

168 FERC ¶ 61,017  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Neil Chatterjee, Chairman;  
Cheryl A. LaFleur, Richard Glick,  
and Bernard L. McNamee.

Stony Creek Wind Farm, LLC

Docket No. ER19-1886-000

ORDER ACCEPTING AND SUSPENDING PROPOSED RATE SCHEDULE AND  
ESTABLISHING HEARING AND SETTLEMENT JUDGE PROCEDURES

(Issued July 16, 2019)

1. On May 17, 2019, pursuant to section 205 of the Federal Power Act<sup>1</sup> and Part 35 of the Commission's regulations,<sup>2</sup> Stony Creek Wind Farm, LLC (Stony Creek) submitted a rate schedule (Rate Schedule)<sup>3</sup> to begin receiving payment for Reactive Supply and Voltage Control from Generation Sources Service (Reactive Service) under Schedule 2 of PJM Interconnection, L.L.C.'s (PJM) Open Access Transmission Tariff (Tariff).<sup>4</sup> In this order, we accept Stony Creek's proposed Rate Schedule for filing and suspend it for a nominal period, to become effective July 17, 2019, subject to refund, and establish hearing and settlement judge procedures.<sup>5</sup>

---

<sup>1</sup> 16 U.S.C. § 824d (2012).

<sup>2</sup> 18 C.F.R. pt. 35 (2018).

<sup>3</sup> Stony Creek Wind Farm, LLC, Rate Schedule, [Rate Schedule FERC No. 1, Reactive Power Compensation, 0.0.0.](#)

<sup>4</sup> See PJM, Intra-PJM Tariffs, OATT, Schedule 2 (4.0.0).

<sup>5</sup> Although Stony Creek requests that the proposed Rate Schedule be made effective on July 16, 2019, which is the 60th day after filing, absent waiver, July 17, 2019 is the earliest date that Stony Creek's proposed Rate Schedule can be made effective (i.e., on the 61st day after filing, after 60 days' notice). *Cal. Indep. Sys. Operator Corp.*, 136 FERC ¶ 61,120, at P 1 n.4 (2011); see *Central Hudson Gas & Electric Corp.*, 60 FERC ¶ 61,106, *reh'g denied*, 61 FERC ¶ 61,089 (1992); *Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, *clarified*, 65 FERC ¶ 61,081 (1993).

## I. Background

2. Schedule 2 of the PJM Tariff provides that PJM will compensate owners of generation and non-generation resources for the capability to provide reactive power to PJM to maintain transmission voltages. Specifically, Schedule 2 states that, for each month of Reactive Service provided by generation and non-generation resources in the PJM region, PJM shall pay each resource owner an amount equal to the resource owner's monthly revenue requirement, as accepted or approved by the Commission.<sup>6</sup>

## II. Filing

3. Stony Creek states that it owns and operates a 52.5 MW wind turbine generating facility (Facility) in Somerset County, Pennsylvania, which began commercial operation in December 2009. Stony Creek states that the Facility interconnects to the Mid-Atlantic Interstate Transmission, LLC (MAIT) transmission system, within the PJM region.<sup>7</sup> Stony Creek states that it, MAIT, and PJM are parties to an interconnection service agreement (ISA) that was recently amended in 2017.<sup>8</sup>

4. Stony Creek states that it calculated the Facility's fixed capability component for Reactive Service using the methodology that the Commission adopted in *American Electric Power Service Corp. (AEP Methodology)*.<sup>9</sup> Stony Creek notes that the *AEP Methodology* considers the costs associated with four groups of plant investments: (1) generators/excitors; (2) generator step-up (GSU) transformers; (3) accessory electric equipment; and (4) remaining production plant investment.<sup>10</sup>

5. Stony Creek states that it calculated a total plant investment attributable to reactive power production at the Facility of \$2,681,450 which consists of: (a) \$2,288,532 (the reactive portions of the generator/exciter and accessory electric equipment); (b) \$177,271 (the reactive portions of the GSU transformers); and (c) \$215,647 (the portion of the

---

<sup>6</sup> See PJM, Intra-PJM Tariffs, OATT, Schedule 2 (4.0.0).

<sup>7</sup> Transmittal Letter at 1.

<sup>8</sup> *Id.* (citing *PJM Interconnection, L.L.C.*, Docket No. ER17-1123-000 (Apr. 12, 2017) (delegated order).

<sup>9</sup> *Id.* at 9.

<sup>10</sup> *Id.* at 3.

remaining total production plant used to support reactive power production).<sup>11</sup> Based on the fixed revenue requirement, Stony Creek calculated the annual Reactive Service revenue requirement to be \$310,326.82. Stony Creek states that it divided this amount by twelve to arrive at its monthly Reactive Service revenue requirement of \$25,860.57.<sup>12</sup>

### **III. Notice**

6. Notice of Stony Creek's filing was published in the *Federal Register*, 84 Fed. Reg. 24,127 (2019), with interventions and protests due on or before June 7, 2019. PJM and Monitoring Analytics, LLC, acting in its capacity as the Independent Market Monitor for PJM (IMM), filed timely motions to intervene.

### **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 (2018), PJM's and the IMM's timely, unopposed motions to intervene serve to make them parties to this proceeding.

#### **B. Substantive Matters**

8. Our preliminary analysis indicates that Stony Creek's proposed Rate Schedule has not been shown to be just and reasonable and may be unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful. Stony Creek's proposed Rate Schedule raises issues of material fact that cannot be resolved based on the record before us and are more appropriately addressed in the hearing and settlement judge procedures ordered below. Accordingly, we accept Stony Creek's proposed Rate Schedule for filing and suspend it for a nominal period, to become effective July 17, 2019, subject to refund, and establish hearing and settlement judge procedures.

9. Although we are setting the Rate Schedule for hearing in its entirety, we note that Stony Creek's accessory electric equipment and allocator, generator and exciter costs, administrative and general costs, and balance of plant allocator may be excessive. Stony Creek has not provided the components of the accessory electric equipment and their associated costs. We also note that Stony Creek has not provided sufficient data which

---

<sup>11</sup> Prepared Direct Testimony of John L. Simpson, Ex. No. SC-1 at 27.

<sup>12</sup> Transmittal Letter at 12.

would allow verification of its reactive allocator such as the manufacture's nameplate data.<sup>13</sup>

10. While we are setting these matters for a trial-type evidentiary hearing, we encourage the parties to make every effort to settle their disputes before hearing procedures commence. To aid the parties in their settlement efforts, we will hold the hearing in abeyance and direct that a settlement judge be appointed, pursuant to Rule 603 of the Commission's Rules of Practice and Procedure.<sup>14</sup> If the parties desire, they may, by mutual agreement, request a specific judge as the settlement judge in the proceeding.<sup>15</sup> The Chief Judge, however, may not be able to designate the requested settlement judge based on workload requirements which determine judges' availability. The settlement judge shall report to the Chief Judge and the Commission within thirty (30) days of the date of the appointment of the settlement judge, concerning the status of settlement discussions. Based on this report, the Chief Judge shall provide the parties with additional time to continue their settlement discussions or provide for commencement of a hearing by assigning the case to a presiding judge.

The Commission orders:

(A) Stony Creek's proposed Rate Schedule is hereby accepted for filing and suspended for a nominal period, to become effective July 17, 2019, subject to refund, as discussed in the body of this order.

(B) Pursuant to the authority contained in and subject to the jurisdiction conferred on the Commission by section 402(a) of the Department of Energy Organization Act and the Federal Power Act, particularly sections 205 and 206 thereof, and pursuant to the Commission's Rules of Practice and Procedure and the regulations under the Federal Power Act (18 C.F.R. Chapter I), a public hearing shall be held concerning the justness and reasonableness of Stony Creek's proposed Rate Schedule. However, the hearing will be held in abeyance to provide time for settlement judge procedures, as discussed in Ordering Paragraphs (C) and (D) below.

---

<sup>13</sup> See *Wabash Valley Power Association, Inc.*, 154 FERC ¶ 61,246, at P 28 (2016).

<sup>14</sup> 18 C.F.R. § 385.603 (2018).

<sup>15</sup> If the parties decide to request a specific judge, they must make their joint request to the Chief Judge by telephone at (202) 502-8500 within five days of this order. The Commission's website contains a list of Commission judges available for settlement proceedings and a summary of their background and experience (<http://www.ferc.gov/legal/adr/avail-judge.asp>).

(C) Pursuant to Rule 603 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.603 (2018), the Chief Judge is hereby directed to appoint a settlement judge in this proceeding within fifteen (15) days of the date of this order. Such settlement judge shall have all powers and duties enumerated in Rule 603 and shall convene a settlement conference as soon as practicable after the Chief Judge designates the settlement judge. If the participants decide to request a specific judge, they must make their request to the Chief Judge within five (5) days of the date of this order.

(D) Within thirty (30) days of the appointment of the settlement judge, the settlement judge shall file a report with the Commission and the Chief Judge on the status of the settlement discussions. Based on this report, the Chief Judge shall provide the parties with additional time to continue their settlement discussions, if appropriate, or assign this case to a presiding judge for a trial-type evidentiary hearing, if appropriate. If settlement discussions continue, the settlement judge shall file a report at least every sixty (60) days thereafter, informing the Commission and the Chief Judge of the parties' progress toward settlement.

(E) If settlement judge procedures fail and a trial-type evidentiary hearing is to be held, a presiding judge, to be designated by the Chief Judge, shall, within fifteen (15) days of the date of the presiding judge's designation, convene a prehearing conference in these proceedings in a hearing room of the Commission, 888 First Street, NE, Washington, DC 20426. Such a conference shall be held for the purpose of establishing a procedural schedule. The presiding judge is authorized to establish procedural dates, and to rule on all motions (except motions to dismiss) as provided in the Commission's Rules of Practice and Procedure.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.