



Application of Designated Entity Agreement

Problem / Opportunity Statement

Issue Source

Two stakeholders raised a concern that they believed that PJM is not complying with certain provisions in the Operating Agreement at Schedule 6, section 1.5.8 regarding PJM's use of the Designated Entity Agreement as required pursuant to Schedule 6, section 1.5.8(j)(ii). In particular, stakeholders pointed to sections 1.5.8(l) regarding projects allocated regionally that must be designated to the incumbent transmission owner and section 1.5.8(m)(1) regarding Immediate-need Reliability Projects exempted from the competitive proposal windows.

PJM brought these concerns to (i) the Transmission Owners at an open meeting of the Special Transmission Owners Agreement Administrative Committee ("TOA-AC") on June 25, 2021 and (ii) stakeholders at the July 13, 2021 Planning Committee as an informational item.

PJM has used the DEA consistent with its filed intent since the effective date of January 1, 2014.

At the August 31, 2021 Planning Committee, PJM informed all stakeholders of its intention to clarify the Operating Agreement language through an updated compliance filing, which was submitted on September 1, 2021 in Docket No. ER13-198-008. The clarifying revisions were proposed to conform the Operating Agreement language so that it aligns to both the requirements of Order No. 1000 and the intended use of the Designated Entity Agreement. Specifically, PJM proposes to revise to Schedule 6, sections (g), (h), (i), (l) and (m)(1).

On February 8, 2022, the Commission issued an order rejecting PJM's September 1, 2021 filing, without prejudice. The decision was based solely on procedural grounds, i.e., PJM improperly filed revisions to the OA as a compliance filing in response to an order that was final and required no compliance.