

Reactive Power Compensation Issue Charge

Proposal to modify the issue charge

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May 10, 2023

Existing out of scope language goes too far

- The out of scope language stifles relevant discussion on existing projects.
- FERC's recent January, 2023 reactive power ruling for the MISO region underscores the need for existing reactive power resources in the PJM region to be part of this stakeholder discussion.
- Said another way, limiting the discussions (and perhaps proposals) to prospective proposals creates a barrier to education, discussion (and perhaps, solutions).
- Without a change to the current issue charge the stakeholder solution cannot create a comprehensive conclusion.
- The current issue charge can be found at the following link: [rpctf-issue-charge.ashx \(pjm.com\)](https://www.pjm.com/issue-charge/rpctf-issue-charge.ashx)

The Elephant in the room



Commission's Findings

January 27, 2023

FERC issues Order accepting the MISO TOs' filing, effective December 1, 2022.

FERC finds the Schedule 2 revisions just and reasonable and not unduly discriminatory or preferential:

- Relies on Order Nos. 2003 and 2003-A, finding that transmission providers are not obligated to compensate generators for reactive power service within the standard power factor range.
- Rejects reliability arguments finding them speculative and without support.
- Rejects Takings Clause argument.
- *Multiple parties have sought rehearing.

The proposed modification

- Motion to alter the existing issue charge by striking the **highlighted** language.

Out of Scope:

- 1) Modifications to cost-based energy offers, ~~and~~ fuel cost policies, and capacity offers beyond those needed to reflect the cost of reactive service.
- ~~2) Modifications to capacity offers.~~
- 3) Any existing FERC-approved or pending reactive service rates.

Contact Information

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