

[6450-01-P]

DEPARTMENT OF ENERGY
(DOE Docket No. 202-22-4)

**Emergency Order Issued to PJM Interconnection,
L.L.C. to Operate Power Generating Facilities Under Limited Circumstances in the PJM
Region as a Result of Extreme Weather**

AGENCY: Office of Cybersecurity, Energy Security, and Emergency Response, Department of Energy.

ACTION: Notice of emergency action.

SUMMARY: The U.S. Department of Energy (DOE or the Department) is issuing this Notice to document emergency actions that it has taken pursuant to the Federal Power Act. DOE issued an emergency order to PJM Interconnection, L.L.C. (PJM) to operate certain power generating facilities under limited circumstances as described further below. PJM is the regional transmission operator for 65 million people in thirteen states and the District of Columbia (PJM Region). The PJM Region experienced a significant drop in temperatures and high winds due to a severe winter weather system. As a consequence of the impact of wind and decreasing temperatures, the demand for electricity in the PJM Region rose to an unusually high peak load. While the vast majority of generating units in the PJM Region continued to function adequately under these stressed conditions, some units experienced operating difficulties due to cold weather or fuel limitations, primarily gas. Because the additional generation required to serve the PJM Region was anticipated to result in a conflict with environmental standards and requirements, DOE authorized only the necessary additional generation for PJM to sufficiently supply the amount of energy needed to prevent electrical disruption.

ADDRESSES: Requests for more information should be addressed by electronic mail to AskCR@hq.doe.gov.

FOR FURTHER INFORMATION CONTACT: For further information on this Notice, or for information on the emergency activities described herein, contact Kenneth Buell, (202) 586-3362, Kenneth.Buell@hq.doe.gov, or by mail to the attention of Kenneth Buell, CR-30, 1000 Independence Ave., SW, Washington, DC 20585.

The Order and all related information are available here: <https://www.energy.gov/ceser/federal-power-act-section-202c-pjm-december-2022>.

SUPPLEMENTARY INFORMATION:

Background

Section 202(c) of the Federal Power Act

The Department is issuing this Notice pursuant to 10 CFR 1021.343(a) to document emergency actions taken in accordance with section 202(c) of the Federal Power Act (FPA) (16 U.S.C. 824a(c)). FPA section 202(c) provides that “[d]uring the continuance of any war in which the United States is engaged, or whenever the [Secretary of Energy] determines that an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electric energy or of facilities for the generation or transmission of electric energy, or of fuel or water for generating facilities, or other causes, the [Secretary of Energy] shall have authority, either upon [her] own motion or upon complaint, with or without notice, hearing or report, to require by order such temporary connections of facilities and generation, delivery, interchange, or transmission of electric energy as in [her] judgment will best meet the emergency and serve the public interest.

1. Request for Emergency Order from PJM

On December 24, 2022, PJM submitted to the Department a Request for Emergency Order Under section 202(c) of the Federal Power Act (Application) to maintain the security and reliability of the PJM system. In its Application, PJM cited a severe winter weather system and forecasted a supply deficiency to meet firm load on December 24, December 25, and December 26, 2022. PJM requested the authority to direct the operation of electric generating units identified in Exhibit A of its Application, as well as any other generating units subject to emissions or other permit limitations in the PJM Region set forth in the Order (“Specified Resources”), to operate up to their maximum generation output levels under the limited circumstances described in the Order. PJM stated that the emergency order it was requesting could result in exceedances of National Ambient Air Quality Standards under the Clean Air Act and other permit limitations. Given the permit limits of the Specified Resources, PJM anticipated that the additional capacity may not be made available absent an order under FPA section 202(c).

2. PJM Order

On December 24, 2022, the Under Secretary of Energy for Infrastructure, acting pursuant to delegated authority, issued Order No. 2022-22-4 (the Order). As set forth in the Order, the Under Secretary for Infrastructure found that an emergency exists in the PJM Region due to a shortage of electric energy, a shortage of facilities for the generation of electric energy, and other causes, and that the issuance of the Order would meet the emergency and serve the public interest.

The Order authorized PJM to dispatch the Specified Resources for the period beginning with the issuance of the Order on December 24, 2022, to 12:00 p.m. Eastern Standard Time on December 26, 2022, under the conditions set forth in the Order, including the following:

- (i) For any generation resource whose operator notifies PJM that the unit is unable, or expected to be unable, to produce at its maximum output due to an emissions or other limit in any federal environmental permit, the unit will be allowed to exceed any such limit only during any period for which PJM has declared an Energy Emergency Alert (EEA) Level 2 or Level 3¹ (during which time PJM will have triggered a Maximum Generation Emergency Action), except as described in certain limited circumstances in anticipation of an EEA Level 2 described below in item (iii). Once PJM declares that the EEA Level 2 event has ended, the unit would be required to immediately return to operation within its permitted limits. And at all other times, the unit would be required to operate within its permitted limits, except for the limited exceptions provided in the Order for operations in anticipation of an EEA Level 2 to prevent the cycling of units or facilitate the charging or pumping of other resources necessary for the EEA Level 2.
- (ii) For any generation resource whose operator notifies PJM that the unit is offline or would need to go offline due to an emissions or other limit in any federal environmental permit, PJM may direct the unit operator to bring the unit online, or to keep the unit online, and to operate at the level consistent with its permits but subject to the exceptions set forth in the Order. In this circumstance, the operator is allowed to make all of the unit's capacity

¹ For more information on EEA levels, see <https://nercstg.nerc.com/pa/rrm/ea/Pages/Energy-Emergency-Alerts.aspx>.

available to PJM for dispatch during any period for which PJM has declared an EEA Level 2 or 3 (during which time PJM has triggered a Maximum Generation Emergency Action), except as described in certain limited circumstances in anticipation of an EEA Level 2 described below in item (iii). Once PJM declares that such an EEA Level 2 event has ended and the Maximum Generation Emergency Action is discontinued, the unit would be required to immediately return to operating at a level below the higher of its minimum operating level or the maximum output allowable under the permitted limit.

- (iii) The Order granted PJM the authority to operate the Specified Units that are combined cycle generating units in certain limited circumstances in advance of declaring an EEA Level 2, Maximum Generation Emergency, or in between such events, where such operation or continued operation of the Specified Resource is reasonably necessary to avoid shutting down and restarting the Specified Resource. The Order further authorized PJM to operate the Specified Resources in certain limited circumstances in advance of declaring an EEA Level 2, Maximum Generation Emergency where such operation or continued operation of the Specified Resource is reasonably necessary to facilitate charging storage resources or pumping for pumped storage facilities that will be needed during an anticipated EEA Level 2. PJM is required to take measures to dispatch units for which cycling would otherwise be required in a manner reasonably intended to limit the duration and operating level of those units in such a way as to minimize exceedance of permit limitations consistent with the security and reliability of the PJM Region.
- (iv) Consistent with good utility practice, and notwithstanding standard merit order dispatch, PJM was required to exhaust all reasonably and practically available resources, including

available imports, demand response and identified behind-the-meter generation resources selected to minimize an increase in emissions to the extent that such resources provide support to maintain grid reliability prior to dispatching the Specified Resources at levels above their permitted emissions levels. PJM was required provide a daily notification to the Department reporting each generating unit that has been designated to use the allowance and operated in reliance on the allowances contained in the Order.

The Order requires that PJM provide a report by January 26, 2023, for the dates between December 24, 2022, and December 26, 2022, inclusive, on which the Specified Resources were operated. The report must include '(i) emissions data in pounds per hour for each Specified Resource unit, for each hour of the operational scenario, for CO, NOx, PM10, VOC, and SO2; (ii) emissions data must include emissions (lbs./hr.) calculated consistent with reporting obligations pursuant to operating permits, permitted operating/emission limits, and the actual incremental emissions above the permit limits; (iii) the number and actual hours each day that each Specified Resource unit operated in excess of permit limits or conditions; (iv) the amount, type and formulation of any fuel used by each Specified Resource; (v) all reporting provided under the Specified Resource's operating permit requirements over the last three years to the United States Environmental Protection Agency or local Air Quality Management District for the location of a Specified Resource; (vi) additional information requested by DOE as it performs any environmental review relating to the issuance of the Order; and (vii) information provided by the Specified Resource describing how the Specified Resource complied with applicable environmental requirements to the maximum extent feasible while operating consistent with the emergency conditions.

The Order also requires PJM to submit a final report by February 27, 2023, with any revisions to the information reported on January 26, 2023. Consistent with the National Environmental Policy Act, the Department will prepare a Special Environmental Analysis of the environmental impacts of the Order that will include consideration of environmental justice. PJM will be responsible for the reasonable third-party costs of the Special Environmental Analysis.

Signing Authority

This document of the Department of Energy was signed on February 10, 2023, by Puesh M. Kumar, Director for the Office of Cybersecurity, Energy Security, and Emergency Response, pursuant to delegated authority from the Secretary of Energy. That document with the original signature and date is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the *Federal Register*.

Signed in Washington, D.C., on February 10, 2023.

Puesh M. Kumar
Director
Office of Cybersecurity, Energy Security, and Emergency Response