

188 FERC ¶ 61,067
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Willie L. Phillips, Chairman;
Mark C. Christie and David Rosner.

PJM Interconnection, L.L.C.

Docket No. ER24-156-000

ORDER ON COMPLIANCE FILING

(Issued July 25, 2024)

1. On October 19, 2023, PJM Interconnection, L.L.C. (PJM) submitted proposed revisions to Attachment Q of PJM's Open Access Transmission Tariff (Tariff) and section 18.17 of the Operating Agreement¹ to comply with the requirements of Order No. 895, a final rule addressing credit-related information sharing between organized wholesale electric markets,² i.e., Regional Transmission Organizations (RTO)/Independent System Operators (ISO).³ As discussed below, we find that PJM's proposed revisions comply with the requirements of Order No. 895. Accordingly, we accept PJM's proposed Tariff revisions, effective July 26, 2024.

I. Background

2. On June 15, 2023, pursuant to section 206 of the Federal Power Act,⁴ the Commission amended section 35.47 of the Commission's regulations to require that RTOs/ISOs have tariff provisions that permit them to share among themselves market

¹ PJM, Intra-PJM Tariffs, OATT, attach. Q (Credit Risk Management Policy) (56.0.0); PJM, Intra-PJM Tariffs, OA, § 18 (Miscellaneous Provisions), § 18.17 (Confidentiality) (17.0.0).

² *Credit-Related Info. Sharing in Organized Wholesale Elec. Mkts.*, Order No. 895, 183 FERC ¶ 61,193 (2023).

³ See 18 C.F.R. § 35.46 (2023).

⁴ 16 U.S.C. § 824e.

participants' credit-related information for the purpose of credit risk management and mitigation.⁵

3. In the final rule, the Commission found that it is unjust and unreasonable for RTOs/ISOs to be unable to share with each other credit-related information and that tariff provisions that prohibit or otherwise limit an RTO/ISO from sharing with each other credit-related information are unjust and unreasonable. The Commission reasoned that such tariff provisions can hinder an RTO's/ISO's ability to evaluate a market participant's creditworthiness and respond to credit events, and thus, in turn, can hinder its ability to prevent or mitigate default by market participants. The Commission further reasoned that, because the costs of such defaults typically are borne by non-defaulting market participants, an RTO's/ISO's lack of access to credit-related information may lead to unjust and unreasonable rates for its market participants.⁶

4. To address limitations to RTOs'/ISOs' access to potentially relevant credit-related information, the Commission adopted regulations that require each RTO/ISO to have tariff provisions that: (1) permit RTOs/ISOs to share with each other credit-related information; (2) permit RTOs/ISOs to use market participant credit-related information received from other RTOs/ISOs to the same extent and for the same purpose as information received from their own market participants; and (3) require that an RTO/ISO that receives credit-related information from another RTO/ISO keep that information confidential as it would any other credit-related information received directly from one of its own market participants.⁷ The Commission required each RTO/ISO to submit a compliance filing consistent with the regulations adopted in the final rule.⁸

II. Filing

5. PJM states that its proposed revisions comply with the requirements of Order No. 895.⁹ PJM states that it is adding substantially identical provisions to Tariff, Attachment Q and section 18.17 of the Operating Agreement to comply with Order No. 895. First, PJM explains that it proposes section XI to Attachment Q of the Tariff and section 18.17.8 of the Operating Agreement to permit PJM to share credit-related information of

⁵ Order No. 895, 183 FERC ¶ 61,193 at P 19; *see also id.* PP 3-14 (setting forth history of Commission action on public utility credit policies).

⁶ *Id.* PP 15-18.

⁷ *Id.* PP 19-20.

⁸ *Id.* P 88.

⁹ Transmittal Letter at 1-2.

its members, market participants, and applicants with other FERC-jurisdictional RTOs/ISOs for the purpose of credit risk management and mitigation.¹⁰ Second, PJM explains that proposed section XI to Attachment Q of the Tariff and section 18.17.8 of the Operating Agreement permit PJM to use market participant credit-related information received from other RTOs/ISOs to the same extent and for the same purposes as information received from its own members, market participants, and applicants.¹¹ Third, PJM explains that proposed section XI to Attachment Q of the Tariff and section 18.17.8 of the Operating Agreement require PJM to treat credit-related information received from another RTO/ISO as confidential information as it would any other credit-related information received directly from one of its own members, market participants, or applicants.¹²

III. Notice and Responsive Pleadings

6. Notice of PJM's compliance filing was published in the *Federal Register*, 88 Fed. Reg. 74,172 (Oct. 30, 2023), with interventions and protests due on or before November 9, 2023. Timely motions to intervene were filed by: Delaware Division of the Public Advocate; Monitoring Analytics, LLC, acting in its capacity as the independent market monitor for PJM; American Electric Power Service Corporation; and Rockland Electric Company.

IV. Discussion

A. Procedural Matters

7. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2023), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

B. Substantive Matters

8. As discussed below, we find that PJM's proposed Tariff and Operating Agreement revisions comply with the requirements of Order No. 895. Accordingly, we accept PJM's proposed Tariff and Operating Agreement revisions, effective July 26, 2024.¹³

¹⁰ *Id.* at 2-3.

¹¹ *Id.*

¹² *Id.*

¹³ We choose to set a common effective date of July 26, 2024, for all the Order No. 895 compliance filings, which is the day after the issuance date of our orders

9. We find that PJM's proposed Tariff and Operating Agreement revisions comply with the requirements in Order No. 895 to have tariff provisions that permit the sharing of market participants' credit-related information with other RTOs/ISOs for the purpose of credit risk management and mitigation.¹⁴ Specifically, PJM's proposed Tariff and Operating Agreement revisions comply with the three requirements set forth in section 35.47 of the Commission's regulations.¹⁵ First, we find that the proposed Tariff and Operating Agreement revisions will permit PJM to share credit-related information about its market participants with other RTOs/ISOs. Second, we find that the proposed Tariff and Operating Agreement revisions will permit PJM to use market participant credit-related information received from another RTO/ISO to the same extent and for the same purposes as information received from its own market participants. Third, we find that the proposed Tariff and Operating Agreement revisions will require that PJM treat as confidential any credit-related information received from other RTOs/ISOs as it would any other credit-related information received directly from one of its own market participants.

The Commission orders:

PJM's proposed Tariff and Operating Agreement revisions are hereby accepted, effective July 26, 2024, as discussed in the body of this order.

By the Commission. Commissioner See is not participating.
Commissioner Chang is not participating.

(S E A L)

Debbie-Anne A. Reese,
Acting Secretary.

accepting these compliance filings. Commission staff will reset the effective date for the tariff record in eTariff to July 26, 2024. *See, e.g., Duke Energy Carolinas, LLC*, 182 FERC ¶ 61,119, at P 9 n.15 (2023).

¹⁴ Order No. 895, 183 FERC ¶ 61,193 at PP 19-20.

¹⁵ 18 C.F.R. § 35.47(h) (2023); Order No. 895, 183 FERC ¶ 61,193 at P 20.