC	)	Docket No. ER21-1633-001
	)	
	)	(Consolidated)
	)	

To: The Honorable Matthew Vlissides  
Presiding Administrative Law Judge

**MOTION FOR SUMMARY DISPOSITION OF THE  
INDEPENDENT MARKET MONITOR FOR PJM**

Pursuant to Rule 217 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”), respectfully moves for summary disposition of the above referenced matters.<sup>2</sup> None of the filings submitted in this proceeding establish the

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<sup>1</sup> 18 CFR § 385.217 (2021).

<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”).

eligibility of any resource to receive compensation for reactive supply capability under the applicable criteria in Schedule 2 to the OATT (“Schedule 2”). The Market Monitor has filed testimony of Dr. Joseph Bowring explaining that the resources are ineligible and the factual bases for that conclusion.<sup>3</sup> The facts relied on by Dr. Bowring are undisputed. Facts in the proceeding that are disputed are not relevant to his testimony. Under Rule 217, the Commission has discretion to grant summary disposition as a matter of law, to find that the resources in this case are not eligible under Schedule 2, and to avoid the need for further hearing. This motion for summary disposition should be granted.

## **I. BACKGROUND**

PJM provides Reactive Supply and Voltage Control Service from Generation and Other Sources under Schedule 2 to the OATT (“Schedule 2”). Schedule 2 provides, in part:

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.

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<sup>3</sup> Exhibit No. IMM-0001.

Schedule 2 provides that the Transmission Provider, PJM, must provide Reactive Supply and Voltage Control from Generation or Other Sources Service (“Reactive Supply and Voltage Control Service”) on the Transmission Provider’s facilities. Under Schedule 2, PJM must procure reactive supply capability for its system to ensure that it will have the reactive power to operate its transmission facilities at acceptable transmission voltages. PJM monitors the transmission facilities that it operates for this purpose. PJM does not have a responsibility to maintain acceptable transmission voltages for adjacent systems that it does not monitor and operate. Another operator is responsible for adjacent systems.

Schedule 2 authorizes PJM to charge its Transmission Customers for Reactive Supply and Voltage Control Service and to pay resources for their contribution.

Although Schedule 2 is intended to compensate resources on which PJM relies in order to provide Reactive Supply and Voltage Control Service, Schedule 2 provides neither PJM nor the Market Monitor a role in reviewing the eligibility of a resource to receive payments under Schedule 2 prior to filing with the Commission. Schedule 2 simply directs PJM to pay each resource owner “an amount equal to [its] revenue requirement as accepted or approved by the Commission.”

The issue of eligibility to file under Schedule 2 is a threshold issue that the Commission must address for any reactive revenue requirement filing before it considers the level of any revenue requirement.

Schedule 2 specifically excludes behind the meter generation from eligibility to file. Pseudo tied resources and resources outside of the PJM region are specifically excluded from eligibility to file under Section 1.12(f) of the Schedule 1 to the OA. Eligibility for resources not specifically excluded must be determined based upon the criteria in Schedule 2. Eligibility under Schedule 2 requires that a resource be under PJM’s control, be capable of providing reactive supply to PJM’s transmission facilities, and that PJM rely on such capability to directly provide Reactive Supply and Voltage Control Service on its transmission facilities.

Within the geographical PJM region, PJM takes responsibility to monitor and operate a defined set of transmission facilities. The PJM system is directly interconnected to adjacent

transmission and distribution systems that PJM does not monitor or operate. The operators of those systems are responsible to ensure sufficient reactive supply capability for those systems.

As a Regional Transmission Organization, PJM is responsible for maintaining the bulk electric system (“BES”). NERC defines the BES as: all transmission and transmission related facilities operating at 100 kV or more. But PJM also monitors and operates some transmission lines below 100 kV. PJM may exercise its judgment, subject to approval by FERC, to assume responsibility for lines with voltages as low as 69 kV or 34.5 kV.

The PJM market rules define “Transmission Facilities” to mean“ facilities that: (i) are within the PJM Region; (ii) meet the definition of transmission facilities pursuant to FERC’s Uniform System of Accounts or have been classified as transmission facilities in a ruling by FERC addressing such facilities; and (iii) have been demonstrated to the satisfaction of the Office of the Interconnection to be integrated.”<sup>4</sup>

The key criteria for determining whether a power line is a PJM transmission facility are whether PJM designates the power line under the standards set forth in PJM Manual 3 (Transmission Operations) as a Reportable Transmission Facility and as a Monitored Transmission Facility.<sup>5</sup>

Generating units interconnected to the distribution system are subject to the rules of the operator of those distribution lines. Reactive power created by generators connected to facilities that are not PJM transmission facilities provides a service to the operator of those power lines and not to PJM.

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<sup>4</sup> OA § 1 (Definitions S –T), incorporated by reference in OATT § 1 (Definitions–T–U–V).

<sup>5</sup> See Exhibit No. IMM-0004.

### **A. Reactive Supply Capability.**

Reactive Supply and Voltage Control Service is necessary to ensure a Transmission Provider's reliable operation of the grid. Reactive supply capability is the capability of a resource to produce MVAR and provide it to a Transmission Provider when needed so that the Transmission Provider can provide Reactive Supply and Voltage Control Service.<sup>6</sup> Reactive power (MVAR) capability is analogous to real power (MW) capacity.<sup>7</sup> Reactive power is local and cannot be transferred over long distances.<sup>8</sup> PJM procures reactive supply capability from generators located on the transmission system that it monitors and operates.

### **B. Reactive Service.**

Schedule 2 explicitly states the separate compensation that applies to market sellers that increase reactive output at the direction of PJM:

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.

Schedule 2 explains that when PJM calls on a resource to increase reactive power output, the resource is paid directly for the resultant energy market lost opportunity costs under Section 3.2.3B of Schedule 1 to the OA. As Schedule 2 states, these charges and

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<sup>6</sup> Commission technical staff have described reactive capability as follows: "The term reactive power capability refers to the ability to operate with leading or lagging reactive power if the unit is online and synchronized to the power grid, just as capacity represents the ability to provide (real) power if the unit is online and synchronized to the power grid." See Commission Staff Report, Payment for Reactive Power, AD14-7 (April 22, 2014) at 5 ("Commission Staff 2014 Report").

<sup>7</sup> *Id.*

<sup>8</sup> See *Id.* ("The transmission system needs reactive power to support system voltages to allow for transport of real power across transmission lines. Transmission lines dissipate reactive power more quickly than real power, meaning that reactive power cannot be efficiently transferred long distances on transmission lines. This is why many people say that reactive power "does not travel well," and results in geographic limitations on supply of reactive power.").

payments are separate from the charges and payments for reactive supply capability set forth in Schedule 2.

### **C. Generating Facilities and Location of Interconnection.**

The generating facilities in the case are:

- The Whitetail Solar 1 generating facility, interconnected at the Roxbury–Blain 23 kV Line, which is owned and operated by Mid-Atlantic Interstate Transmission, LLC, (“MAIT”), a subsidiary of FirstEnergy Corp.
- The Whitetail Solar 2 generating facility, interconnected at the McConnellsburg–Mercersburg–Guilford 34.5 kV Line, which is owned and operated by West Penn Power, LLC (“West Penn”), a subsidiary of FirstEnergy Corp.
- The Whitetail Solar 3 generating facility, interconnected at the McConnellsburg/Mercersburg–Guilford 34.5 kV Line, which is owned and operated by MAIT, a subsidiary of FirstEnergy Corp.
- The Elk Hill Solar 2 generating facility, interconnected at the Mercersburg–Milnor 34.5kV Line, which is owned and operated by West Penn, a subsidiary of FirstEnergy Corp.

Collectively, the Market Monitor refers to the identified generating facilities as the “Generating Facilities” and the power lines to which the Generating Facilities are interconnected are referred to as the “Lines.” In this case, none of the Lines are a Reportable Transmission Facility and none of the Lines are a Monitored Transmission Facility. PJM does not monitor or operate the grid at the locations where the Generating Facilities are interconnected.

## **II. MOTION**

### **A. The Commission May Summarily Dispose of a Proceeding as a Matter of Law When the Supporting Facts Are Undisputed or Viewed in the Most Favorable Light for the Opposing Party.**

Rule 217 provides that the Commission may, in its discretion, "summarily dispose of all or part of a proceeding" if it determines that there is "no genuine issue of fact material to

the decision of a proceeding or part of a proceeding."<sup>9</sup> The Commission has found "Rule 217 [to be] analogous to summary judgment under Rule 56 of the Federal Rules of Civil Procedure."<sup>10</sup> Accordingly, "the burden in summary disposition rests on the moving party" and "the evidence must be viewed in the light most favorable to the party opposing summary judgment."<sup>11</sup> The Commission has explained that "summary disposition is appropriate where: (1) the party opposing it has had a reasonable opportunity to present arguments and factual support, and its submitted evidence is viewed in the most favorable light; and (2) it is found that a hearing is unnecessary and would not affect the ultimate disposition of an issue because there are no material facts in dispute or because the facts presented by the party opposing summary disposition have been accepted in reaching the decision."<sup>12</sup>

**B. PJM Relies on Reactive Supply Capability from Resources in Order to Provider Reactive Supply and Voltage Control Service.**

The eligibility of a resource to collect rates for reactive supply capability under Schedule 2 to the PJM OATT (Schedule 2) requires that the resource meet three requirements: (i) Be "capable of" being "operated to produce (absorb) reactive power in order to maintain Transmission Provider's transmission facilities within acceptable limits; (ii) Be under the control of the control area operator, PJM; (iii) Enable PJM to "directly" provide Reactive Supply and Voltage Control Service "for each transaction on the Transmission Provider's transmission facilities."

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<sup>9</sup> 18 CFR § 385.217 (2021).

<sup>10</sup> *San Diego Gas & Elec. Co.*, 114 FERC ¶ 61,070 at P 134 (2006).

<sup>11</sup> *Id.*

<sup>12</sup> *Boyce Hydro Power, LLC*, 175 FERC ¶ 61,049 at P 11 (2021), citing *K N Interstate Gas Transmission Co.*, 86 FERC ¶ 61,229 at 61,824 (1999) (citing *Columbia Gulf Transmission Co.*, 79 FERC ¶ 61,351 (1997)); see also *Enron Power Mktg., Inc.*, 103 FERC ¶ 61,343 at PP 33–35 (2003).

**1. Criterion 1: Capability to Provide Reactive Output in Order to Maintain PJM's Transmission Facilities within Acceptable Limits.**

Commission Trial Staff and the Market Monitor agree that the Generating Facilities do not satisfy the first criterion, concerning the capability of being operated to produce reactive power on the Transmission Provider's transmission facilities. The issue is a factual dispute concerning whether the Generating Facilities can be operated to produce reactive power on the PJM transmission system.

Commission Trial Staff has taken on the burden to provide evidence and refute evidence that the Generating Facilities meet this criterion. Staff Witness Brian Fejka explains his conclusion that from an engineering standpoint, "... there is no evidence or indication that these facilities are capable of maintaining transmission voltages on PJM's transmission facilities within acceptable limits."<sup>13</sup>

Staff Witness Fejka refuted company testimony, stating:

As PJM explained in response to Trial Staff discovery: (1) the transmission voltage and distribution voltages are managed independently; (2) the distribution voltage control is independent and is separated by significant impedance from the transmission system; and (3) even though the Facilities have local telemetry, PJM has no direct voltage control over the Facilities and does not have sufficient visibility into the distribution system to analyze the distribution-connected resources' var output.<sup>14</sup>

This motion does not request a decision on the first criterion. The motion should be evaluated conceding the facts are as argued by opponents to the motion. Whether the Generating Facilities can provide reactive output on PJM's transmission facilities is a question of fact and requires a hearing. Whether the Generating Facilities could provide reactive output on PJM's transmission facilities is not relevant to the issue raised in this motion. The

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<sup>13</sup> Exhibit No. S-0001 at 4:2-5.

<sup>14</sup> Exhibit No. S-0017 at 6:16-7:2.

motion should be granted even if it is assumed that the Generating Facilities satisfy the first criterion.

## **2. Criterion 2: Under the Control of the Control Areas Operator.**

The second criterion is uncontested, for purposes of this motion. Staff Witness Fejka concedes this issue, stating, “the generating facilities at issue in this proceeding are under the control of PJM.”<sup>15</sup> PJM’s states: “*Legally*, PJM may dispatch the units of Market Sellers for reactive power, pursuant to Tariff, ... Operating Agreement, Schedule 1, section 1.7.20(b) [emphasis added].”<sup>16</sup> The Market Monitor conservatively interprets “under the control” of PJM to require only a determination that PJM has the legal authority under the PJM market rules to dispatch a resource. Under a more precise interpretation, “under the control” could require a determination that PJM is actually directing the output of the resource to produce MVARs outside of its normal operations. PJM does not actually exercise its authority and control the Generating Facilities in order to use their reactive capability, even sporadically. No record evidence indicates otherwise. PJM’s response implies there has been no exercise of such authority.<sup>17</sup> Whatever legal authority PJM has, the Generating Facilities are not actually under the control of PJM.

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<sup>15</sup> Exhibit No. S-0001 at 4:2–3.

<sup>16</sup> See Responses of PJM Interconnection, L.L.C. to Commission Trial Staff’s First Set of Discovery Requests, Discovery Request No. S-PJM-1.3, Dated September 29, 2021, Docket Nos. ER21-936-001, et al. (October 1, 2021).

<sup>17</sup> PJM states in response to the question, “has PJM ever directed the Facility to increase or decrease the Mvar output before coordinating with the relevant transmission/ distribution owner?”: “it is unlikely that PJM has ever directed these units to increase or decrease their MVAR output before coordinating with the relevant transmission/distribution owner. PJM intervention is unlikely due to the small size of the units and connection at the distribution level.” Responses of PJM Interconnection, L.L.C. to Commission Trial Staff’s First Set of Discovery Requests, Discovery Request No. S-PJM-1.16, Dated September 29, 2021, Docket Nos. ER21-936-001, et al. (October 6, 2021).

### 3. Criterion 3: Direct Reliance on Resource to Provide Service.

The third criterion considers whether the Generating Facilities directly enable PJM to provide Reactive Supply and Voltage Control “for each transaction on the Transmission Provider’s transmission facilities.” PJM provides Reactive Supply and Voltage Control Service, as Schedule 2 indicates, in its role as the “Transmission Provider on its transmission facilities.” Application of this criterion requires determination as a matter of law whether PJM relies on the resources’ reactive supply capability to provide Reactive Supply and Voltage Control Service.

The PJM transmission system is not coextensive with the PJM region, and PJM does not act as the Transmission Provider for the entire PJM region. There are power lines in the PJM region for which PJM has no responsibility to monitor or operate. The power lines are either not listed in PJM’s transmission facilities database or are designated Not Monitored and Not Reportable. A resource interconnected on power lines that fail to meet the criteria defining Monitored Transmission Facilities and the criteria for defining Reportable Transmission Facilities is not interconnected to PJM’s transmission facilities. PJM is not the Transmission Provider for such power lines. PJM does not directly rely on such resources to provide Reactive Supply and Voltage Control Service, and they are therefore ineligible for compensation under Schedule 2.

PJM does not provide transmission service on the Lines where the Generating Facilities interconnect. PJM does not view the Lines as part of the “PJM transmission system.”<sup>18</sup> PJM does not issue reactive voltage control schedules to the Generating Facilities.<sup>19</sup>

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<sup>18</sup> PJM states: “PJM does not view [Elk Hill 2, Whitetail 2 or Whitetail 3] as directly interconnected with the PJM transmission system.” Responses of PJM Interconnection, L.L.C. to Commission Trial Staff’s First Set of Discovery Requests, Discovery Request No. S-PJM-1.1, Dated September 29, 2021, Docket Nos. ER21-936-001, et al. (October 6, 2021).

<sup>19</sup> Regarding Elk Hill 2, Whitetail 2 or Whitetail 3, PJM states “this unit does not meet the PJM criteria for a voltage schedule to be required. It would be up to the Transmission Owner to further determine if they required a voltage schedule for any reason.” Responses of PJM Interconnection, L.L.C. to

This means that that the distribution facility owner and not PJM establishes a unit's normal operations for reactive output, or in some cases, there is no applicable voltage schedule. If PJM is not involved in establishing the normal operational range for the Generating Facilities, it follows that PJM is not relying on the Generating Facilities in order to ensure that it has reactive capability beyond the normal operational range.

Schedule 2 provides, "Reactive Supply and Voltage Control from Generation or Other Sources Service is to be provided *directly* by the Transmission Provider" [emphasis added]. PJM cannot directly rely on resources on an adjacent unmonitored system for reactive capability because of the potential adverse impact to the adjacent unmonitored system. PJM cannot attempt to directly dispatch a resource on an adjacent system without knowing the voltage conditions on that system. PJM would have to request assistance and cooperation of the entity responsible for the adjacent unmonitored system. Including a third party in the dispatch decision means PJM is not directly relying on the resources to provide Reactive Supply and Voltage Control Service.

PJM states in response to a Staff discovery request:

BES voltages that PJM operates to will have significant impact on distribution voltages and operations. However that electrical relationship does not confer PJM with any direct observability of or role to secure distribution voltages, as EDCs have separate systems and methodologies to operate to their target voltages largely independent of PJM.<sup>20</sup>

PJM further states:

*As a result of the lack of a direct connection, these units would not have the ability to maintain transmission voltages within acceptable*

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Commission Trial Staff's First Set of Discovery Requests, Discovery Request No. S-PJM-1.4, Dated September 29, 2021, Docket Nos. ER21-936-001, et al. (October 1, 2021).

<sup>20</sup> Responses of PJM Interconnection, L.L.C. to Commission Trial Staff's First Set of Discovery Requests, Discovery Request No. S-PJM-1.19, Dated September 29, 2021, Docket Nos. ER21-936-001, et al. (October 6, 2021).

limits. They would only be able to provide voltage support to the local distribution bus, which may provide indirect impacts to the transmission system. [Emphasis added.]<sup>21</sup>

Whatever capability the Generating Facilities may have, PJM does not rely on such capability to provide Reactive Supply and Voltage Control Service.

Company Witness Ausmus disputes whether Schedule 2 requires PJM to “rely” on a resource in order for the resource to be eligible to receive compensation.<sup>22</sup> Witness Ausmus’ reading of Schedule 2 is illogical and ignores the purpose of Schedule 2. Schedule 2 exists so that PJM can provide a specific ancillary service in support of transmission service to specific customers. Schedule 2 does not exist simply to create a revenue stream for generators.

Witness Ausmus’ argument implies that PJM is obligated to pay resources under Schedule 2 that PJM does not rely on to provide Reactive Supply and Voltage Control Service. Witness Ausmus’ interpretation ignores the significance of key terms used in Schedule 2, including “Transmission Provider” and “Transmission Service.” More fundamentally, Witness Ausmus ignores the purpose of Schedule 2 which is to define PJM’s responsibility to provide and bill its customers for Reactive Supply and Voltage Control Service. Under Witness Ausmus’ interpretation, PJM would be required to pay for resources supporting the system where PJM is not the Transmission Provider, does not provide Transmission Service and does not provide Reactive Supply and Voltage Control Service.

Witness Ausmus’ interpretation is not reasonable, and is not consistent with the purpose or the wording of Schedule 2.

The OATT defines Transmission Provider as follows:

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<sup>21</sup> Responses of PJM Interconnection, L.L.C. to Commission Trial Staff’s First Set of Discovery Requests, Discovery Request No. S-PJM-1.9, Dated September 29, 2021, Docket Nos. ER21-936-001, et al. (October 6, 2021).

<sup>22</sup> See Exhibit No. EH2-0025 at 4:20–5:13; Exhibit No. WT1-0001 at 34:20–35:10; Exhibit No. WT2-0027 at 4:20–5:13; Exhibit No. WT3-0001 at 35:14–36:7.

The “Transmission Provider” shall be the Office of the Interconnection for all purposes, provided that the Transmission Owners will have the responsibility for the following specified activities:

- (a) The Office of the Interconnection shall direct the operation and coordinate the maintenance of the Transmission System, except that the Transmission Owners will continue to direct the operation and maintenance of those transmission facilities that are not listed in the PJM Designated Facilities List contained in the PJM Manual on Transmission Operations;
- (b) Each Transmission Owner shall physically operate and maintain all of the facilities that it owns; and
- (c) ... Transmission Owners shall have the responsibility ... to construct, own, and finance the needed facilities or enhancements or modifications to facilities.<sup>23</sup>

Subsection (a) excludes from PJM’s role the direction of “those transmission facilities that are not listed in the PJM Designated Facilities List contained in the PJM Manual on Transmission Operations.”

The OATT defines the “Transmission System” to “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>24</sup> The record does not show that any of the Lines meet this definition.

The OA and OATT defines “Transmission Facilities” to mean: “facilities that: (i) are within the PJM Region; (ii) meet the definition of transmission facilities pursuant to FERC’s Uniform System of Accounts or have been classified as transmission facilities in a ruling by FERC addressing such facilities; and (iii) have been demonstrated to the satisfaction of the Office of the Interconnection to be integrated with the PJM Region transmission system and

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<sup>23</sup> OATT § 1 (Definitions–T–U–V).

<sup>24</sup> OATT § 1 (Definitions–T–U–V).

integrated into the planning and operation of the PJM Region to serve all of the power and transmission customers within the PJM Region.”<sup>25</sup> The record does not show that any of the Lines meet this definition.

The Lines where the Generating Facilities interconnect do not meet any of the above definitions. The Lines are not controlled or operated by PJM and are not used to provide transmission service.<sup>26</sup> The Lines are not part of the transmission system, which means that PJM is not the Transmission Provider for the Lines. The Lines do not meet the definition of “Transmission Facilities,” and, even if they did, they are not the “Transmission Providers’ transmission facilities,” the key term used in Schedule 2.

The best place to understand PJM’s role regarding the Lines is in the Designated Facilities List contained in the PJM manual on Transmission Operations referenced in the definition of Transmission Provider.<sup>27</sup> PJM Manual 3 (Transmission Operations) sets forth the criteria for determining Monitored Transmission Facilities and the criteria for determining Reportable Transmission Facilities.<sup>28</sup> PJM explains that “Monitored Transmission Facilities are monitored and controlled for limit violations using PJM’s Security Analysis programs.”<sup>29</sup> PJM explains that transmission facilities are “reportable if a change of its status can affect, or has the potential to affect, a transmission constraint on any Monitored Transmission Facility,” or “if it impedes the free-flowing ties within the PJM RTO and/or

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<sup>25</sup> OA § 1 (Definitions S –T), incorporated by reference in OATT § 1 (Definitions–T–U–V).

<sup>26</sup> See Responses of PJM Interconnection, L.L.C. to Commission Trial Staff’s First Set of Discovery Requests, Discovery Request No. S-PJM-1.8, Dated September 29, 2021, Docket Nos. ER21-936-001, et al. (October 6, 2021) (“PJM does not have operational control over the distribution line, and any coordination required at the distribution level would need to be done through the Transmission Owner (or Distribution System Operator, as applicable).”).

<sup>27</sup> See Exhibit No. IMM-0001 at 7:20–8:2.

<sup>28</sup> See No. IMM-0004.

<sup>29</sup> See *id.*

adjacent areas.”<sup>30</sup> The monitored and reportable facilities are included in the Transmission Facilities List. The Transmission Facilities List is located on the PJM website.

PJM’s criteria for defining Monitored Transmission Facilities and the criteria for defining Reportable Transmission Facilities determine which power lines constitute the PJM transmission system and which do not.

A resource interconnected on power lines that fail to meet the criteria defining Monitored Transmission Facilities *and* the criteria for defining Reportable Transmission Facilities are not interconnected to PJM’s transmission facilities. PJM is not the Transmission Provider for such power lines. PJM does not directly rely on resources to provide Reactive Supply and Voltage Control Service, and they are therefore ineligible for compensation under Schedule 2.<sup>31</sup>

None of the Lines in this case are Monitored or Reportable Transmission Facilities. This means that PJM is not monitoring the status of the Lines and does not operate them. PJM is not providing Transmission Service on the Lines.

PJM also publishes a map of all of its transmission facilities on its website. PJM does not include any of the Lines on its map.<sup>32</sup> PJM’s determination not to include the Lines on its map reinforces the conclusion that PJM is not monitoring or operating the Lines, and that the Lines do not come within the meaning of the “Transmission Provider’s transmission facilities,” the key term used in Schedule 2.

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<sup>30</sup> See PJM, PJM Transmission Providers Facilities List On-Line Help (Last Updated: May 4, 2017), which can be accessed at: <[trans-fac-help.ashx \(pjm.com\)](http://trans-fac-help.ashx(pjm.com))>.

<sup>31</sup> Arguably, a facility that does not meet the criteria defining Reportable Transmission Facilities but does meet the criteria for defining Monitored Transmission Facilities is also not eligible under Schedule 2. If PJM does not operate the Lines, they are not PJM’s transmission facilities. There is no evidence that PJM would rely on a resource to provide Reactive Supply and Voltage Control Service if the resource was located on a portion of the grid that PJM was monitoring but not operating. Coordination with the responsible operator would still be needed.

<sup>32</sup> See Exhibit No. IMM-0001 at 8:1–2.

PJM is not directly providing, as required by Schedule 2, Reactive Supply and Voltage Service on the Lines. PJM is not relying on the Generating Facilities to provide Reactive Supply and Voltage Control Service on the Lines. The Generating Facilities do not meet the third criterion for eligibility for compensation under Schedule 2. They do not meet this criterion even if the facts are viewed in the light most favorable to an opponent to this motions. Summary disposition should be granted as a matter of law.

**C. PJM's Authority to Dispatch a Generating Unit Does Not Demonstrate Reactive Supply Capability under Schedule 2.**

The Generating Facilities have the capability to create reactive power. The issue is whether that capability is for the PJM transmission system or the electric distribution system. Simply showing that a resource may respond to PJM dispatch instructions does not demonstrate PJM's reliance on the unit to provide reactive supply capability under Schedule 2 to the OATT.

PJM has dispatch authority over all generating facilities selling power in PJM. Such dispatch authority does not mean that PJM is relying on the Generating Facilities to provide Reactive Supply and Voltage Control Service. Dispatch authority does not demonstrate that any of the Generating Facilities are eligible for compensation under Schedule 2.

**D. The Terms of Interconnection Service Agreement Do Not Demonstrate Eligibility Under Schedule 2.**

The fact that PJM is party to a three party interconnection service agreement (ISA) does not establish that a generation facility is interconnected directly to the PJM transmission system or that PJM relies on the resource to directly provide Reactive Supply and Voltage Control Service.

PJM may enter into three party interconnection service agreements that include the generating facility and the interconnecting transmission and distribution system owner. Such agreements provide generating facilities the ability to sell energy and/or capacity in PJM, regardless of whether the facilities are directly interconnected to the PJM transmission system. There are provisions in such ISA agreements (which generally follow the form

included at OATT Attachment O) that establish reactive supply capability obligations for the generating facility owner. When the directly interconnected system is the sole responsibility of the interconnecting transmission owner (including in its role as an electric distribution system owner), and is not monitored or operated by PJM, then any obligation to provide reactive supply capability is to the interconnecting transmission and distribution system owner and is not to PJM.

Witness Ausmus describes ISA obligations as to or from “West Penn Power and PJM” or “both,” or from “PJM or MAIT or both,”<sup>33</sup> but West Penn Power and MAIT are the Interconnection Transmission Owner and the Transmission Provider at the Lines where the Generating Facilities receive interconnection service. West Penn is the Interconnected Transmission Owner for Whitetail Solar 2 and Elk Hill Solar 2 generating facilities. MAIT is the Interconnected Transmission Owner for the Whitetail Solar 1 and Whitetail Solar 3 generating facilities. That PJM and West Penn or MAIT must coordinate their actions to maintain the grid does not mean that they share responsibilities for the local transmission/distribution system that is not part of the PJM transmission system.

On the contrary, PJM defines and lists the facilities that it monitors and it defines and lists the facilities that it operates, and for which it is, therefore, the Transmission Provider.

The Lines are not listed on either list. PJM is not the Transmission Provider. These facts are not contested in this proceeding. The ISAs must be interpreted consistent with current reality. The ISAs do not establish that any of the Generating Facilities are eligible for compensation under Schedule 2.

#### **E. Summary Disposition Should Be Granted.**

In this case, the Market Monitor has presented the facts supporting its argument that resources that do not directly interconnect to the “Transmission Provider’s transmission

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<sup>33</sup> See Exhibit No. EH2-0025 at 14:6–19; Exhibit No. WT1-0001 at 7:24–28; Exhibit No. WT2-0027 at 4:7–18; Exhibit No. WT3-0001 7:20–24.

facilities” and do not contribute to PJM’s provision of Reactive Supply and Voltage Control Service are not eligible to file for reactive capability compensation under Schedule 2.

All parties have had ample opportunity to submit evidence in this proceeding. The facts relied upon by the Market Monitor are undisputed. The facts in dispute are not relevant to whether PJM directly relies on the Generating Facilities to provide Reactive Supply and Voltage Support Service on its transmission facilities. Determinations on eligibility can be more efficiently and properly decided based on the legal requirements for eligibility under Schedule 2 and not based on fact intensive investigations requiring case by case engineering analyses. Motion for summary disposition should be granted.

### III. CONCLUSION

Accordingly, the Market Monitor respectfully requests that the Commission grant this motion and dismiss the filings in each of the identified proceeding based on the ineligibility of each of the Generating Facilities for compensation under Schedule 2 to the OATT.

Respectfully submitted,



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Dated: April 5, 2022

## 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 5<sup>th</sup> day of April, 2022.



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