



NEWS RELEASE

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Docket Nos. ER19-460-000 and ER19-469-000

FERC Approves First Compliance Filings on Landmark Storage Rule

The Federal Energy Regulatory Commission (FERC) today approved the first two orders implementing Order No. 841, the landmark storage rulemaking aimed at breaking down market barriers to electricity storage.

Enacted in February 2018, Order No. 841 addresses the participation of electric storage resources in the capacity, energy and ancillary service markets operated by organized wholesale power markets to more effectively integrate electric storage resources, enhance competition and help ensure that those markets produce just and reasonable rates. The rule requires each organized power market to revise its tariff to establish a participation model consisting of market rules that recognize the physical and operational characteristics of electric storage resources and facilitate their participation in those markets.

"Electricity storage must be able to participate on an even playing field in the wholesale power markets that we regulate," FERC Chairman Neil Chatterjee said. "Breaking down these market barriers encourages the innovation and technological advancements that are essential to the future of our grid."

Today's orders address the Order No. 841 compliance filings of Southwest Power Pool (SPP) and PJM Interconnection (PJM). FERC found that the two market operators generally complied with the rule, and therefore largely accepted their filings, but provided additional directives for further action. The Commission also initiated proceedings under section 206 of the Federal Power Act to address the specific issue of minimum run-time requirements.

FERC found that both SPP's and PJM's proposals generally enable electric storage resources to provide all services they are capable of providing; allow electric storage resources to be compensated for those services in the same manner as other resources; and appropriately recognize the unique physical and operational characteristics of electric storage resources. FERC also directed both SPP and PJM to submit further compliance filings within 60 days.

Though FERC found that the tariffs for both market operators generally satisfy Order No. 841's directive allowing electric storage resources to de-rate their capacity to meet minimum run-time requirements, FERC also found that neither market includes in its tariff minimum run-time requirements for resource adequacy and capacity. Explaining that such requirements affect rates, terms and conditions of service, the Commission instituted 206 proceedings, and directed SPP and PJM to submit tariff provisions reflecting their rules and practices regarding resource adequacy minimum run-time requirements and capacity minimum run-time requirements, respectively, for all resource types. SPP and PJM must submit these tariff provisions no later than 45 days after the 206 notice is published in the *Federal Register*. FERC also established paper hearing procedures to examine PJM's minimum run-time rules and procedures as applied to capacity storage resources.