



Lee County Generating Station, LLC Stipulation To Defer PAI Payment Obligation

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Risk Management Committee
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Lee County Generating Station, LLC Stipulation for Deferral of Remaining PAI Obligation

Remaining six 2023 monthly PAI payments will instead be due over first six months of 2024.

Lee will be charged interest on the total amount, which would have been payable from July–December 2023 at the published FERC quarterly rate in effect as of June 30, 2023. This interest will be divided by six and levelized over the January–June 2024 payments, and will be included as a late charge on the bills.

\$3M of additional cash has been posted by Lee to PJM as Restricted Collateral.

Payment to PJM of 50% of available gross margin in any month (revenues from MISO and PJM net of fuel, variable O&M as approved in cost-based offer) received by Lee in excess of \$1M, which would serve as additional collateral for PJM.

FERC granted waiver on July 13, 2023.

First, we find that Joint Movants have acted in good faith in taking actions to avoid Lee County defaulting on its Non-Performance Charge payment obligations and avoid the disruption to PJM's and MISO's efforts to maintain reliability that may result from such default. Second, we find that the waiver is limited in scope because it will apply to one Market Participant, Lee County, and for a finite six-month time period. Third, we find that the waiver addresses a concrete problem by avoiding the potential ramifications of Lee County defaulting on its obligations across the PJM and MISO footprints. Finally, we find that the waiver does not result in undesirable consequences, such as harm to third parties because Lee County continues to be obligated to pay penalties to PJM in full, with the deferred balance incurring interest at the Commission's interest rate, and bonus payment recipients are therefore kept whole by the deferred payment terms in the Stipulation.

184 FERC ¶ 61,029, at PP 5-6 (July 13, 2023), Docket No. EL23-57-002.

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Lee County PAI Update



Member Hotline

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