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The Honorable James Richard Perry
Secretary of the Energy
United States Department of Energy
1000 Independence Ave, SW
Washington, DC 20585

Re: Order No. 202-18-4 Renewal Application Filing

Dear Secretary Perry:

Pursuant to Section 202(c) of the Federal Power Act (“FPA”),¹ Section 301(b) of the Department of Energy Organization Act,² the Department of Energy’s (“DOE”) Rules of Practice and Procedure³ and Order No. 202-18-4 issued on June 8, 2018, by the Secretary of Energy (“Secretary”), PJM Interconnection, L.L.C. (“PJM”) respectfully submits a request for a 90-day renewal of Order No. 202-18-4 to address a continuing emergency in the North Hampton Roads area of Virginia due to the shortage of electric energy and the shortage of facilities for the generation and transmission of electric energy. PJM incorporates by reference PJM’s initial application submitted on June 13, 2017, and all attachments and appendices thereto (the “June 13 Application”). PJM also incorporates by reference (i) PJM’s renewal applications submitted: August 24, 2017 (the “August 24 Application”), November 29, 2017 (the “November 29 Application”), February 20, 2018 (the “February 20 Application”), and May 21, 2018 (the “May 21 Application”) and all attachments and appendices thereto (collectively “Renewal

¹ 16 U.S.C. § 824a(c).

² 42 U.S.C. § § 7101 and 7151(b).

³ 16 C.F.R. §§ 205.370, 205.371 and 205.372 and 205.373.

Applications”); and (ii) the compliance reports submitted to the DOE by PJM and Virginia Electric and Power Company (“Dominion Energy Virginia”) concerning the operations and associated emission and water usage data and/or schedule estimate changes referenced below.

I. BACKGROUND

A. The June 13 Application

In the June 13 Application, PJM stated the need to request renewals of the Order No. 202-17-2 issued on June 16, 2017 on a rolling basis until the PJM ordered Regional Transmission Expansion Planning Process (“RTEPP”) Skiffes Creek Transmission Project is placed into service, which was originally anticipated to be completed in 18-20 months once all permits are issued.⁴ In Order No. 202-17-2, the Secretary determined “that an emergency exists in the Commonwealth of Virginia due to a shortage of electric energy, a shortage of facilities for the generation of electric energy, and other causes, and that issuance of this Order will meet the emergency and serve the public interest.”⁵ In doing so, the Secretary directed Dominion Energy Virginia to operate Yorktown Units 1 and 2 as directed by PJM as needed to address reliability issues for the initial 90-day period, June 16, 2017 to September 14, 2017, or any renewal thereof.⁶ The Secretary also directed PJM and Dominion Energy Virginia to develop and

⁴ PJM and Dominion Energy Virginia submitted two reports updating the outage schedule for the Skiffes Creek Transmission Project: (i) On October 12, 2017, PJM and Dominion Energy Virginia submitted a report updating the outage schedule for the Skiffes Creek Transmission Project with an extension of the construction schedule of approximately five and one-half months from December 30, 2018 to May 12, 2019; and (ii) On March 16, 2018, PJM and Dominion Energy Virginia submitted a report updating the outage schedule for the Skiffes Creek Transmission Project extending the estimated construction schedule now estimated to be completed August 21, 2019, although under the revised schedule PJM is not expected to dispatch the units after May 15, 2019.

⁵ Order No. 202-17-2, page 1.

⁶ Order No. 202-17-2, page 2.

implement a dispatch methodology and submit it to the DOE upon implementation.⁷ The dispatch methodology was submitted by PJM on June 27, 2017.

Order No. 202-17-2 stated that “(i)f the conditions creating the emergency remain substantially unchanged, a renewal request should be submitted at least 14 calendar days before this Order expires.”⁸ As conditions creating the emergency remained substantially unchanged during the 90 day period under Order No. 202-17-2, PJM submitted the August 24 Application.

B. The Renewal Applications.

In the Renewal Applications, PJM submitted requests for 90 day renewals of DOE Order Nos. 202-17-2, 202-17-4 (issued September 14, 2017), 202-18-2 (issued December 13, 2017), 202-18-3 (issued March 13, 2018), and 202-18-4 (issued June 8, 2018), successively (collectively the “Renewal Orders”). The Renewal Applications requested orders of the Secretary under Section 202 (c) of the FPA which provided among other things that an emergency continued to exist in the Commonwealth of Virginia due to a shortage of electric energy, a shortage of facilities for the generation of electric energy, and other causes, and that issuance of a renewal order will meet the emergency and serve the public interest for another 90 renewal period. Following each Renewal Application the Secretary issued the Renewal Orders determining “that an emergency continues to exist in the North Hampton Roads area of Virginia due to a shortage of electric energy and a shortage of facilities for the generation and transmission of electric energy.”⁹

⁷ Order No. 202-17-2, page 2.

⁸ Order No. 202-17-2, page 2.

⁹ Order No. 202-17-2, page 1; Order No. 202-17-4 page 1; Order No. 202-18-2 page 1; Order No. 202-18-3 page 1; and Order No. 202-18-4 page 1.

The Secretary's directives in the Renewal Orders required PJM and Dominion to "exhaust all reasonably and practically available resources, including demand response and behind-the-meter generation resources, prior to operating Yorktown Unit 1 and Yorktown Unit 2" consistent with "good utility practices" and in compliance with the dispatch methodology.¹⁰ The Renewal Orders directed PJM and Dominion Energy Virginia to report every two weeks during the term of the Renewal Orders all dates on which Yorktown Units 1 and/or 2 are operated and associated air emissions and water usages for those dates.¹¹ The Secretary also directed reporting in the event the outage schedule or estimates changed from those presented the Renewal Applications.

C. The May 21 Application for Renewal of Order No. 202-18-3.

In response to the most recent prior renewal application (*i.e.* the May 21 Application), the Secretary issued Order No. 202-18-4 which determined "that an emergency continues to exist in the North Hampton Roads area of Virginia due to a shortage of electric energy and a shortage of

¹⁰ See *e.g.*, Order No. 202-17-4, paragraphs A and B. PJM has a detailed registration process as applied to demand response resources which are serving as capacity resources. PJM would utilize that information in applying this provision recognizing that: (i) the amount of registered demand response resources on the peninsula is limited; and (ii) during the renewal period covered by this application, certain demand response resources are available to PJM only in the summer period during the period. PJM has catalogued behind the meter resources based on data provided by the United States Energy Information Administration ("EIA"), Dominion and other sources. Although behind the meter resources are not subject to PJM's direction, PJM works with Dominion to seek their assistance pursuant to the existing dispatch methodology. However, the DOE's directive that PJM and Dominion Energy Virginia exhaust reasonably and practically available demand response and/or behind-the-meter resources applies only if exhausting such resources would lessen the need to operate the Yorktown Units 1 and/or 2 for reliability of the grid consistent with the dispatch methodology, PJM's Governing Agreements and good utility practices. For example, if demand response and/or behind-the-meter resources would not provide needed reactive support, or otherwise not lessen the need to operate the Yorktown units for reliability, such resources would not be "reasonably and practically available" and operating the resources would not be consistent with the dispatch methodology, PJM's Governing Agreements and good utility practices.

¹¹ Order No. 202-17-2, page 2, paragraph C; Order No. 202-17-4 page 2, paragraph C; Order No. 202-18-2 page 2, paragraph C; Order No. 202-18-3 page 2, paragraph C; and Order No. 202-18-4 page 2, paragraph C.

facilities for the generation and transmission of electric energy.”¹² Thus, the Secretary granted PJM’s May 21 Application allowing operation of Yorktown Units 1 and 2, for an additional 90-day period to expire on June 11, 2018.¹³ Order No. 202-18-4 directs any renewal request must be submitted at least 21 calendar days before the March 13 Order expires.¹⁴ Since Order No. 202-18-4 expires on September 8, 2018, PJM respectfully submits this renewal request.

D. Compliance Reports.

In compliance with the Secretary’s reporting directives, PJM and Dominion Energy Virginia have submitted the following reports:

1. On September 28, 2017, PJM and Dominion Energy Virginia submitted a report regarding PJM’s dispatch and the associated operations of Yorktown Units 1 and/or 2.
2. On August 22, 2017, PJM and Dominion Energy Virginia submitted a report regarding PJM’s dispatch and the associated operations of Yorktown Units 1 and/or 2.
3. On October 12, 2017, PJM and Dominion Energy Virginia submitted a report revising the Skiffs Creek Transmission Project construction schedule and providing associated emission estimates.
4. On November 9, 2017, PJM and Dominion Energy Virginia submitted a report regarding PJM’s dispatch and the associated operations of Yorktown Units 1 and/or 2.
5. On March 16, 2018, PJM and Dominion Energy Virginia submitted a report updating the outage schedule for the Skiffes Creek Transmission Project.
6. On April 25, 2018, PJM and Dominion Energy Virginia submitted a report regarding a test run of Yorktown Units 1 and 2 on April 11, 2018.
7. On May 9, 2018, PJM and Dominion Energy Virginia submitted a report regarding PJM’s dispatch and the associated operations of Yorktown Units 1 and/or 2.

¹² Order No. 202-18-4, page 1.

¹³ Order No. 202-18-4, page 1.

¹⁴ Order No. 202-18-4, page 2, paragraph D.

8. On June 6, 2018, PJM and Dominion Energy Virginia submitted a report regarding PJM's dispatch and the associated operations of Yorktown Units 1 and/or 2.
9. On June 20, 2018, PJM and Dominion Energy Virginia submitted a report regarding PJM's dispatch and the associated operations of Yorktown Units 1 and/or 2.
10. On July 3, 2018, PJM and Dominion Energy Virginia submitted a report updating the construction schedule for the Skiffes Creek Transmission Project for the Yorktown-Lanexa 34 115 kV Transmission Line which did not change the runtime estimates for the Yorktown units.
11. On July 3, 2018, PJM and Dominion Energy Virginia submitted a report regarding PJM's dispatch and the associated operations of Yorktown Units 1 and/or 2.
12. On July 18, 2018, PJM and Dominion Energy Virginia submitted a report regarding PJM's dispatch and the associated operations of Yorktown Units 1 and/or 2.

II. RENEWAL REQUEST

As stated in the June 13 Application, the Skiffes Creek Transmission Project was expected to be completed and placed into service approximately 18-20 months after receipt of all applicable permits. With issuance of the U.S. Army Corps of Engineers' ("Army Corps") permit on July 3, 2017, Dominion Energy Virginia started construction of the Skiffes Creek project on July 10, 2017. As updated by the report submitted on March 16, 2018, the Skiffes Creek transmission project is currently estimated to be complete by August 21, 2019, although under the revised schedule PJM is not expected to dispatch the Yorktown units after May 15, 2019.¹⁵

Given the continued extended nature of the emergency, PJM respectfully submits that the emergency continues to exist as set forth in the initial June 13 Application and the Renewal Applications and as determined by the Secretary in the Renewal Orders. Therefore, PJM respectfully requests that the Secretary grant this renewal application prior to the expiration of the current order (*i.e.* prior to September 9, 2018) under Section 202 (c) of the FPA.

PJM requests that the renewal order provide as follows:

¹⁵ In accordance with the Secretary's directives, PJM will report on changes to the Skiffes Creek Transmission project construction schedule and revised outage schedules as necessary and appropriate.

- (i) That an emergency continues to exist in the North Hampton Roads area of Virginia due to a shortage of electric energy and a shortage of facilities for the generation and transmission of electric energy and that issuance of a renewal Order will meet the emergency and serve the public interest;
- (ii) From September 10, 2018 to December 9, 2018, Dominion Energy Virginia shall operate Yorktown Units 1 and/or 2 as directed by PJM as needed to maintain grid reliability or for other local area transmission issues.
- (iii) The limitations on operations and reporting requirements for operations and estimated emissions ensure, to the maximum extent practicable, consistency with applicable laws and regulations and transparency of implementation;
- (iv) Consistent with the dispatch methodology submitted by PJM on June 27, 2017, good utility practice and the PJM Tariff, PJM and Dominion Energy Virginia shall exhaust all reasonably and practically available resources including demand response and identified behind-the-meter generation resources to the extent that such resources address maintenance of grid reliability, prior to operating Yorktown Units 1 and/or 2;¹⁶
- (v) Dominion Energy Virginia shall continue to follow the dispatch methodology submitted by PJM on June 27, 2017; Every two weeks, PJM and Dominion Energy Virginia shall report all dates on which Yorktown Units 1 and/or 2 are

¹⁶ See Footnote 10.

operated as well as the estimated emissions and water usage date for those dates;
and

- (vi) In the event that the outage schedule or estimates change from those presented in the renewal application, PJM and/or Dominion Energy Virginia shall also provide updated outages schedules and associated Yorktown Units 1 and 2 emission estimates within 2 weeks of such change.

Respectfully submitted,

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