

189 FERC ¶ 61,185
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Willie L. Phillips, Chairman;
Mark C. Christie, David Rosner,
Lindsay S. See and Judy W. Chang.

Montpelier Generating Station, LLC and
Rockland Capital, LP

Docket No. IN24-15-000

ORDER APPROVING STIPULATION AND CONSENT AGREEMENT

(Issued December 6, 2024)

1. The Commission approves the attached Stipulation and Consent Agreement (Agreement) between the Office of Enforcement (Enforcement) and Montpelier Generating Station, LLC (Montpelier) and Rockland Capital, LP (Rockland) (collectively, the Companies). This order is in the public interest because it resolves on fair and equitable terms Enforcement's investigation (Investigation) under Part 1b of the Commission's regulations, 18 C.F.R. Part 1b (2024), into whether the Companies violated the PJM Interconnection (PJM) Open Access Transmission Tariff (OATT) and the Commission's Market Behavior Rule, 18 C.F.R. Section 35.41(b), by classifying a Forced Outage as a Maintenance Outage in submissions to PJM during the period October 25, 2022 through January 11, 2023 (Relevant Period), causing Montpelier to avoid Performance Assessment Interval (PAI) penalties during Winter Storm Elliott in December 2022.

2. The Companies stipulate to the facts in Section II of the Agreement and neither admit nor deny the violations described in Section III of the Agreement. Montpelier agrees to: (a) disgorge \$674,064 in avoided penalties to PJM, plus \$84,690 in interest; (b) pay a civil penalty of \$105,000 to the United States Treasury; and (c) be subject to compliance monitoring as provided in the Agreement.

I. Facts

3. Enforcement and the Companies have stipulated and agreed to the following facts:

4. Montpelier Unit 2 is one of four "twin-pack" simple cycle units in Oneto, Indiana that are owned by Rockland. Each twin-pack is designed to operate in tandem, but the twinned units can run separately. Montpelier Unit 2's twin-pack units have a combined ICAP rating of 58 MW (29 MW apiece).

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5. On the morning of October 25, 2022, Montpelier Unit 2 tripped offline due to high vibrations. At 11:02 a.m., Montpelier Unit 2 (through its Energy Market Scheduler) submitted a ticket in PJM's eDART system with the Outage Type "Unplanned Outage/Derate" and a reduction of 58 MW (its entire capacity).
6. At 5:35 p.m., Montpelier informed its Energy Market Scheduler by phone that the vibration issue was limited to one turbine and that the unit could reenter the market derated to 29 MW (half its capacity).
7. At 5:36 p.m., Montpelier's Energy Market Scheduler entered a new outage ticket in PJM's eDART system with the Outage Type "Maintenance Outage/Derate" and a reduction of 29 MW.
8. Following its initial inspection, Montpelier determined that the turbine with the vibration issue was damaged and had to be transported to an offsite repair facility. Montpelier subsequently encountered numerous delays in repairing its damaged turbine. Montpelier (through its Energy Market Scheduler) therefore entered a series of extensions in PJM's eDART system of the second outage ticket with the Outage Type "Maintenance Outage/Derate" spanning the period November 1, 2022 through January 11, 2023.
9. PJM assesses resources' performance during defined emergency periods. These are called Performance Assessment Intervals or PAIs. Resources with a performance shortfall pay PAI penalties. Resources with a PJM-approved Planned or Maintenance Outage are excused from paying PAI penalties.
10. Due to the damaged turbine, half of Montpelier Unit 2's 58 MW of capacity was unavailable when PJM initiated a Maximum Generation Emergency Action on December 23, 2022, during Winter Storm Elliott.
11. Because Montpelier Unit 2 had classified its Outage Type in PJM's eDART system as a "Maintenance Outage/Derate" as opposed to an "Unplanned Outage/Derate," PJM did not assess it penalties for failing to perform during PAI periods on December 23 and 24, 2022.

II. Violations

12. PJM OATT Attachment K, Section 1.9.4 provides that Generator Forced Outages shall be requested and/or deemed in accordance with the PJM Manuals, which define Maintenance Outages, Maintenance Outage Extensions, and Forced Outages.
13. During the Relevant Period, PJM Manual 10, Section 2.3 Maintenance Outages stated:

A Generator Maintenance Outage is the scheduled removal from service, in whole or in part, of a generating unit in order to perform necessary repairs on specific components of the facility. Maintenance Outages can be deferred beyond the next weekend but require that the generation resource be removed from service before the next Planned Outage. Characteristically, Maintenance Outages . . . have flexible start dates . . . and have a predetermined duration established at the start of the outage. Tube leak repairs, maintenance on mills or pulverizers, testing, and valve repairs are examples of Maintenance Outages. The duration of a Maintenance Outage is generally limited to a maximum duration of 9 consecutive days.

14. During the Relevant Period, PJM Manual 10, Section 2.3.3 Maintenance Outage Extension stated:

A Maintenance Outage may be extended beyond its originally estimated completion date in those instances when the original scope of work requires more time to complete than originally scheduled. The outage extension is not used for those instances when unexpected problems or delays are encountered to render the generation resource in question, out of service past the expected date of the Maintenance Outage.

15. During the Relevant Period, PJM Manual 10, Section 2.4 Unplanned (Forced) Outage stated:

A Generator Unplanned (Forced) Outage is an immediate reduction in output or capacity or removal from service, in whole or in part, of a generating unit by reason of an Emergency or threatened Emergency, unanticipated failure, or other cause beyond the control of the owner or operator of the facility.

16. During the Relevant Period, PJM OATT Attachment K, Section 1.9.4(a) stated, in relevant part:

Each Market Seller that owns or controls a pool-scheduled resource, or Generation Capacity Resource whether or not pool-scheduled, shall: (i) advise the Office of the Interconnection of a Generator Forced Outage suffered or anticipated to be suffered by any such resource as promptly as possible; (ii) provide the Office of the Interconnection with the

expected date and time that the resource will be made available; and (iii) make a record of the events and circumstances giving rise to the Generator Forced Outage.

17. Enforcement determined that the Companies violated Section 1.9.4(a) by failing to notify the Office of the Interconnection that Montpelier Unit 2 had suffered a Forced Outage, rather than a Maintenance Outage, and by failing to make a record of the events and circumstances giving rise to the Generator Forced Outage in eDART. Because the damage to Montpelier Unit 2 caused an “immediate reduction in output or capacity or removal from service, in whole or in part,” Enforcement determined that the outage should have continued to have been classified as an “Unplanned Outage/Derate” after Montpelier brought half of Unit 2’s output back online.

18. The Commission’s Market Behavior Rule, 18 C.F.R. Section 35.41(b) provides:

A Seller must provide accurate and factual information and not submit false or misleading information, or omit material information, in any communication with the Commission, Commission-approved market monitors, Commission-approved regional transmission organizations, Commission-approved independent system operators, or jurisdictional transmission providers, unless Seller exercises due diligence to prevent such occurrences.

19. Enforcement determined that the Companies violated Section 35.41(b) by submitting an eDART ticket to PJM that inaccurately classified Montpelier’s outage during the Relevant Period as a Maintenance Outage rather than a Forced Outage.

III. Stipulation and Consent Agreement

20. Enforcement and the Companies have resolved the Investigation by means of the attached Agreement.

21. The Companies stipulate to the facts set forth in Section II of the Agreement and neither admit nor deny the violations described in Section III of the Agreement.

22. Montpelier agrees to pay a civil penalty of \$105,000 to the United States Treasury.

23. Montpelier agrees to pay \$674,074 in disgorgement plus \$84,690 in interest to PJM.

24. The Companies agree to submit annual compliance monitoring reports to Enforcement, in accordance with the terms of the Agreement, for two years with a third year at Enforcement’s discretion.

IV. Determination of Appropriate Sanctions and Remedies

25. In recommending the appropriate remedy, Enforcement considered the factors in the Revised Policy Statement on Penalty Guidelines,¹ including the fact that the Companies cooperated with Enforcement during the Investigation.

26. The Commission concludes that the Agreement is a fair and equitable resolution of the matters concerned and is in the public interest, as it reflects the nature and seriousness of the conduct.

27. The Commission also concludes that Montpelier's civil penalty is consistent with the Revised Policy Statement on Penalty Guidelines.

28. The Commission directs Montpelier to satisfy disgorgement and pay the civil penalty as required under the Agreement within 10 days of the Effective Date of the Agreement.

29. The Commission directs the Companies to comply with the provisions in the Agreement including requiring the Companies to submit an annual compliance monitoring report to Enforcement for two years with a third year at Enforcement's discretion.

30. The Commission directs PJM to allocate the disgorged funds in its discretion for the benefit of PJM customers and upon approval by Enforcement of PJM's plan for doing so.

The Commission orders:

The attached Stipulation and Consent Agreement is hereby approved without modification.

By the Commission.

(S E A L)

Carlos D. Clay,
Acting Deputy Secretary.

¹ *Enforcement of Statutes, Orders, Rules and Regulations*, 132 FERC ¶ 61,216 (2010).

**UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION**

Montpelier Generating Station, LLC and Docket No. IN24-15-000
Rockland Capital, LP

STIPULATION AND CONSENT AGREEMENT

I. INTRODUCTION

1. The Office of Enforcement (Enforcement) of the Federal Energy Regulatory Commission (Commission), Montpelier Generating Station, LLC (Montpelier), and Rockland Capital, LP (Rockland) enter into this Stipulation and Consent Agreement (Agreement) to resolve a nonpublic, preliminary investigation (the Investigation) conducted by Enforcement pursuant to Part 1b of the Commission's regulations, 18 C.F.R. Part 1b (2024). The Investigation addressed whether Montpelier and Rockland (the Companies) violated the PJM Interconnection (PJM) Open Access Transmission Tariff (OATT) and the Commission's Market Behavior Rule, 18 C.F.R. Section 35.41(b), by classifying a Forced Outage as a Maintenance Outage in submissions to PJM during the period October 25, 2022 through January 11, 2023 (Relevant Period), causing Montpelier to avoid Performance Assessment Interval (PAI) penalties during Winter Storm Elliott in December 2022.

2. The Companies stipulate to the facts in Section II, but neither admit nor deny the violations alleged in Section III, as set forth in this Agreement. Montpelier agrees to disgorge \$674,064 in avoided penalties to PJM, plus \$84,690 in interest; (b) pay a civil penalty of \$105,000 to the United States Treasury; and (c) provide compliance monitoring reports to Enforcement as provided more fully below.

II. STIPULATIONS

Enforcement and the Companies hereby stipulate and agree to the following facts:

3. Montpelier Unit 2 is one of four "twin-pack" simple cycle units in Oneto, Indiana that are owned by Rockland. Each twin-pack is designed to operate in tandem, but the twinned units can run separately. Montpelier Unit 2's twin-pack units have a combined ICAP rating of 58 MW (29 MW apiece).

4. On the morning of October 25, 2022, Montpelier Unit 2 tripped offline due to high vibrations. At 11:02 a.m., Montpelier Unit 2 (through its Energy Market Scheduler) submitted a ticket in PJM's eDART system with the Outage Type "Unplanned Outage/Derate" and a reduction of 58 MW (its entire capacity).

5. At 5:35 p.m., Montpelier informed its Energy Market Scheduler by phone that the vibration issue was limited to one turbine and that the unit could reenter the market derated to 29 MW (half its capacity).

6. At 5:36 p.m., Montpelier's Energy Market Scheduler entered a new outage ticket in PJM's eDART system with the Outage Type "Maintenance Outage/Derate" and a reduction of 29 MW.

7. Following its initial inspection, Montpelier determined that the turbine with the vibration issue was damaged and had to be transported to an offsite repair facility. Montpelier subsequently encountered numerous delays in repairing its damaged turbine. Montpelier (through its Energy Market Scheduler) therefore entered a series of extensions in PJM's eDART system of the second outage ticket with the Outage Type "Maintenance Outage/Derate" spanning the period November 1, 2022 through January 11, 2023.

8. PJM assesses resources' performance during defined emergency periods. These are called Performance Assessment Intervals or PAIs. Resources with a performance shortfall pay PAI penalties. Resources with a PJM-approved Planned or Maintenance Outage are excused from paying PAI penalties.

9. Due to the damaged turbine, half of Montpelier Unit 2's 58 MW of capacity was unavailable when PJM initiated a Maximum Generation Emergency Action on December 23, 2022, during Winter Storm Elliott.

10. Because Montpelier Unit 2 had classified its Outage Type in PJM's eDART system as a "Maintenance Outage/Derate" as opposed to an "Unplanned Outage/Derate," PJM did not assess its penalties for failing to perform during PAI periods on December 23 and 24, 2022.

III. VIOLATIONS

11. Enforcement has concluded that the Companies violated the PJM OATT Attachment K, Section 1.9.4 and the Commission's Market Behavior Rule, 18 C.F.R. Section 35.41(b).

12. PJM OATT Attachment K, Section 1.9.4 provides that Generator Forced Outages shall be requested and/or deemed in accordance with the PJM Manuals, which define Maintenance Outages, Maintenance Outage Extensions, and Forced Outages.

13. During the Relevant Period, PJM Manual 10, Section 2.3 Maintenance Outages stated:

A Generator Maintenance Outage is the scheduled removal from service, in whole or in part, of a generating unit in order

to perform necessary repairs on specific components of the facility. Maintenance Outages can be deferred beyond the next weekend but require that the generation resource be removed from service before the next Planned Outage. Characteristically, Maintenance Outages . . . have flexible start dates . . . and have a predetermined duration established at the start of the outage. Tube leak repairs, maintenance on mills or pulverizers, testing, and valve repairs are examples of Maintenance Outages. The duration of a Maintenance Outage is generally limited to a maximum duration of 9 consecutive days.

14. During the Relevant Period, PJM Manual 10, Section 2.3.3 Maintenance Outage Extension stated:

A Maintenance Outage may be extended beyond its originally estimated completion date in those instances when the original scope of work requires more time to complete than originally scheduled. The outage extension is not used for those instances when unexpected problems or delays are encountered to render the generation resource in question, out of service past the expected date of the Maintenance Outage.

15. During the Relevant Period, PJM Manual 10, Section 2.4 Unplanned (Forced) Outage stated:

A Generator Unplanned (Forced) Outage is an immediate reduction in output or capacity or removal from service, in whole or in part, of a generating unit by reason of an Emergency or threatened Emergency, unanticipated failure, or other cause beyond the control of the owner or operator of the facility.

16. During the Relevant Period, PJM OATT Attachment K, Section 1.9.4(a) stated, in relevant part:

Each Market Seller that owns or controls a pool-scheduled resource, or Generation Capacity Resource whether or not pool-scheduled, shall: (i) advise the Office of the Interconnection of a Generator Forced Outage suffered or anticipated to be suffered by any such resource as promptly as possible; (ii) provide the Office of the Interconnection with the

expected date and time that the resource will be made available; and (iii) make a record of the events and circumstances giving rise to the Generator Forced Outage.

17. Enforcement has concluded that the Companies violated Section 1.9.4(a) by failing to notify the Office of the Interconnection that Montpelier Unit 2 had suffered a Forced Outage, rather than a Maintenance Outage, and by failing to make a record of the events and circumstances giving rise to the Generator Forced Outage in eDART. Because the damage to Montpelier Unit 2 caused an “immediate reduction in output or capacity or removal from service, in whole or in part,” the outage should have continued to have been classified as an “Unplanned Outage/Derate” after Montpelier brought half of Unit 2’s output back online.

18. The Commission’s Market Behavior Rule, 18 C.F.R. Section 35.41(b) provides:

A Seller must provide accurate and factual information and not submit false or misleading information, or omit material information, in any communication with the Commission, Commission-approved market monitors, Commission-approved regional transmission organizations, Commission-approved independent system operators, or jurisdictional transmission providers, unless Seller exercises due diligence to prevent such occurrences.

19. Enforcement has concluded that the Companies violated Section 35.41(b) by submitting an eDART ticket to PJM that inaccurately classified Montpelier’s outage during the Relevant Period as a Maintenance Outage rather than a Forced Outage.

IV. REMEDIES AND SANCTIONS

20. For purposes of settling any and all claims, civil and administrative disputes and proceedings arising from or related to the Companies’ conduct evaluated in Enforcement’s Investigation, the Companies agree with the facts as stipulated in Section II of this Agreement, and neither admit nor deny the violations described in Section III of this Agreement.

21. The Companies further agree to undertake the obligations set forth in the following paragraphs.

A. Civil Penalty

22. Montpelier agrees to pay a civil penalty of \$105,000 to the United States Treasury, by wire transfer, within 10 days of the Effective Date of this Agreement, as defined herein.

B. Disgorgement

23. Montpelier agrees to pay \$674,074 in disgorgement plus \$84,690 in interest to PJM within 10 days of the Effective Date of this Agreement, to be allocated by PJM in its discretion for the benefit of PJM customers and upon approval by Enforcement of PJM's plan for doing so.

C. Compliance

24. The Companies shall make annual compliance monitoring reports to Enforcement for two years following the Effective Date of this Agreement. The first annual compliance monitoring report shall be submitted one year after the Effective Date of the Agreement. The second annual compliance monitoring report shall be submitted one year from the date of the first report. After the receipt of the second annual report, Enforcement may, at its sole discretion, require the Companies to submit reports for one additional year.

25. Each compliance monitoring report shall: (1) identify any known violations of Commission regulations that occurred during the applicable period, including a description of the nature of the violation and what steps were taken to rectify the situation; (2) describe all compliance measures and procedures the Companies instituted or modified during the reporting period related to compliance with Commission regulations; and (3) describe all Commission-related compliance training that the Companies administered during the reporting period, including the dates such training occurred, the topics covered, and the procedures used to confirm which personnel attended.

26. Each compliance monitoring report shall also include an affidavit executed by an officer or authorized representative of the Companies stating that it is true and accurate to the best of his/her knowledge.

27. Upon request by Enforcement, the Companies shall provide to Enforcement documentation supporting the contents of its reports.

V. TERMS

28. The "Effective Date" of this Agreement shall be the date on which the Commission issues an order approving this Agreement without material modification. When effective, this Agreement shall resolve the matters specifically addressed herein that arose on or before the Effective Date as to the Companies and any affiliated entity, and their respective agents, officers, directors, or employees, both past and present.

29. Commission approval of this Agreement without material modification shall release the Companies and forever bar the Commission from holding the Companies and any affiliated entity, any successor in interest, and their respective agents, officers, directors, or employees, both past and present, liable for any and all administrative or civil claims

arising out of the conduct covered by the Investigation, including conduct addressed and stipulated to in this Agreement, which occurred on or before the Agreement's Effective Date.

30. Failure by Montpelier to make the disgorgement or civil penalty payments, and failure of Montpelier or Rockland to comply with the compliance obligations agreed to herein or any other provision of this Agreement, shall be deemed a violation of a final order of the Commission issued pursuant to the Federal Power Act (FPA), 16 U.S.C. § 792, et seq., and may subject the Companies to additional action under the enforcement provisions of the FPA.

31. If Montpelier does not make the required disgorgement payment described above within the time agreed by the parties, or if Montpelier does not pay the required civil penalties described above within the time agreed by the parties, interest will be calculated pursuant to 18 C.F.R. § 35.19a(a)(2)(iii)(A), (B) from the date that payments are due, in addition to any other enforcement action and penalty that the Commission may take or impose.

32. This Agreement binds the Companies and their agents, successors, and assignees. This Agreement does not create any additional or independent obligations on the Companies, or any affiliated entity, its agents, officers, directors, or employees, other than the obligations identified in this Agreement.

33. The signatories to this Agreement agree that they enter into the Agreement voluntarily and that, other than the recitations set forth herein, no tender, offer or promise of any kind by any member, employee, officer, director, agent or representative of Enforcement or the Companies has been made to induce the signatories or any other party to enter into the Agreement.

34. Unless the Commission issues an order approving the Agreement in its entirety and without material modification, the Agreement shall be null and void and of no effect whatsoever, and neither Enforcement nor the Companies shall be bound by any provision or term of the Agreement, unless otherwise agreed to in writing by Enforcement and the Companies.

35. In connection with the disgorgement payment and/or civil penalties provided for herein, the Companies agree that the Commission's order approving the Agreement without material modification shall be a final and unappealable order under 316A(b) of the FPA, 16 U.S.C. § 825o-1(b). The Companies waive findings of fact and conclusions of law, rehearing of any Commission order approving the Agreement without material modification, and judicial review by any court of any Commission order approving the Agreement without material modification.

36. This Agreement can be modified only if in writing and signed by Enforcement and the Companies, and any modifications will not be effective unless approved by the Commission.

37. The undersigned warrants that he or she is an authorized representative of Rockland and/or Montpelier, is authorized to bind such entity or individual, and accepts the Agreement on the entity or individual’s behalf.

38. The undersigned representative of Rockland and/or Montpelier affirms that he or she has read the Agreement, that all of the matters set forth in the Agreement are true and correct to the best of his or her knowledge, information and belief, and that he understands that the Agreement is entered into by Enforcement in express reliance on those representations.

39. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Agreed to and Accepted:

JANEL BURDICK
Digitally signed by
JANEL BURDICK
Date: 2024.12.03
10:54:37 -05'00'

Janel Burdick
Director, Office of Enforcement
Federal Energy Regulatory Commission

Date: September __, 2024



James Maiz
President
Montpelier Generating Station, LLC

Date: September 17, 2024



Scott Harlan
President
Rockland Capital, LP

Date: September 17, 2024

Document Content (s)

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