

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

Urban Grid Solar Projects, LLC,)	
Complainant,)	
)	
v.)	Docket No. EL24-18-000
)	
PJM Interconnection, L.L.C.,)	
Respondent.)	
)	

ANSWER OF PJM INTERCONNECTION, L.L.C.

PJM Interconnection, L.L.C. (“PJM”), pursuant to Rule 213 of the Federal Energy Regulatory Commission’s (“Commission”) Rules of Practice and Procedure¹ and the Commission’s November 17, 2023 Notice of Filing, submits this answer to the November 16, 2023 Complaint and Request for Fast Track Processing² (“Complaint”) of Urban Grid Solar Projects, LLC (“Urban Grid” or “Complainant”). The Complaint lacks adequate support, fails to sustain the necessary burden of proof required under section 206 of the Federal Power Act (“FPA”), 16 U.S.C. § 824e, and itself seeks unduly discriminatory treatment in the form of favorable treatment for Urban Grid at the expense, and to the detriment, of other PJM Interconnection Customers.³ The Commission should therefore reject the Complaint.

¹ 18 C.F.R. § 385.213.

² *Urban Grid Solar Projects, LLC v. PJM Interconnection, L.L.C.*, Complaint of Urban Grid Solar Projects, LLC and Request for Fast Track Processing, Docket No. EL24-18-000 (Nov. 16, 2023) (“Complaint”).

³ Capitalized terms not otherwise defined herein have the meaning given to them in the PJM Open Access Transmission Tariff (“Tariff”).

I. EXECUTIVE SUMMARY

The Complaint consists of multiple allegations that PJM unjustly terminated two Interconnection Requests associated with Complainant’s Monarch Solar Project (“Monarch Project” or Project”) based on Urban Grid’s failure to provide the required Security by the deadline established by Tariff, Part VI, Subpart B, section 214.2(a). Urban Grid points to an error on PJM’s part in notifying it of the correct due date, but, even when viewing the applicable deadline in the manner most favorable to Urban Grid, the unavoidable fact is that Urban Grid missed the Tariff deadline due to errors and faults on its own part; therefore, Urban Grid’s Complaint should be rejected. As the party bringing a complaint under FPA section 206(b), Urban Grid has the “burden . . . to show that any rate, charge, classification, rule, regulation, practice, or contract” complained about “is unjust, unreasonable, unduly discriminatory, or preferential.”⁴ The Commission has rejected complaints that fail to meet this burden,⁵ and should do the same here.

Urban Grid attempts to obscure the provisions of Tariff, Part VI, Subpart B, section 212.4(a) to excuse its own failures and justify the relief sought in the Complaint. However, Tariff, Part VI, Subpart B, section 212.4(a) clearly and unambiguously requires an Interconnection Customer to execute and return an Interconnection Service Agreement (“ISA”) within 60 days of receiving its completed Facilities Study report (or System Impact

⁴ 16 U.S.C. § 824e(b).

⁵ See *Hecate Energy Greene Cnty. 3 LLC v. Cent. Hudson Gas & Elec. Corp.*, 176 FERC ¶ 61,023, at P 40 (rejecting complaint where complainant failed to satisfy its FPA section 206 burden of proof or show the respondents acted in an unjust or unreasonable manner in implementing the relevant tariff or that their actions violated the FPA), *order addressing arguments raised on reh’g*, 177 FERC ¶ 61,121, at P 27 (2021) (reiterating that complainant failed to satisfy its burden of proof), *aff’d sub nom. Hecate Energy Greene Cnty. 3 LLC v. FERC*, 72 F.4th 1307 (D.C. Cir. 2023); *Nat’l R.R. Passenger Corp.*, 171 FERC ¶ 61,237, at P 33 (2020) (denying complaint where complainant failed to satisfy its burden under FPA section 206 of demonstrating the complained about rates were unjust, unreasonable, or unduly discriminatory, or that the respondent violated the subject tariff or applicable tariff).

Study, if a Facilities Study is not required),⁶ and Tariff, Part VI, Subpart B, section 212.4(b) requires that:

[a]t the time the Interconnection Customer executes and returns to the Transmission Provider the Interconnection Service Agreement . . . the Interconnection Customer also shall, unless otherwise deferred as set forth in subsection (c) below, provide the Transmission Provider (for the benefit of the affected Transmission Owner(s)) with a letter of credit or other reasonable form of security acceptable to the Transmission Provider.⁷

Thus, the Security (or the initial deferred Security payment) must be provided at the time the Interconnection Service Agreement is executed, or when the Interconnection Customer requests dispute resolution or asks for the agreement to be filed unexecuted. Tariff, Part VI, Subpart B, section 212.4(c) lays out the requirements and conditions applicable to the use of deferred Security, including that when deferred Security is elected, the Interconnection Customer must pay a deposit of at least \$200,000 or 125% of the estimated costs that will be incurred during the 120-day deferral period. Tariff, Part VI, Subpart B, section 212.4(d) provides that in the event of failure to timely execute the Interconnection Service Agreement or post the required Security the Interconnection Request “shall be deemed terminated and withdrawn.”

These Tariff provisions are clear—unless an Interconnection Request is eligible for deferred Security, which the Monarch Project’s two requests are not, the Interconnection Customer must execute the ISA and provide the full Security required within 60 days of the receipt of the Facilities Study. While Urban Grid attempts to excuse its failure to meet

⁶ The Interconnection Customer can also request during this same 60-day time period dispute resolution or that the agreement be filed unexecuted.

⁷ The relevant Tariff sections are included as Exhibit I to this Answer. While Tariff, Part VI, Subpart B, section 212.4(b) has a limited exception to the requirement to provide Security at this time for instances in which an Interconnection Customer has elected and been deemed eligible for deferred Security, neither of the two Interconnection Requests for the Monarch Project was eligible for this option.

these requirements by urging the Commission to adopt a “Flexible Interpretation” of these requirements, Urban Grid provides no support for such an interpretation other than its own theories, and nothing in the Complaint excuses Urban Grid’s failure to meet the required deadline or justifies the relief Urban Grid seeks.

Further, not only has Complainant failed to meet the requirements of section 206 of the FPA to show PJM’s existing practice is unjust, unreasonable, unduly discriminatory or preferential, the remedy Complainant proposes does not meet the FPA section 206 requirement that any remedy imposed must be “just and reasonable.”⁸ Urban Grid’s proposed remedies—requiring PJM to provide Urban Grid with an Interconnection Service Agreement under the Tariff rules in effect on July 7, 2023, or requiring PJM to process the Urban Grid Interconnection Requests under the Tariff, Part VII “fast lane” process—are unjust, unreasonable, and would provide Urban Grid with an unduly preferential advantage over other New Service Requests. In addition, Urban Grid’s proposed remedies would be disruptive to PJM’s ongoing transition to its Commission-approved reformed interconnection process. For these reasons, the Complaint should be denied.

⁸ 16 U.S.C. § 824e(a).

II. BACKGROUND

A. *Urban Grid and the Monarch Project*

The Monarch Project was proposed to be a 900-megawatt (“MW”) solar project that would be located in Brunswick County and Greenville County, Virginia, which would interconnect with Virginia Electric and Power Company.⁹ The Project is associated with two Interconnection Requests—Queue No. AE1-068, for 500 MW, and Queue No. AE1-069, for an additional 400 MW—which were submitted on July 31, 2018.¹⁰

On April 11, 2023, Urban Grid provided separate input forms to PJM for the Queue Nos. AE1-068 and AE1-069 Interconnection Requests, which contained information that could be used for establishing certain milestone dates and drafting the ISAs, and provided an opportunity for Urban Grid to request deferred Security in connection with its Interconnection Requests.¹¹ The input form for the Queue No. AE1-068 Interconnection Request (“AE1-068 Input Form”) indicated that Urban Grid was requesting the deferred Security option; the input form for the Queue No. AE1-069 Interconnection Request (“AE1-069 Input Form”) indicated that Urban Grid was not requesting this option for this Interconnection Request.¹² Both input forms include a notation towards the top (fourth row under Customer Actions) that states:

ISA Due Date: You will have **60 days** to execute the ISA after it is in your possession. You will be required to provide security in the amount specified in the document at the time the ISA is executed. ISA security will be calculated using the process outlined in our tariff.¹³

⁹ Complaint at 1, 6-7.

¹⁰ Complaint at 6, 10.

¹¹ The input forms are included as Exhibit II to this answer.

¹² AE1-068 Input Form; *see also* Complaint at 14.

¹³ AE1-068 Input Form at 1; AE1-069 Input Form at 1.

On May 1, 2023, PJM notified Urban Grid by email that it was not eligible to utilize deferred Security for the Queue No. AE1-068 Interconnection Request, and Urban Grid acknowledged this determination in an email in response.¹⁴ However, according to the Complaint, the Urban Grid personnel responsible for the Monarch Interconnection Requests “overlooked an internal Urban Grid email” notifying them of this fact, and as result, Urban Grid personnel were not aware that deferred Security was not being used.¹⁵

PJM sent Urban Grid the Facilities Studies and Interconnection Service Agreements for Queue Nos. AE1-068 and AE1-069 separately through DocuSign on July 7, 2023, informing Urban Grid that it needed to execute the ISAs and provide the Security amounts by September 6, 2023.¹⁶ On September 6, 2023, the very last day identified in the DocuSign emails¹⁷ and under the impression that deferred Security had been elected and authorized for *both* Monarch Project Interconnection Requests, Urban Grid executed the Interconnection Service Agreements and tendered a \$200,000 deposit for each of the two Interconnection Requests in an attempt to comply with the Security requirements.¹⁸

¹⁴ Complaint at 15. The May 1, 2023 email to Urban Grid and Urban Grid’s response are included as Exhibit III to this answer.

¹⁵ Complaint at 15 & Attachment 2 (Timeline of Relevant Events) at 1 (May 2023 entry, stating “Personnel at Urban Grid overlook that e-mail from PJM, and therefore are not aware of PJM’s determination”).

¹⁶ Complaint at 16.

¹⁷ PJM acknowledges that the July 7, 2023, DocuSign emails informing Urban Grid that it needed to execute the ISAs and provide the Security amounts by September 6, 2023, reflected a miscalculation which actually provided Urban Grid an extra day: the due date should have been September 5, 2023. In any event, Urban Grid missed the deadline to provide Security. Had Urban Grid not waited until the last moment to execute the ISAs and provide the required Security, there likely would be no reason for a complaint. Put simply, Urban Grid’s erroneous election of deferred Security easily could have been avoided if Urban Grid had started the process of satisfying the requirements a week or, at least, a few days, prior to the deadline.

¹⁸ Complaint at 16. This is the amount that would have been due for each of the Interconnection Requests if deferred Security had been authorized for each of the Interconnection Requests and the amounts had been paid on the correct date.

At 4:37 p.m. on September 6, 2023, PJM notified Urban Grid that the Queue No. AE1-068 Interconnection Request was not eligible for deferred Security and at 5:06 p.m., notified Urban Grid that it could not use deferred Security for the Queue No. AE1-069 Interconnection Request.¹⁹ At this time on September 6, 2023, Urban Grid was unable to transfer the full Security amounts due to the financial institutions that would have made the transfers being closed.²⁰ Urban Grid emailed PJM at approximately 10:00 p.m. on the evening of September 6, 2023 requesting an extension of time to provide the full Security amounts. PJM informed Urban Grid the morning of the next day (September 7, 2023) that it could not grant such extension.²¹ PJM notified Urban Grid on that day that both Interconnection Requests would be deemed terminated and withdrawn.²²

PJM notes that while the Complaint states that Urban Grid has received the required permits for the first 350 MW of the Monarch Project,²³ some previously granted authorizations have been rescinded.²⁴

B. PJM's Queue Reform Efforts

In order to address long-standing backlogs in its interconnection queue, on June 14, 2022, PJM submitted a set of comprehensive reforms to its interconnection process in order to replace its existing first-come, first-served serial study approach with a

¹⁹ Complaint at 17.

²⁰ Complaint at 17.

²¹ Complaint at 17-18.

²² Complaint at 18.

²³ Complaint at 6-7.

²⁴ Kayla Hardersen, *Monarch Solar project denied by GSCO BOS*, Independent-Messenger (Oct. 16, 2023), https://www.emporaiindependentmessenger.com/news/article_afd047e6-6835-11ee-91eb-57bfc6f75655.html#:~:text=The%20Greensville%20County%20Board%20of%20Supervisors%20elected%20to%20overrule%20the.2.

first-ready, first-served cluster study approach.²⁵ PJM explained that the primary reasons for the delays in its interconnection queue were the large number of Interconnection Requests being received, and the fact that many projects withdraw from the interconnection queue, leading to the need for numerous restudies and triggering other withdrawals.²⁶ One key element of the reform proposal was the adoption of a transition mechanism whereby all projects in the AE1, AE2, AF1, AF2, AG1, AG2, and AH1 queue windows (the period from April 1, 2018, through September 30, 2021) that were not tendered an ISA or wholesale market participation agreement as of the Transition Date would be subject to the Transition Period Rules, and projects with a later queue position would be subject to the post-transition period “New Rules.”²⁷ The Transition Date is defined as:

the later of: (i) the effective date of Transmission Provider’s Docket Nos. ER22-2110-000, -001 transition cycle filing seeking FERC acceptance of this Tariff, Part VII or (ii) the date by which all AD2 and prior queue window Interconnection Service Agreements or wholesale market participation agreements have been executed or filed unexecuted.²⁸

The Transition Date occurred on July 10, 2023, the date by which all AD2 and prior queue window ISAs and wholesale market participation agreements were tendered, and had been executed or filed unexecuted with the Commission.

²⁵ *PJM Interconnection, L.L.C.*, Tariff Revisions for Interconnection Process Reform, Request for Commission Action by October 3, 2022, and Request for 30-Day Comment Period of PJM Interconnection, L.L.C., Docket No. ER22-2110-000 (June 14, 2022) (“June 14 Filing”). The Tariff reforms were the result of the Interconnection Process Reform Task Force and other stakeholder efforts.

²⁶ See e.g., June 14 Filing at 6, 24-25.

²⁷ *Id.* at 9; Tariff, Part VII, Subpart A, section 301(A)(2). At the time the June 14 Filing was submitted, the existing interconnection process accepted New Service Requests during two six-month queue windows each year (from April 1 to September 30 of each year and from October 1 to March 31 of the following year). The Transition Period Rules are generally set forth in Tariff, Part VII, with the New Rules set forth in Tariff, Part VIII. The *pro forma* interconnection-related agreements applicable to both the Transition Period and the New Rules are set forth in Tariff, Part IX.

²⁸ Tariff, Part VII, Subpart A, section 300, Definitions T (definition of Transition Date).

PJM is currently performing the Transition Period sorting process, in which projects in the AE1 through AG1 queue windows that had not been tendered a service agreement for execution will be subject to a retool²⁹ to determine the impacts of these projects as a cluster, i.e., a single, aggregated group. Based on the results of the retool, PJM will process projects that do not cause the need for any Network Upgrades or cause the need for Network Upgrades costing \$5 million or less using Tariff, Part VII’s Expedited Process.³⁰ Projects that are eligible for the Expedited Process—referred to in the Complaint as the “fast lane”—will have their Facilities Studies completed, and will each be tendered an interconnection-related service agreement pursuant to Tariff, Part IX.³¹ The remaining queue window AE1 through AG1 Interconnection Requests will be placed in Transition Cycle #1, with the remaining queue window AG2 through AH1 Interconnection Requests placed in Transition Cycle #2.³² Any project submitted during a later queue window or Cycle will be subject to the Tariff, Part VIII New Rules procedures. The Commission accepted the June 14 Filing subject to minor compliance filing requirements not at issue here.³³

There are 622 projects subject to the Transition Period sorting process. PJM currently expects to complete the Transition Period retool in December 2023, and to issue the Transition sort retool reports in mid-December, 2023; these retool reports will

²⁹ A “retool” is a revision or rerun of any past analysis that has been run to evaluate the projects and requests in an existing New Services Queue.

³⁰ Tariff, Part VII, Subpart B, sections 304(A)(1) & (B).

³¹ Tariff, Part VII, Subpart B, section 304(B).

³² Tariff, Part VII, Subparts B and C, sections 304(C) and 305(A)(1).

³³ *PJM Interconnection, L.L.C.*, 181 FERC ¶ 61,162 (2022) (“November 2022 Order”), *order addressing arguments raised on rehearing*, 184 FERC ¶ 61,006 (2023) (“Rehearing Order”).

communicate whether a project is subject to the “fast lane” or Transition Cycle #1.³⁴ Transition Cycle #1 is expected to start in January 2024.³⁵

ARGUMENT

III. PJM HAS COMPLIED WITH ITS TARIFF, WHICH IS CLEAR AND UNAMBIGUOUS, AND DOES NOT ALLOW URBAN GRID AN EXTENSION OF TIME TO POST THE REQUIRED SECURITY.

A. *Urban Grid Missed the Applicable Tariff Deadlines Due to Errors on Its Part.*

Urban Grid’s call for a “Flexible Interpretation” of the mandatory deadlines in Tariff, Part VI, Subpart B, section 212.4 is unsupported and, notwithstanding Urban Grid’s attempts to obfuscate the facts, it is beyond dispute that Urban Grid missed the deadline for providing Security for both the Monarch Project’s Interconnection Requests due to its own errors. PJM acknowledges that the communication included with the Facilities Studies reports and Interconnection Service Agreements that PJM tendered to Urban Grid on July 7, 2023, misstated the deadline for the provision of the Security, giving Urban Grid an extra day.³⁶ Nevertheless, Urban Grid missed not only the correct deadline, but also missed, a day later, the deadline specified in the DocuSign emails, due to its own erroneous belief that both Interconnection Requests were eligible for deferred Security.

Urban Grid apparently assumed the Queue No. AE1-068 request was eligible for deferred Security even though PJM had informed Urban Grid months earlier that it was not

³⁴ *Interconnection Analysis Transition Sort Retool & Model Availability*, PJM Interconnection, L.L.C., at 4-5 (Nov. 20, 2023), https://pjm.com/-/media/committees-groups/subcommittees/ips/2023/20231120/20231120-item-04---ips-november-2023-transition-sort-retool-and-model-availability_lrk.ashx (“November 20 Report”).

³⁵ *Id.* at 7.

³⁶ Regardless of the deadline in the DocuSign letter, the Tariff’s 60-day period for execution of the Interconnection Service Agreement and posting the Security was highlighted in red on the input forms Urban Grid submitted. Nevertheless Urban Grid missed the deadline. *See supra* page 5.

eligible for deferred Security.³⁷ Urban Grid also seems to have assumed the Queue No. AE1-069 request was eligible for deferred Security, notwithstanding the fact that, on the input form Urban Grid submitted for that request, Urban Grid indicated “No,” it was not asking for deferred Security for that Interconnection Request.³⁸ These errors, which Urban Grid acknowledges in the Complaint,³⁹ are not related to the deadline date PJM provided and led directly to Urban Grid failing to post the required Security on September 6, 2023.

B. The PJM Tariff Is Clear and Unambiguous, and Urban Grid’s Unsupported “Flexible Interpretation” Claims Do Not Change That.

The Commission should reject Urban Grid’s call for the Commission to apply to the PJM Tariff a “Flexible Interpretation”⁴⁰ and its attempts to find contractual ambiguity where there is none. As an initial matter, while Urban Grid cites to a number of basic contract law cases, nothing in those decisions supports overriding a clear tariff deadline, particularly as the Commission frequently has rejected attempts to circumvent Security posting deadlines in the Tariff.⁴¹

³⁷ Complaint at 15-17 & Attachment 1 (Affidavit of Jeffrey Hudson (“Hudson Aff.”)) ¶ 15.

³⁸ AE1-069 Input Form at 1; Complaint at 14; Hudson Aff. ¶ 12.

³⁹ See Complaint at 16-17 (indicating Monarch personnel were under the impression that deferred Security was available for both Interconnection Requests, and only provided a \$200,000 deposit for each Interconnection Request); Hudson Aff. ¶¶ 12, 15 (stating Urban Grid did not request deferred Security for the Queue No. AE1-069 Interconnection Requests, and that the Urban Grid personnel responsible for these Interconnection Requests overlooked that internal e-mail noting that deferred Security had been denied for Queue No. AE1-68, which is why it provided deferred security when it returned its executed ISAs to PJM).

⁴⁰ See e.g., Complaint at 24-25, 32-36, 38-39, 43-45.

⁴¹ See *Urbana Grid Solar*, 179 FERC ¶ 61,015, at PP 33-34 (2022) (denying request for waiver of deferred Security deadline); *PJM Interconnection, L.L.C.*, 174 FERC ¶ 61,075, at PP 34-35 (2021) (same finding); see also *Kumquat & Cintron Cleantech, LLC*, 175 FERC ¶ 61,263, at PP 34-35 (2021) (denying request for waiver of Facility Study agreement deposit); *Ridgeview Solar LLC*, 185 FERC ¶ 61,148, at P 21 (2023) (denying request for waiver of Tariff, Part VI, Subpart B, section 212.4 deadline for failure to provide correct letter of credit); *Scioto Farms Solar Project, LLC*, 184 FERC ¶ 61,153, at P 25 (denying request for waiver of a deadline missed by one day on the grounds that applicant sought retroactive relief that is prohibited by the filed rate doctrine), *reh’g denied*, 185 FERC ¶ 62,063 (2023); *CE-Shady Farms, LLC*, 184 FERC ¶ 61,140, at P 24 (2023) (similar finding). In each of these cases, the party seeking relief failed to provide the Security within the 60-day period or the deadline mandated by the Tariff, as did Urban Grid,

Further, the relevant Tariff provisions are clear and unambiguous, and Urban Grid's attempts to prove otherwise fall short. Tariff, Part VI, Subpart B, sections 212.4(a) and 212.4(b) establish a mandatory post of Security and a firm and unequivocal deadline for that posting, requiring that the Interconnection Service Agreement be executed by the Interconnection Customer within 60 days of receipt, and that:

[a]t the time the Interconnection Customer executes and returns to the Transmission Provider the Interconnection Service Agreement (or requests dispute resolution or that it be filed unexecuted), the Interconnection Customer also *shall*, unless otherwise deferred as set forth in subsection (c) below, provide the Transmission Provider (for the benefit of the affected Transmission Owner(s)) with a letter of credit or other reasonable form of security acceptable to the Transmission Provider.⁴²

There is no ambiguity here as to when the Security must be provided.

Tariff, Part VI, Subpart B, sections 212.4(b) and 212.4(c) do provide a specific exception to this deadline that is limited to instances in which the Interconnection Request is eligible for deferred Security and the Interconnected Customer has elected the deferred security option. However, the Tariff establishes firm deadlines both for the payment of the initial deposit and for payment of the deferred Security. It is undisputed that Urban Grid's Interconnection Requests either did not qualify for deferred Security, in the case of the Queue No. AE1-068 Interconnection Request, or did not elect deferred Security, in the case of the Queue No. AE1-069 Interconnection Request.⁴³ Nothing in Tariff, Part VI, Subpart B, sections 212.4(b) and 212.4(c) provides an Interconnection Customer with *carte blanche* to miss the applicable deadlines or excuses Urban Grid's failure to post the required Security amounts by the Tariff deadline.

⁴² Tariff, Part VI, Subpart B, section 212.4(b) (emphasis added).

⁴³ Urban Grid's later requests to use deferred Security for the Queue No. AE1-069 Interconnection Request were rejected. *See* Complaint at 17-18.

In addition, although the Tariff sections at issue here (Tariff, Part VI, Subpart B, sections 212.4(a), 212.4(b) and 212.4(c)) are not ambiguous, if they were ambiguous and therefore required interpretation, basic canons of construction dictate that the provisions of a contract (or statute or tariff) should be construed in harmony with one another, not in such a way that provisions conflict with one another or one provision renders another superfluous.⁴⁴ Urban Grid’s so-called “Flexible Interpretation” approach is contrary to these canons as it would override the clearly stated deadline in these Tariff sections, and render the deadline meaningless.

Tariff, Part VI, Subpart B, section 212.4(d) provides that:

[i]f an Interconnection Customer fails to timely execute the Interconnection Service Agreement (or request dispute resolution or that the agreement be filed unexecuted), meet the milestones (unless extended) set forth in [Tariff, Part VI, Subpart B, section] 212.5, or provide the security prescribed in this [s]ection 212.4, its Interconnection Request shall be deemed terminated and withdrawn.

It is clear the word “timely” means within the timelines set forth in Tariff, Part VI, Subpart B, section 212.4. A different subsection, Tariff, Part VI, Subpart B, section 212.5, allows for the extension of milestone dates “in the event of delays not caused by the Interconnection Customer, such as unforeseen regulatory or construction delays that could not be remedied by the Interconnection Customer through the exercise of due diligence.” However, the extension provision in Tariff, Part VI, Subpart B, section 212.5, and the

⁴⁴ See *Sw. Power Pool, Inc.*, 109 FERC ¶ 61,010, at P 25 (2004) (stating a “fundamental tenet of contract interpretation is that a contract provision should be interpreted, where possible, as consistent with the contract as a whole” and generally accepted principles of contract interpretation dictate that “provisions of a contract should normally not be interpreted as being in conflict”); *Nicole Gas Prod., Ltd.*, 105 FERC ¶ 61,371, at P 9 (2003) (“Like a contract, a tariff must be interpreted to give meaning to all provisions of the tariff.”); see also *Mastrobuono v. Shearson Lehman Hutton, Inc.*, 514 U.S. 52, 63 (1995) (“[It is a] cardinal principle of contract construction[] that a document should be read to give effect to all its provisions and to render them consistent with each other.”).

reference to milestone extensions in Tariff, Part VI, Subpart B, section 212.4(d), are specifically addressing compliance with milestone deadlines, not the deadline for posting Security, and so provide no support for extending the Security deadline. Urban Grid's reliance on these sections is a red herring. Also, as Urban Grid notes, the Tariff includes a number of flexible deadlines, including those applicable to milestone requirements. If PJM had intended to provide such flexibility for the Security, it could have done so. The fact it did not is evidence that it intended the Security deadlines to be fixed and mandatory.

Urban Grid's reference to the Option to Build provisions in Interconnection Construction Service Agreement ("ICSA"), Appendix 2, section 3.2.3⁴⁵ also fails to help the Complainant to sustain its burden of proof. Nothing in the Option to Build provisions addresses the timing of when Security must be provided. These provisions also are irrelevant to this Complaint because Urban Grid did not elect the Option to Build, nor is Urban Grid arguing the Option to Build provisions in CSA, Appendix 2, section 3.2.3 are not just and reasonable. In sum, PJM's termination of the Monarch Project's Interconnection Requests because Urban Grid did not meet the deadline for providing Security is simply what the Tariff requires and is certainly not an arbitrary result, as Complainant argues.

C. Urban Grid's Claims Concerning Prior Extensions of Time to Post Security Do Not Support Granting the Complaint.

Urban Grid points to prior extensions of time granted by PJM but these do not provide a basis for the Commission to grant the Complaint. Each of these extensions

⁴⁵ Tariff, Attachment P contains PJM's *pro forma* ICSA.

involved circumstances different from those at issue here.⁴⁶ Moreover, nothing about these past events excuses Urban Grid from losing track of the fact that its Interconnection Requests could not use deferred Security, and from failing to provide Security by the Tariff deadline. PJM notes, too, that the timing of the initial posting of Security will not be an issue going forward, because under PJM’s reformed interconnection process Security must be posted at Decision Point III, i.e., at a fixed date that will be the same for all the projects in a Cycle.⁴⁷

D. PJM Did Not Act Unreasonably in Issuing the Facilities Studies Reports for Both Monarch Project Interconnection Requests at the Same Time.

Urban Grid cites to PJM Manual 14A, section 5.3.1⁴⁸ to support its claim that PJM erred in issuing the Facilities Studies reports for the Queue Nos. AE1-068 and AE1-069 Interconnection Requests at the same time, rather than issuing them on a staggered basis.⁴⁹ However, Urban Grid misconstrues the intent of the manual section it cites and, once again, fails to meet its burden of proof.

⁴⁶ See Complaint at 41-43. Each of the situations referenced by Urban Grid is distinguishable from the facts here. With regard to Queue No. AD1-083, the engineer that needed to make a change to the Interconnection Service Agreement was not available to make an update. Queue No. AC1-023 was not an Urban Grid project and was withdrawn. The correct reference may be to Queue No. AC2-023. The security for the Queue No. AC2-023 project was posted on time, but a correction to the letter of security was required and PJM allowed additional time for that correction to be made. PJM corrected the response date as requested after being contacted by Urban Grid for Queue No. AD2-179. For Queue No. AE1-157, the 60th day fell on a Saturday and therefore was pushed until the following Monday. In addition, nothing in the Tariff allows PJM to require that the security be provided on the last business day before the deadline, as Urban Grid seems to imply would be appropriate. With respect to the Queue No. AD1-155 and Queue No. AD2-079 security, there were material issues and questions related to the Option to Build and other aspects of the Interconnection Service Agreements that necessitated a pause in the 60-day period for returning the executed ISA and posting Security. At least in the case of Queue No AD1-155, PJM re-issued the Interconnection Service Agreement.

⁴⁷ Tariff, Part VII, Subpart D, section 313(A)(1)(a) & Part VIII, Subpart C, section 410(A)(1)(a).

⁴⁸ Interconnection Projects Department, *PJM Manual 14A: New Services Request Process (Rev. 30)*, PJM Interconnection, L.L.C., section 5.3.1 (July 26, 2023), <https://www.pjm.com/-/media/documents/manuals/m14a.ashx> (“PJM Manual 14A”).

⁴⁹ Complaint at 13, 48-50.

PJM Manual 14A, section 5.3.1 states:

New Service Customers that are first to cause the need for network upgrades will receive their service agreements before those customer(s) that receive cost allocations. To prevent a lower ordered queue request (or any queue request with cost allocation) from having to commit to agreements and potential unexpected costs without the knowledge of the higher ordered queues decision, PJM will delay the issuing of final agreements for affected projects by approximately one week. This allows time to rescind and restudy the affected lower ordered queue projects if the higher ordered project is withdrawn from the queue.

This section applies to projects that are first to cause the need for a particular network upgrade where the costs of that network upgrade will be allocated not only to the first to cause project but also to lower queued projects. The delayed issuance of service agreements between the first to cause project and the lower queued projects prevents a lower queued Interconnection Customer from having to choose whether to move forward with an Interconnection Service Agreement and provide Security when there is uncertainty associated with the decisions of the first to cause project immediately after it receives its Facilities Study report. Here, there is no cost allocation between the two Monarch Project Interconnection Requests, no uncertainty with regard to the required amount of Security, and therefore no reason to stagger the release of the two requests' Interconnection Service Agreements.⁵⁰

⁵⁰ In addition, Urban Grid did not object to PJM issuing both Facilities Studies reports at the same time in early July 2023, and, indeed, Urban Grid specifically asked PJM to provide the Facilities Studies by July 7, 2023. See Complaint at Exhibit C (June 27, 2023 Email from Austin Brier to Jonathan Thompson). Given that PJM issued the Facilities Study report for the Queue No. AE1-068 Interconnection Request on July 7, 2023, the last business date before the Transition Date, a delay in the issuance of the Queue No. AE1-069 Facilities Studies report would have caused that Interconnection Request to be subject to the Tariff, Part VII Transition Period rules. PJM presumes Urban Grid made this request and did not object to the Facilities Studies reports being issued at the same time because Urban Grid wanted to avoid the Queue No. AE1-069 Interconnection Request being subject to the Transition Cycle rules. Thus, Urban Grid's arguments in this regard are a transparent, after-the-fact attempt to rescue the Queue No. AE1-069 Interconnection Request from being terminated due to Urban Grid's failure to provide Security on time.

E. Urban Grid’s Requested Relief Is Unduly Discriminatory and Should Be Denied.

Even if Urban Grid had met its initial FPA section 206 burden (which it has not), the Commission could not establish Urban Grid’s requested remedies as the replacement rate because they are not just and reasonable. Urban Grid requests that PJM put Urban Grid back in the position it would have been in had its Interconnection Requests not been withdrawn (in which position Urban Grid would have Interconnection Service Agreements in place for the Monarch Project that pre-date the Transition Date and thus be able to avoid the Transition Period Rules) or that PJM insert the Monarch Project and its two Interconnection Requests into the Transition Period’s Expedited Process (sometimes referred to as the “fast lane” process).⁵¹ Neither form of relief is practical, given the timing of the Transition Date, the fast lane retool, and the Complaint, which was filed over two months after Urban Grid missed the Security posting deadline. Further, the treatment Urban Grid demands would be wholly unfair to other interconnection customers, who have submitted the required information, payments, and deposits in compliance with applicable Tariff provisions.⁵² Finally, inserting the Monarch Project’s two Interconnection Requests back into the interconnection process immediately after the Transition Period sorting process has concluded could be extremely disruptive. While it is difficult to specifically quantify the impact of allowing the Monarch Project back into the queue or into the Transition Period, this would likely set the Transition Period back months, depending on

⁵¹ Complaint at 5, 49-50.

⁵² See *Invenergy Solar Dev. N. Am. LLC v. Tri-State Generation & Transmission Ass’n, Inc.*, 174 FERC ¶ 61,184, at PP 56-57 (2021) (striking down an attempt by a non-regional transmission organization (“RTO”) transmission provider to allow a later queued project to alter the interconnection cost responsibility of an earlier queued project).

when a Commission order on the Complaint was granted. There currently are 163 transition projects in the Dominion zone with Interconnection Requests that were submitted after Queue Nos. AE1-068 and AE1-069 that could be affected if the Monarch Projects were re-inserted into the queue. Letting one or both positions back in to the process would require all the transition sorting retools to be re-run. PJM is substantially complete with the sorting analysis of the 622 projects. The consequence of reintroducing the Queue No. AE1-068 or AE1-069 projects is the need to re-run all analytical simulations related to these over 600 projects to determine any change in the technical result, scope or need for any network upgrade, corresponding cost, cost allocation and/or administrative change to any project categorization as fast lane or transition cycle. Additionally, this work has been underway for several months and the PJM team only has a few weeks remaining in 2023 to finalize the result and maintain the 2024 schedule to continue processing of all Interconnection Requests. In addition, at least some of the projects currently identified as eligible for the fast lane would be shifted to Transition Cycle #1, likely negatively affecting those projects' timing and costs. The analyses for Transition Cycle #1 would also need to be re-run and, again, other projects in Transition Cycle #1 could be negatively affected by increased network upgrades being identified in the re-run.

FPA section 206 requires the proffered solution, i.e., the replacement rate that will be implemented in place of the rate determined to be unjust and unreasonable (which, to be clear, the Complainant has not demonstrated in this case) to be just and reasonable. Urban Grid's requested remedies would result in preferential treatment that is unjust, unreasonable, and unduly discriminatory. PJM's experience as an RTO has shown that it

is disruptive to insert a project back into the queue,⁵³ and the adverse effects of reinserting the Monarch Project would be even greater because PJM has largely completed the Transition Period sorting process. As noted above, PJM currently expects to complete the Transition Period retool in December 2023, and to issue the retool reports in mid-December, 2023.⁵⁴ Inserting two Interconnection Requests with a combined Maximum Facility Output of 900 MW would likely have the significant impact on any further study or retool described above. It is notable that Urban Grid acknowledges the disruption that would be caused by its requested relief.⁵⁵

IV. WHILE THE COMPLAINT LACKS MERIT AND SHOULD BE DENIED, PJM SUPPORTS THE REQUEST FOR EXPEDITED ACTION ON THE COMPLAINT.

The Complaint lacks merit and should be rejected. However, PJM supports the Complainant's request for expedited action on the Complaint and asks the Commission to promptly issue an order denying the Complaint. As just explained, the relief Urban Grid seeks would be extremely disruptive to PJM's interconnection process and likely would cause further delays in PJM's studies of Interconnection Requests. The Commission needs to take these disruptive effects on the interconnection process, which weigh heavily against the Complaint, into account.

⁵³ See *Improvements to Generator Interconnection Procedures and Agreements*, Initial Comments of PJM Interconnection, L.L.C., Docket No. RM22-14-000, at 5 (Oct.13, 2022) (noting that allowing project modifications at any time causes queue delays).

⁵⁴ November 20 Report 4-5.

⁵⁵ See Complaint at 50 (recognizing that given the passage of time, it might not be possible to put the Urban Grid Interconnection Requests under the pre-Transition Date rules), 52 (stating that the remedy of processing the Urban Grid Interconnection Requests under the fast lane rules will not be available if too much time passes before the Commission acts on this Complaint).

PJM recognizes that parties have a right to file complaints and waiver requests and that there always will be some inherent lag in the regulatory process. Urban Grid addresses the lag by asking for fast track processing. Although PJM disagrees with Urban Grid on the merits of its Complaint and the relief Urban Grid seeks, PJM supports the need for timely action by the Commission and urges the Commission to consider the effect of the regulatory process lag associated with the Complaint on PJM's transition to its reformed interconnection process.

V. ADMISSIONS AND DENIALS PURSUANT TO 18 C.F.R. § 385.213(c)(2)(i)

Pursuant to Rule 213(c)(2)(i) of the Commission's Rules of Practice and Procedure,⁵⁶ PJM admits or denies the alleged material facts stated in the Complaint as follows: to the extent that any allegation set forth in the Complaint is not specifically admitted in this answer, it is denied.

VI. AFFIRMATIVE DEFENSES PURSUANT TO 18 C.F.R. § 385.213(c)(2)(ii)

PJM's affirmative defenses are set forth above in this answer, and include the following, subject to amendment and supplementation.

1. Complainant has failed to satisfy its burden of proof under section 206 of the FPA, 16 U.S.C. § 824e, and has not demonstrated that PJM violated any Commission order, Tariff, or any other Commission-jurisdictional governing document, or that PJM administered its Tariff in an unjust, unreasonable, or unduly discriminatory manner in its processing of the Queue Nos. AE1-068 and AE1-069 Interconnection Requests.

⁵⁶ 18 C.F.R. § 385.213(c)(2)(i).

2. If the Commission were to reach the question of remedies in this proceeding, it cannot grant Urban Grid's requested relief. The requested remedies of either (1) requiring PJM to put Urban Grid back in the position it would have been had its Interconnection Requests not been withdrawn (in which Urban Grid would have Interconnection Service Agreements in place for the Monarch Project that pre-date the Transition Date and thus be able to avoid the Transition Period Rules), or (2) requiring PJM to insert the Monarch Project and its two Interconnection Requests into the Transition Period's Expedited Process (sometimes referred to as the "fast lane" process) would be unjust, unreasonable, unduly discriminatory and preferential.

VII. CONCLUSION

For the reasons set forth in this answer, the Commission should deny the Complaint.

Respectfully submitted,

/s/ David S. Berman

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December 6, 2023

Exhibit I

PJM Tariff Excerpts

212.4 Retaining Priority and Security:

(a) Retaining Priority: To retain the assigned Queue Position of its Interconnection Request pursuant to Tariff, Part VI, Preamble, section 201, within sixty (60) days after receipt of the Facilities Study (or, if no Facilities Study was required, after receipt of the System Impact Study or, if a Surplus Interconnection Service Request, after receipt of the Feasibility Study), the Interconnection Customer must have executed the tendered Interconnection Service Agreement and it must be in the possession of the Transmission Provider or, alternatively, request (i) dispute resolution under Tariff, Part I, section 12 or, if concerning the Regional Transmission Expansion Plan, consistent with Operating Agreement, Schedule 5, or (ii) that the Interconnection Service Agreement be filed unexecuted with the Commission. In addition, to retain the assigned priority, within sixty (60) days after receipt of the Facilities Study (or, if no Facilities Study was required, after receipt of the System Impact Study or, if a Surplus Interconnection Service Request, after receipt of the Feasibility Study), the Interconnection Customer must have met the milestones specified in Tariff, Part VI, Subpart B, section 212.5.

(b) Security: (1) At the time the Interconnection Customer executes and returns to the Transmission Provider the Interconnection Service Agreement (or requests dispute resolution or that it be filed unexecuted), the Interconnection Customer also shall, unless otherwise deferred as set forth in subsection (c) below, provide the Transmission Provider (for the benefit of the affected Transmission Owner(s)) with a letter of credit or other reasonable form of security acceptable to the Transmission Provider that names the Transmission Provider as beneficiary and is in an amount equivalent to the sum of the estimated costs determined by the Transmission Provider of (i) the required Non-Direct Connection Local Upgrades and Non-Direct Connection Network Upgrades, (ii) any Network Upgrades that the Interconnected Transmission Owner will be responsible for constructing (including with respect to both items (i) and (ii) required upgrades for which another Interconnection Customer also has cost responsibility pursuant to Tariff, Part VI, Subpart B, section 217), and either (iii) the estimated cost of the work that the Transmission Owner will be responsible for performing on the required Attachment Facilities, Direct Connection Local Upgrades, and Direct Connection Network Upgrades that are scheduled to be completed during the first three months after such work commences in earnest, or (iv) in the event that the Interconnection Customer exercises the Option to Build pursuant to Interconnection Construction Service Agreement, Tariff, Attachment P, Appendix 2, section 3.2.3.1 , all Cancellation Costs and the first three months of estimated Transmission Owner's oversight costs (i.e., costs incurred by the Transmission Owner when engaging in oversight activities to satisfy itself that the Interconnection Customer is complying with the Transmission Owner's standards and specifications for the construction of facilities) associated with Interconnection Customer building Transmission Owner Attachment Facilities and Direct Connection Network Upgrades, including but not limited to Costs for tie-in work, consistent with commercial practices as established by the Uniform Commercial Code. . Interconnected Transmission Owner oversight costs shall be consistent with Tariff, Attachment P, Appendix 2, section 3.2.3.2(a)(12). Notwithstanding the foregoing, for projects that are estimated to require three months or less to construct, the sum of such security and the payment for the first quarterly invoice for the project shall not exceed an amount equal to 125% of the total estimated cost of construction. The Transmission Provider shall provide the affected Transmission Owner(s) with a copy of the letter of credit or other form of security. After execution of the Interconnection

Service Agreement, the amount of security required may be adjusted from time to time in accordance with the Interconnection Service Agreement, Tariff, Attachment O, Appendix 2, section 11.2.1

(2) Transmission Provider shall invoice Interconnection Customer for work by the Interconnected Transmission Owner and Transmission Provider on a quarterly basis for the costs to be expended in the subsequent three months. Interconnection Customer shall pay invoiced amounts within twenty (20) days of receipt of the invoice. Interconnection Customer may request in the Interconnection Service Agreement that the Transmission Provider provide a quarterly cost reconciliation. Such a quarterly cost reconciliation will have a one-quarter lag, e.g., reconciliation of costs for the first calendar quarter of work will be provided at the start of the third calendar quarter of work, provided, however, that Tariff, Attachment O, Appendix 2, section 11.2.3, Interconnection Service Agreement shall govern the timing of the final cost reconciliation upon completion of the work.

(3) Transmission Provider shall hold the security related to construction until as-built drawings are received and settlement of the final invoice; security related to construction may be reduced as construction progresses.

(c) **Deferred Security:** Interconnection Customer may request to defer providing security under subsection (b) of this section 212.4 until no later than 120 days after Interconnection Customer executes the Interconnection Service Agreement. Upon Interconnection Customer's request to defer security, PJM shall determine if any other queued New Service Customer with a completed System Impact Study would require any Local Upgrade(s) and/or Network Upgrade(s) for which Interconnection Customer has cost responsibility under the Interconnection Service Agreement. Interconnection Customer may defer security only for Local Upgrade(s) and/or Network Upgrade(s) for which no other such queued New Service Customer may require, provided Interconnection Customer shall pay a deposit of at least \$200,000 or 125% of the estimated costs that will be incurred during the 120-day period, whichever is greater, to fund continued design work and/or procurement activities on such non-shared Local Upgrade(s) and/or Network Upgrade(s), with \$100,000 of such deposit being non-refundable. If the Interconnection Customer terminates the Interconnection Service Agreement or is otherwise withdrawn, any unused portion of the non-refundable deposit will be used to fund re-studies due to such termination or withdrawal. Any remaining deposit monies, refundable or non-refundable, will be returned to an Interconnection Customer upon Initial Operation.

(d) **Withdrawal:** If an Interconnection Customer fails to timely execute the Interconnection Service Agreement (or request dispute resolution or that the agreement be filed unexecuted), meet the milestones (unless extended) set forth in Tariff, Part VI, Subpart B, section 212.5, or provide the security prescribed in this section 212.4, its Interconnection Request shall be deemed terminated and withdrawn. In the event that a terminated and withdrawn Interconnection Request was included in a Facilities Study that evaluated more than one New Service Request, or in the event that a New Service Customer's participation in and cost responsibility for a Network Upgrade or Local Upgrade is terminated in accordance with Tariff, Part VI, Subpart C, the Transmission Provider shall reevaluate the need for the facilities and upgrades indicated by the Facilities Study, shall re-determine the cost responsibility of each remaining New Service

Intra-PJM Tariffs --> OPEN ACCESS TRANSMISSION TARIFF --> OATT VI. ADMINISTRATION AND STUDY OF NEW SERVICE REQUESTS; R --> OATT Subpart B – Agreements and Cost Responsibility --> OATT 212 Interconnection Service Agreement --> OATT 212.4 Retaining Priority and Security:

Customer for the necessary facilities and upgrades based on its assigned priority pursuant to Tariff, Part VI, Preamble, section 201, and shall enter into an amended Interconnection Service Agreement with each remaining Interconnection Customer setting forth its revised cost obligation. In such event, if the amount of an Interconnection Customer's cost responsibility increases, the Interconnection Customer shall provide additional security pursuant to this section 212.4.

212.5 Milestones:

In order to proceed with an Interconnection Service Agreement, within 60 days after receipt of the Facilities Study (or, if no Facilities Study was required, after receipt of the System Impact Study), (a) a Generation Interconnection Customer must demonstrate that it has (i) entered a fuel delivery agreement and water agreement, if necessary, and that it controls any necessary rights-of-way for fuel and water interconnections, (ii) obtained any necessary local, county, and state site permits, and (iii) signed a memorandum of understanding for the acquisition of major equipment, and (b) a Transmission Interconnection Customer must demonstrate that it has (i) obtained any necessary local, county, and state siting permits or other required approvals for the construction of its proposed Merchant D.C. Transmission Facilities or Merchant Controllable A.C. Transmission Facilities, and (ii) signed a memorandum of understanding for the acquisition of major equipment. The Transmission Provider also may include other reasonable milestone dates in the Interconnection Service Agreement for the construction of the Interconnection Customer's generation project that, if not met, shall relieve the Transmission Provider and the Transmission Owners from the requirement to construct the necessary facilities and upgrades and be deemed a termination and withdrawal of the Interconnection Request. Such milestones may include site acquisition, permitting, regulatory certifications (if required), acquisition of any necessary third-party financial commitments, commercial operation, and similar events. The Transmission Provider may reasonably extend any such milestone dates (including those required in order to proceed with an Interconnection Service Agreement) in the event of delays not caused by the Interconnection Customer, such as unforeseen regulatory or construction delays that could not be remedied by the Interconnection Customer through the exercise of due diligence. Milestone dates stated in the Interconnection Service Agreement shall be deemed to be extended coextensively with any suspension of work initiated by Interconnection Customer in accordance with the Interconnection Construction Service Agreement. Termination and withdrawal of an Interconnection Request for failure to meet a milestone shall not relieve the Interconnection Customer from reimbursing the Transmission Provider (for the benefit of the affected Transmission Owner(s)) for the costs incurred prior to such termination and withdrawal.

3.2 Construction by Interconnected Transmission Owner

3.2.1 Standard Option:

The Interconnected Transmission Owner shall use Reasonable Efforts to design, procure, construct and install the Transmission Owner Interconnection Facilities that it is responsible for constructing in accordance with the Schedule of Work.

3.2.1.1 Construction Sequencing:

In general, the sequence of the proposed dates of Initial Operation of Interconnection Customers seeking interconnection to the Transmission System will determine the sequence of construction of Network Upgrades.

3.2.2 Negotiated Contract Option:

As an alternative to the Standard Option set forth in Section 3.2.1 of this Appendix 2, the Interconnected Transmission Owner and the Interconnection Customer may mutually agree to a Negotiated Contract Option for the Interconnected Transmission Owner's design, procurement, construction and installation of the Transmission Owner Interconnection Facilities. Under the Negotiated Contract Option, the Interconnection Customer and the Interconnected Transmission Owner may agree to terms different from those included in the Standard Option of Section 3.2.1 above and the corresponding standard terms set forth in the applicable provisions of Part VI of the Tariff and this Appendix 2. Under the Negotiated Contract Option, negotiated terms may include the work schedule applicable to the Interconnected Transmission Owner's construction activities and changes to same (Section 3.3 of this Appendix 2); payment provisions, including the schedule of payments; incentives, penalties and/or liquidated damages related to timely completion of construction (Section 3.2.1 of this Appendix 2); use of third party contractors; and responsibility for Costs, but only as between the Interconnection Customer and the Interconnected Transmission Owner that are parties to this Interconnection Construction Service Agreement; no other Interconnection Customer's responsibility for Costs may be affected (Section 217 of the Tariff). No other terms of the Tariff or this Appendix 2 shall be subject to modification under the Negotiated Contract Option. The terms and conditions of the Tariff that may be negotiated pursuant to the Negotiated Contract Option shall not be affected by use of the Negotiated Contract Option except as and to the extent that they are modified by the parties' agreement pursuant to such option. All terms agreed upon pursuant to the Negotiated Contract Option shall be stated in full in an appendix to this Interconnection Construction Service Agreement.

3.2.3 Option to Build

3.2.3.1 Option:

Interconnection Customer shall have the option, ("Option to Build") to assume responsibility for the design, procurement, and construction of Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades on the

dates specified in Schedule J (Schedule of Work) of this Agreement. Transmission Provider and Interconnection Customer must agree as to what constitutes Direct Connection Network Upgrades and identify such Direct Connection Network Upgrades in Schedule D (Option to Build) of this Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Direct Connection Network Upgrade, the Transmission Provider must provide the Interconnection Customer with a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Direct Connection Network Upgrade within fifteen (15) days of its determination. Except for Direct Connection Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option. In order to exercise this Option to Build, Interconnection Customer must provide Transmission Provider and the Interconnected Transmission Owner with written notice of Interconnection Customer's election to exercise the option no later than thirty (30) days from the date the Interconnection Customer receives the results of the Facilities Study (or, if no Facilities Study was required, completion of the System Impact Study). Interconnection Customer may not elect Option to Build after such date.

3.2.3.2 General Conditions Applicable to Option:

In addition to the other terms and conditions applicable to the construction of facilities under this Appendix 2, the Option to Build is subject to the following conditions:

(a) If the Interconnection Customer assumes responsibility for the design, procurement and construction of Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades:

(i) Interconnection Customer shall engineer, procure equipment, and construct Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Transmission Owner;

(ii) Interconnection Customer's engineering, procurement and construction of Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades shall comply with all requirements of law to which Interconnected Transmission Owner shall be subject in the engineering, procurement or construction of Interconnected Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades;

(iii) Interconnected Transmission Owner shall review and approve engineering design, equipment acceptance tests, and the construction of Interconnected Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades;

(iv) Prior to commencement of construction, Interconnection Customer shall provide to Interconnected Transmission Owner a schedule for construction of Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct

Connection Network Upgrades and shall promptly respond to requests for information from Transmission Owner;

(v) At any time during construction, Interconnected Transmission Owner shall have the right to gain unrestricted access to Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades and to conduct inspections of the same;

(vi) At any time during construction, should any phase of the engineering, equipment procurement, or construction of Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades not meet the standards and specifications provided by Interconnection Transmission Owner, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades;

(vii) *Interconnection Customer shall indemnify Interconnected Transmission Owner and Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades under the terms and procedures applicable to Sections 12.1, 12.2, 12.3, and 12.4 of this Appendix 2.*

(viii) Interconnection Customer shall transfer control of Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades to Interconnected Transmission Owner;

(ix) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Owner Attachment Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades to Interconnected Transmission Owner;

(x) Interconnected Transmission Owner shall approve and accept for operation and maintenance Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades to the extent engineered, procured, and constructed in accordance with this ICSA, Appendix 2, section 3.2.3.2;

(xi) Interconnection Customer shall deliver to Transmission Owner "as-built" drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades are built to the standards and specifications required by Transmission Provider; and

(xii) If Interconnection Customer exercises the Option to Build pursuant to section 3.2.3.1, Interconnection Customer shall pay Interconnected Transmission Owner the agreed upon amount of [\$] for Interconnected Transmission Owner to execute the responsibilities enumerated to Interconnected Transmission Owner under section 3.2.3.2.

Interconnected Transmission Owner shall invoice Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Interconnection Service Agreement, Tariff, Attachment O, Appendix 2, section 11.2.2.

(b) In addition to the General Conditions applicable to Option to Build set forth in section 3.2.3.2(a) above, the following conditions also apply:

(i) The Interconnection Customer must obtain or arrange to obtain all necessary permits and authorizations for the construction and installation of the Transmission Owner Interconnection Facilities that it is building, provided, however, that when the Interconnected Transmission Owner's assistance is required, the Interconnected Transmission Owner shall assist the Interconnection Customer in obtaining such necessary permits or authorizations with efforts similar in nature and extent to those that the Interconnected Transmission Owner typically undertakes in acquiring permits and authorizations for construction of facilities on its own behalf;

(ii) The Interconnection Customer must obtain all necessary land rights for the construction and installation of the Transmission Owner Interconnection Facilities that it is building, provided, however, that upon Interconnection Customer's reasonable request, the Interconnected Transmission Owner shall assist the Interconnection Customer in acquiring such land rights with efforts similar in nature and extent to those that the Interconnected Transmission Owner typically undertakes in acquiring land rights for construction of facilities on its own behalf;

(iii) Notwithstanding anything stated herein, each Interconnected Transmission Owner shall have the exclusive right and obligation to perform the line attachments (tie-in work), and to calibrate remote terminal units and relay settings, required for the interconnection to such Interconnected Transmission Owner's existing facilities of any Transmission Owner Interconnection Facilities that the Interconnection Customer builds; and

(iv) The Transmission Owner Interconnection Facilities built by the Interconnection Customer shall be successfully inspected, tested and energized pursuant to Sections 3.8 and 3.9 of this Appendix 2.

3.2.3.3 Additional Conditions Regarding Network Facilities:

To the extent that the Interconnection Customer utilizes the Option to Build for design, procurement, construction and/or installation of (a) any Transmission Owner Interconnection Facilities that are Direct Connection Network Upgrades to Transmission System facilities that are in existence or under construction by or on behalf of the Interconnected Transmission Owner on the date that the Interconnection Customer solicits bids under Section 3.2.3.7 below, or (b) Transmission Owner Interconnection Facilities that are Transmission Owner Attachment Facilities and Direct Connection Network Upgrades that are to be located on land or in right-of-way owned or controlled by the Interconnected Transmission Owner, and in addition to the other

terms and conditions applicable to the design, procurement, construction and/or installation of facilities under this Appendix 2, all work shall comply with the following further conditions:

(i) All work performed by or on behalf of the Interconnection Customer shall be conducted by contractors, and using equipment manufacturers or vendors, that are listed on the Interconnected Transmission Owner's List of Approved Contractors;

(ii) The Interconnected Transmission Owner shall have full site control of, and reasonable access to, its property at all times for purposes of tagging or operation, maintenance, repair or construction of modifications to, its existing facilities and/or for performing all tie-ins of Interconnection Facilities built by or for the Interconnection Customer; and for acceptance testing of any equipment that will be owned and/or operated by the Interconnected Transmission Owner;

(iii) The Interconnected Transmission Owner shall have the right to have a reasonable number of appropriate representatives present for all work done on its property/facilities or regarding the Transmission Owner Attachment Facilities and Direct Connection Network Upgrades and the right to stop, or to order corrective measures with respect to, any such work that reasonably could be expected to have an adverse effect on reliability, safety or security of persons or of property of the Interconnected Transmission Owner or any portion of the Transmission System, provided that, unless circumstances do not reasonably permit such consultations, the Interconnected Transmission Owner shall consult with the Interconnection Customer and with Transmission Provider before directing that work be stopped or ordering any corrective measures;

(iv) The Interconnection Customer and its contractors, employees and agents shall comply with the Interconnected Transmission Owner's safety, security and work rules, environmental guidelines and training requirements applicable to the area(s) where construction activity is occurring and shall provide all reasonably required documentation to the Interconnected Transmission Owner, provided that the Interconnected Transmission Owner previously has provided its safety, security and work rules and training requirements applicable to work on its facilities to Transmission Provider and the Interconnection Customer within 20 Business Days after a request therefor made by Interconnection Customer following its receipt of the Facilities Study;

(v) The Interconnection Customer shall be responsible for controlling the performance of its contractors, employees and agents; and

(vi) All activities performed by or on behalf of the Interconnection Customer pursuant to its exercise of the Option to Build shall be subject to compliance with Applicable Laws and Regulations, including those governing union staffing and bargaining unit obligations, and Applicable Standards.

3.2.3.4 Administration of Conditions:

To the extent that the Interconnected Transmission Owner exercises any discretion in the application of any of the conditions stated in Sections 3.2.3.2 and 3.2.3.3 of this Appendix 2, it shall apply each such condition in a manner that is reasonable and not unduly discriminatory and it shall not unreasonably withhold, condition, or delay any approval or authorization that the Interconnection Customer may require for the purpose of complying with any of those conditions.

3.2.3.5 Approved Contractors:

(a) Each Transmission Owner shall develop and shall provide to Transmission Provider a List of Approved Contractors. Each Transmission Owner shall include on its List of Approved Contractors no fewer than three contractors and no fewer than three manufacturers or vendors of major transmission-related equipment, unless a Transmission Owner demonstrates to Transmission Provider's reasonable satisfaction that it is feasible only to include a lesser number of construction contractors, or manufacturers or vendors, on its List of Approved Contractors. Transmission Provider shall publish each Transmission Owner's List of Approved Contractors in a PJM Manual and shall make such manual available on its internet website.

(b) Upon request of an Interconnection Customer, a Transmission Owner shall add to its List of Approved Contractors (1) any design or construction contractor regarding which the Interconnection Customer provides such information as the Transmission Owner may reasonably require which demonstrates to the Transmission Owner's reasonable satisfaction that the candidate contractor is qualified to design, or to install and/or construct new facilities or upgrades or modifications to existing facilities on the Transmission Owner's system, or (2) any manufacturer or vendor of major transmission-related equipment (e.g., high-voltage transformers, transmission line, circuit breakers) regarding which the Interconnection Customer provides such information as the Transmission Owner may reasonably require which demonstrates to the Transmission Owner's reasonable satisfaction that the candidate entity's major transmission-related equipment is acceptable for installation and use on the Transmission Owner's system. No Transmission Owner shall unreasonably withhold, condition, or delay its acceptance of a contractor, manufacturer, or vendor proposed for addition to its List of Approved Contractors.

3.2.3.6 Construction by Multiple Interconnection Customers:

In the event that there are multiple Interconnection Customers that wish to exercise an Option to Build with respect to Interconnection Facilities of the types described in Section 3.2.3.3 to this Appendix 2, the Transmission Provider shall determine how to allocate the construction responsibility among them unless they reach agreement among themselves on how to proceed.

3.2.3.7 Option Procedures:

(a) Within 10 days after notifying Transmission Provider and the Interconnected Transmission Owner of its election to exercise the Option to Build, Interconnection Customer shall solicit bids from one or more Approved Contractors named on the Interconnected Transmission Owner's List of Approved Contractors to procure equipment for, and/or to design,

construct and/or install, the Transmission Owner Interconnection Facilities that the Interconnection Customer seeks to build under the Option to Build on terms (i) that will meet the Interconnection Customer's proposed schedule; (ii) that, if the Interconnection Customer seeks to have an Approved Contractor construct or install Transmission Owner Attachment Facilities and Direct Connection Network Upgrades, will satisfy all of the conditions on construction specified in Sections 3.2.3.2 and 3.2.3.3 of this Appendix 2; and (iii) that will satisfy the obligations of a Constructing Entity (other than those relating to responsibility for the costs of facilities) under this Appendix 2.

(b) Any additional costs arising from the bidding process or from the final bid of the successful Approved Contractor shall be the sole responsibility of the Interconnection Customer.

(c) Upon receipt of a qualifying bid acceptable to it, the Interconnection Customer shall contract with the Approved Contractor that submitted the qualifying bid. Such contract shall meet the standards stated in paragraph (a) of this section.

(d) In the absence of a qualifying bid acceptable to the Interconnection Customer in response to its solicitation, the Interconnected Transmission Owner(s) shall be responsible for the design, procurement, construction and installation of the Transmission Owner Interconnection Facilities in accordance with the Standard Option described in Section 3.2.1 of this Appendix 2.

3.2.3.8 Interconnection Customer Drawings:

Interconnection Customer shall submit to the Interconnected Transmission Owner and Transmission Provider initial drawings, certified by a professional engineer, of the Transmission Owner Interconnection Facilities that Interconnection Customer arranges to build under this Option to Build. *The Interconnected Transmission Owner shall review and approve the initial drawings and engineering design of the Transmission Owner Interconnection Facilities to be constructed under the Option to Build.* The Interconnected Transmission Owner shall review the drawings to assess the consistency of Interconnection Customer's design of the pertinent Transmission Owner Interconnection Facilities with Applicable Standards and the Facilities Study. Interconnected Transmission Owner, with facilitation and oversight by Transmission Provider, shall provide comments on such drawings to Interconnection Customer within sixty days after its receipt thereof, after which time any drawings not subject to comment shall be deemed to be approved. All drawings provided hereunder shall be deemed to be Confidential Information.

3.2.3.9 Effect of Review:

Interconnected Transmission Owner's review of Interconnection Customer's initial drawings of the Transmission Owner Interconnection Facilities that the Interconnection Customer is building shall not be construed as confirming, endorsing or providing a warranty as to the fitness, safety, durability or reliability of such facilities or the design thereof. At its sole cost and expense, Interconnection Customer shall make such changes to the design of the pertinent Transmission Owner Interconnection Facilities as may reasonably be required by Transmission Provider, in

Intra-PJM Tariffs --> OPEN ACCESS TRANSMISSION TARIFF --> OATT VI. ADMINISTRATION AND STUDY OF NEW SERVICE REQUESTS; R --> OATT ATTACHMENT P --> OATT ATTACHMENT P.APPENDIX 2 --> OATT ATTACHMENT P.A2.3 Schedule Of Work --> OATT ATTACHMENT P.A2.3.2 Construction by Interconnected Tran

consultation with the Interconnected Transmission Owner, to ensure that the Transmission Owner Interconnection Facilities that Interconnection Customer is building meet Applicable Standards and conform with the Facilities Study.

Exhibit II

Queue No. AE1-068 and Queue No.
AE1-069 Input Forms

Queue No. AE1-068 Input Form



ISA/ICSA Input Form

PJM is in the process of drafting the Interconnection Services Agreement (ISA) and Interconnection Construction Service Agreement (ICSA) for your Queue Project AE1-068.

Please provide the information below by 4-18-23.

Customer Actions	
Letter of Credit:	Please also note if the security will be sent using a Letter of Credit, PJM requires at least two weeks to review the Letter of Credit prior to the due date.
Option to Build:	For interconnection customers selecting Option to Build, you will have 30 days to select OTB after issuance of the facilities study. Please make note of this timeline.
Site Plan:	Please provide your latest Site Plan for your facility as it will need to be included in the ISA and CSA.
ISA Due Date:	You will have 60 days to execute the ISA after it is in your possession. You will be required to provide security in the amount specified in the document at the time the ISA is executed. ISA security will be calculated using the process outlined in our tariff.
ICSA Due Date:	You will have 90 days to execute the ICSA after it is in your possession.
DocuSign Contact:	The ISA/ICSA will be issued to you via DocuSign. Please provide the name and email address of the individual you would like to receive the documents via DocuSign. This does not necessarily need to be the authorized signatory. Once the documents are received and reviewed, the designated contact can re-assign the DocuSign envelope to the authorized signatory, if needed. Name: Peter Candelaria Email: pete.candelaria@urbangridco.com
Please list any additional individuals you would like copied on the DocuSign envelopes: Jeff.hudson@urbangridco.com, interconnection@urbangridco.com	

ISA Input	
Section 5 Security - Please indicate whether or not you are selecting the deferred security option.	
Include the following if Interconnection Customer requests deferral of the security as provided for in Section 212.4(c) of the Tariff: For any portion of the security that may be deferred in accordance with Section 212.4(c) of the Tariff, and as requested by Interconnection Customer, Interconnection Customer shall provide the security specified in this Section 5.0 within 120 days after the Interconnection Customer executes this ISA, provided that Interconnection Customer shall pay a deposit of at least \$200,000 or 125% of the estimated costs that will be incurred during the 120-day period, whichever is greater, to fund continued design work and/or procurement activities, with \$100,000 of such deposit being non-refundable.	
Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>
OPTIONAL:--Note to customer: FYI – A preliminary estimate of the Security to be held for this project is \$6,803,391	
Are the IC and ITO the same legal entity thereby waiving Security?	
Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

Section 6.0 Milestones - Please provide dates for the standard milestones information requested below.

Transmission Owner estimated elapsed time

Physical interconnection timeline:

- Detailed design: 8-10 months
- Permitting: 8-12 months (Timeline runs concurrent with design)
- Construction 12-18 months

Note: b3694.8 has an in service date of 6-1-2026

Note: This is an estimate of the number of months for the Transmission Owner to complete the project after the ISA/CSA are fully executed and the construction kickoff call is held.

Agreement Milestones

Site permits. On or before **December 31, 2026** Interconnection Customer must demonstrate that it has obtained any necessary local, county, and state site permits.

Acquisition of major electrical equipment. On or before **December 31, 2026** Interconnection Customer must demonstrate that it has signed a memorandum of understanding for the acquisition of major electrical equipment

(As Applicable)

Fuel delivery agreement and water agreement: . On or before **Click or tap here to enter text** Interconnection Customer must demonstrate it has entered a fuel delivery agreement and water agreement, if necessary, and that it controls any necessary rights-of-way for fuel and water interconnections

Delivery of major electrical equipment. On or before **6/30/2027** Interconnection Customer must demonstrate that all generating units have been delivered to Interconnection Customer's project site.

Substantial Site work completed. On or before **6/30/2027** Interconnection Customer must demonstrate completion of at least 20% of project site construction. At this time, Interconnection Customer must submit to Interconnected Transmission Owner and Transmission Provider initial drawings, certified by a professional engineer, of the Customer Interconnection Facilities.

Commercial Operation. (i) On or before **12/31/2027** Interconnection Customer must demonstrate commercial operation of **500 MW** generating units; (ii) On or before **12/31/2027** Interconnection Customer must demonstrate commercial operation remaining generating units. Demonstrating commercial operation includes achieving Initial Operation in accordance with Section 1.4 of Appendix 2 to this ISA and making commercial sales or use of energy, as well as, if applicable, obtaining capacity qualification in accordance with the requirements of the Reliability Assurance Agreement Among Load Serving Entities in the PJM Region.

* may be expressed in either number of units or MWs

*COD should not exceed 3 years from ISA/CSA filings with FERC Execution

*Dates between commercial operation phases cannot exceed 1 year

Desired Back Feed Power from TO by

10/31/2027

Date will be reviewed and adjusted (as needed) by TO during their review

Schedule J CSA—

The Interconnection Customer shall provide the Interconnected Transmission Owner a clear, graded, level, and permitted site for the new switching station by **12/31/2026**.

(expectation that date aligns with back feed date minus TO estimated construction time)

(i.e. Desired back feed 12/31 and TO construction is 10 months, pad turnover would then be 3/1)

(Keep in mind that these are “on or before” dates. There is no penalty for coming in before the date but there may be issues if you miss the date. Better to leave a buffer in the event unforeseen circumstances do not allow you to meet your target date.)

Section 10.2 Billing and Payments - Please indicate whether or not you are selecting the quarterly cost reconciliation option.

10.2. Billing and Payments. Transmission Provider shall bill the Interconnection Customer for the Costs associated with the facilities contemplated by this ISA, estimates of which are set forth in the Specifications to this ISA, and the Interconnection Customer shall pay such Costs, in accordance with Section 11 of Appendix 2 to this ISA and the applicable Interconnection Construction Service Agreement. Upon receipt of each of Interconnection Customer's payments of such bills, Transmission Provider shall reimburse the applicable Interconnected Transmission Owner. Pursuant to Section 212.4 of the Tariff, Interconnection Customer requests that Transmission Provider provide a quarterly cost reconciliation:

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

Section 18.0: Notices

Any notice or request made by either party regarding this ISA shall be made, in accordance with the terms of Appendix 2 to this ISA, to the representatives of the other party and as applicable, to the Interconnected Transmission Owner(s), as indicated below:

Interconnection Customer:	Monarch Solar, LLC
Customer Name:	Monarch Solar 1
Customer Address:	337 Log Canoe Circle, Stevensville, MD 21666
Attn:	Saad Shamsi
Email:	interconnection@urbangridco.com
Phone:	410-604-3603

(Please confirm contact information for the Interconnection customer highlighted above).

Specifications Section 1.0: Description of generating unit(s) (the Customer Facility) to be interconnected with the Transmission System in the PJM Region:

a. Name of Customer Facility: Monarch Solar

(This was the original project name in Queue Point but I assume you may want to change this. Our operations group likes when the name of the generating facility is more tied to a geographic landmark instead of a customer name in the event the customer changes in the future. This is more for our internal EMS system for the model. You can really name your facility anything you like but for our model it may be better to include a road or street name in the area.)

b. Location of Customer Facility:

Customer address or County and State	Greensville County, Virginia
GPS Coordinates (Grid coordinates should be for the collector substation)	LAT:36.85489 N, LON: -77.638267 W
TO Zone	Dominion

d. Description of the equipment configuration:

A solar generating facility consisting of solar panels, inverters, and step-up transformers with a high side voltage of 500kV.

Example: A solar or storage facility consisting of inverters and step up transformation with a high side voltage of XXX kV.

(PJM prefers to keep this description pretty generic.).

Schedule G INTERCONNECTION CUSTOMER’S AGREEMENT TO CONFORM WITH IRS SAFE HARBOR PROVISIONS FOR NON-TAXABLE STATUS

Interconnection Customer represents that it meets all qualifications and requirements as set forth in Section 118(a) and 118(b) of the Internal Revenue Code of 1986, as amended and interpreted by Notice 88-129, 1988-2 C.B. 541, and as amplified and modified in Notices 90-60, 1990-2 C.B. 345, and 2001-82, 2001-2 C.B. 619 (the “IRS Notices”). Interconnection Customer agrees to conform with all requirements of the safe harbor provisions specified in the IRS Notices, as they may be amended, as required to confer non-taxable status on some or all of the transfer of property, including money, by Interconnection Customer to Interconnected Transmission Owner with respect to the payment of the Costs of construction and installation of the Transmission Owner Interconnection Facilities specified in this ISA.

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

Schedule I INTERCONNECTION SPECIFICATIONS FOR AN ENERGY STORAGE RESOURCE

This Schedule I specifies information for Energy Storage Resource will be required to provide primary frequency response consistent with the conditions set forth in Tariff, Attachment O, Appendix 2, sections 4.7.2, 4.7.2.1, 4.7.2.2, 4.7.2.3, and 4.7.2.4 of this ISA.

[This input is due to FERC order 842. Specifically, we are requesting the min and max state of charge \(in terms of battery %\) that the electric storage resource will provide primary frequency response. Additionally, we are asking if this range will always be the same \(static\) or if the range will change. If it will change, please provide specifics on the reason and frequency for this range to change.](#)

1.0 Minimum State of Charge and Maximum State of Charge

Primary frequency response operating range for Energy Storage Resources:
Minimum State of Charge: N/A; and
Maximum State of Charge: N/A.

2.0 Static or Dynamic Operating Range

{Specify whether the operating range is static or dynamic. If the operating range is dynamic, then this Schedule I must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.}

N/A

ICSA Input	
5.0 Construction Responsibility for:	
a. Customer Interconnection Facilities. Interconnection Customer is responsible for designing and constructing the Customer Interconnection Facilities described on the attached Schedule G to this CSA.	
b. Construction of Transmission Owner Interconnection Facilities.	
	1. The Transmission Owner Interconnection Facilities regarding which Interconnected Transmission Owner shall be the Constructing Entity are described on the attached Schedule C to this CSA.
	2. Election of Construction Option. Specify below whether the Constructing Entities have mutually agreed to construction of the Transmission Owner Interconnection Facilities that will be built by the Interconnected Transmission Owner pursuant to the Standard Option or the Negotiated Contract Option. (See Section 3.2 of the Appendix 2 to this CSA.)
	Standard Option <input checked="" type="checkbox"/>
	Negotiated Contract Option. <input type="checkbox"/>
	If the parties have mutually agreed to use the Negotiated Contract Option, the permitted, negotiated terms on which they have agreed and which are not already set forth as part of the Scope of Work and/or Schedule of Work attached to this CSA as Schedules I and J, respectively, shall be as set forth in Schedule H attached to this CSA.
	3. Exercise of Option to Build. Has Interconnection Customer timely exercised the Option to Build in accordance with Section 3.2.3 of Appendix 2 to this CSA with respect to some or all of the Transmission Owner Interconnection Facilities?
	Yes <input type="checkbox"/>
	No <input checked="" type="checkbox"/>
	If Yes is indicated, Interconnection Customer shall build, in accordance with and subject to the conditions and limitations set forth in Section 3.2.3 of Appendix 2 to this CSA, those portions of the Transmission Owner Interconnection Facilities described on Schedule D attached to this CSA.

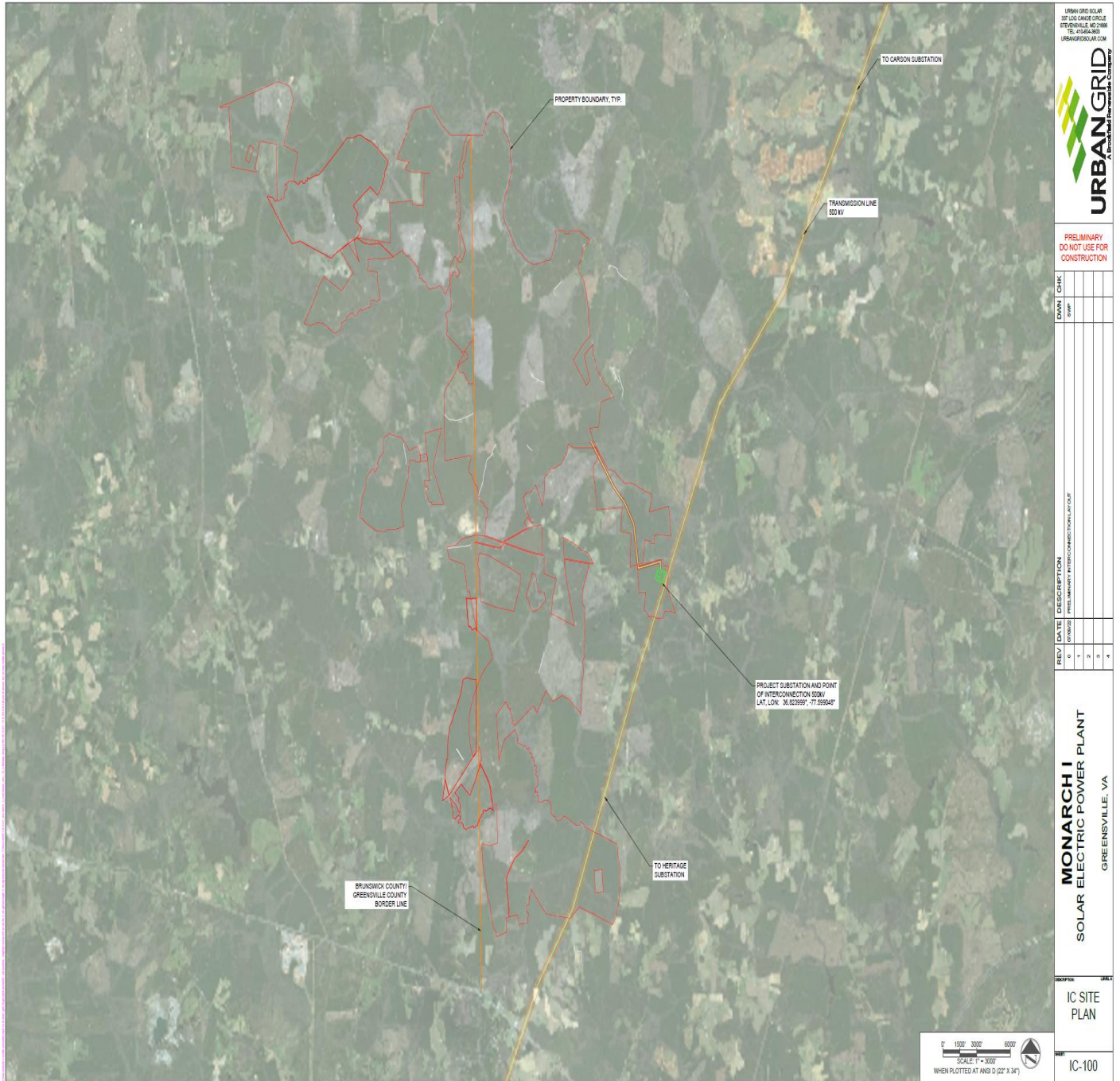
New Site Plan (Schedule A of ISA)

Please provide an updated site plan which includes at least the following:

- Property Boundaries (if multiple queue projects per agreement, designate location for each project)
- Location of POI
- Location of Collector Substation

Site Plan does NOT need to include panel specific layout or orientation

Please copy and paste a picture of the Site Plan below OR email a copy when returning this document.



Queue No. AE1-069 Input Form



ISA/ICSA Input Form

PJM is in the process of drafting the Interconnection Services Agreement (ISA) and Interconnection Construction Service Agreement (ICSA) for your Queue Project AE1-069.

Please provide the information below by 4-18-22.

Customer Actions	
Letter of Credit: Please also note if the security will be sent using a Letter of Credit, PJM requires at least two weeks to review the Letter of Credit prior to the due date.	
Option to Build: For interconnection customers selecting Option to Build, you will have 30 days to select OTB after issuance of the facilities study. Please make note of this timeline.	
Site Plan: Please provide your latest Site Plan for your facility as it will need to be included in the ISA and CSA.	
ISA Due Date: You will have 60 days to execute the ISA after it is in your possession. You will be required to provide security in the amount specified in the document at the time the ISA is executed. ISA security will be calculated using the process outlined in our tariff.	
ICSA Due Date: You will have 90 days to execute the ICSA after it is in your possession.	
DocuSign Contact: The ISA/ICSA will be issued to you via DocuSign. Please provide the name and email address of the individual you would like to receive the documents via DocuSign. This does not necessarily need to be the authorized signatory. Once the documents are received and reviewed, the designated contact can re-assign the DocuSign envelope to the authorized signatory, if needed. Name: Peter Candelaria Email: pete.candelaria@urbandgridco.com	
Please list any additional individuals you would like copied on the DocuSign envelopes: Jeff.hudson@urbandgridco.com, interconnection@urbandgridco.com	

ISA Input	
Section 5 Security - Please indicate whether or not you are selecting the deferred security option.	
Include the following if Interconnection Customer requests deferral of the security as provided for in Section 212.4(c) of the Tariff: For any portion of the security that may be deferred in accordance with Section 212.4(c) of the Tariff, and as requested by Interconnection Customer, Interconnection Customer shall provide the security specified in this Section 5.0 within 120 days after the Interconnection Customer executes this ISA, provided that Interconnection Customer shall pay a deposit of at least \$200,000 or 125% of the estimated costs that will be incurred during the 120-day period, whichever is greater, to fund continued design work and/or procurement activities, with \$100,000 of such deposit being non-refundable.	
Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>
OPTIONAL:--Note to customer: FYI – A preliminary estimate of the Security to be held for this project is \$2,474,604	
Are the IC and ITO the same legal entity thereby waiving Security?	
Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

Section 6.0 Milestones - Please provide dates for the standard milestones information requested below.

Transmission Owner estimated elapsed time:

Physical interconnection timeline:

- Detailed design: 8-10 months
- Permitting: 8-12 months (Timeline runs concurrent with design)
- Construction 12-18 months

Note: b3694.8 has an in service date of 6-1-2026

Note: This is an estimate of the number of months for the Transmission Owner to complete the project after the ISA/CSA are fully executed and the construction kickoff call is held.

Agreement Milestones

Site permits. On or before [December 31, 2026](#) Interconnection Customer must demonstrate that it has obtained any necessary local, county, and state site permits.

Acquisition of major electrical equipment. On or before [December 31, 2026](#) Interconnection Customer must demonstrate that it has signed a memorandum of understanding for the acquisition of major electrical equipment

(As Applicable)

Fuel delivery agreement and water agreement: . On or before [Click or tap here to enter text](#) Interconnection Customer must demonstrate it has entered a fuel delivery agreement and water agreement, if necessary, and that it controls any necessary rights-of-way for fuel and water interconnections

Delivery of major electrical equipment. On or before [6/30/2027](#) Interconnection Customer must demonstrate that all generating units have been delivered to Interconnection Customer's project site.

Substantial Site work completed. On or before [6/30/2027](#) Interconnection Customer must demonstrate completion of at least 20% of project site construction. At this time, Interconnection Customer must submit to Interconnected Transmission Owner and Transmission Provider initial drawings, certified by a professional engineer, of the Customer Interconnection Facilities.

Commercial Operation. (i) On or before [12/31/2027](#) Interconnection Customer must demonstrate commercial operation of [400 MW](#) generating units; (ii) On or before [12/31/2027](#) Interconnection Customer must demonstrate commercial operation remaining generating units. Demonstrating commercial operation includes achieving Initial Operation in accordance with Section 1.4 of Appendix 2 to this ISA and making commercial sales or use of energy, as well as, if applicable, obtaining capacity qualification in accordance with the requirements of the Reliability Assurance Agreement Among Load Serving Entities in the PJM Region.

* may be expressed in either number of units or MWs

*COD should not exceed 3 years from ISA/CSA filings with FERC Execution

*Dates between commercial operation phases cannot exceed 1 year

Desired Back Feed Power from TO by

10/31/2027

[Date will be reviewed and adjusted \(as needed\) by TO during their review](#)

Schedule J CSA—

[The Interconnection Customer shall provide the Interconnected Transmission Owner a clear, graded, level, and permitted site for the new switching station by \[12/31/2026\]\(#\)](#)

[\(expectation that date aligns with back feed date minus TO estimated construction time\)](#)

(i.e. Desired back feed 12/31 and TO construction is 10 months, pad turnover would then be 3/1)
(Keep in mind that these are “on or before” dates. There is no penalty for coming in before the date but there may be issues if you miss the date. Better to leave a buffer in the event unforeseen circumstances do not allow you to meet your target date.)

Section 10.2 Billing and Payments - Please indicate whether or not you are selecting the quarterly cost reconciliation option.

10.2. Billing and Payments. Transmission Provider shall bill the Interconnection Customer for the Costs associated with the facilities contemplated by this ISA, estimates of which are set forth in the Specifications to this ISA, and the Interconnection Customer shall pay such Costs, in accordance with Section 11 of Appendix 2 to this ISA and the applicable Interconnection Construction Service Agreement. Upon receipt of each of Interconnection Customer's payments of such bills, Transmission Provider shall reimburse the applicable Interconnected Transmission Owner. Pursuant to Section 212.4 of the Tariff, Interconnection Customer requests that Transmission Provider provide a quarterly cost reconciliation:

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

Section 18.0: Notices

Any notice or request made by either party regarding this ISA shall be made, in accordance with the terms of Appendix 2 to this ISA, to the representatives of the other party and as applicable, to the Interconnected Transmission Owner(s), as indicated below:

Interconnection Customer:	Monarch Solar, LLC
Customer Name:	Monarch Solar 2
Customer Address:	337 Log Canoe Circle, Stevensville, MD 21666
Attn:	Saad Shamsi
Email:	interconnection@urbangridco.com
Phone:	410-604-3603

(Please confirm contact information for the Interconnection customer highlighted above).

Specifications Section 1.0: Description of generating unit(s) (the Customer Facility) to be interconnected with the Transmission System in the PJM Region:

a. Name of Customer Facility: Monarch Solar

(This was the original project name in Queue Point but I assume you may want to change this. Our operations group likes when the name of the generating facility is more tied to a geographic landmark instead of a customer name in the event the customer changes in the future. This is more for our internal EMS system for the model. You can really name your facility anything you like but for our model it may be better to include a road or street name in the area.)

b. Location of Customer Facility:

Customer address or County and State	Greensville County, Virginia
GPS Coordinates (Grid coordinates should be for the collector substation)	LAT:36.85489 N, LON: -77.638267 W
TO Zone	Dominion

d. Description of the equipment configuration:

A solar generating facility consisting of solar panels, inverters, and step-up transformers with a high side voltage of 500kV.

Example: A solar or storage facility consisting of inverters and step up transformation with a high side voltage of XXX kV.

(PJM prefers to keep this description pretty generic.).

Schedule G INTERCONNECTION CUSTOMER’S AGREEMENT TO CONFORM WITH IRS SAFE HARBOR PROVISIONS FOR NON-TAXABLE STATUS

Interconnection Customer represents that it meets all qualifications and requirements as set forth in Section 118(a) and 118(b) of the Internal Revenue Code of 1986, as amended and interpreted by Notice 88-129, 1988-2 C.B. 541, and as amplified and modified in Notices 90-60, 1990-2 C.B. 345, and 2001-82, 2001-2 C.B. 619 (the “IRS Notices”). Interconnection Customer agrees to conform with all requirements of the safe harbor provisions specified in the IRS Notices, as they may be amended, as required to confer non-taxable status on some or all of the transfer of property, including money, by Interconnection Customer to Interconnected Transmission Owner with respect to the payment of the Costs of construction and installation of the Transmission Owner Interconnection Facilities specified in this ISA.

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

Schedule I INTERCONNECTION SPECIFICATIONS FOR AN ENERGY STORAGE RESOURCE

This Schedule I specifies information for Energy Storage Resource will be required to provide primary frequency response consistent with the conditions set forth in Tariff, Attachment O, Appendix 2, sections 4.7.2, 4.7.2.1, 4.7.2.2, 4.7.2.3, and 4.7.2.4 of this ISA.

[This input is due to FERC order 842. Specifically, we are requesting the min and max state of charge \(in terms of battery %\) that the electric storage resource will provide primary frequency response. Additionally, we are asking if this range will always be the same \(static\) or if the range will change. If it will change, please provide specifics on the reason and frequency for this range to change.](#)

1.0 Minimum State of Charge and Maximum State of Charge

Primary frequency response operating range for Energy Storage Resources:
Minimum State of Charge: N/A; and
Maximum State of Charge: N/A.

2.0 Static or Dynamic Operating Range

{Specify whether the operating range is static or dynamic. If the operating range is dynamic, then this Schedule I must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.}

N/A

ICSA Input	
5.0 Construction Responsibility for:	
a. Customer Interconnection Facilities. Interconnection Customer is responsible for designing and constructing the Customer Interconnection Facilities described on the attached Schedule G to this CSA.	
b. Construction of Transmission Owner Interconnection Facilities.	
	1. The Transmission Owner Interconnection Facilities regarding which Interconnected Transmission Owner shall be the Constructing Entity are described on the attached Schedule C to this CSA.
	2. Election of Construction Option. Specify below whether the Constructing Entities have mutually agreed to construction of the Transmission Owner Interconnection Facilities that will be built by the Interconnected Transmission Owner pursuant to the Standard Option or the Negotiated Contract Option. (See Section 3.2 of the Appendix 2 to this CSA.)
	Standard Option <input checked="" type="checkbox"/>
	Negotiated Contract Option. <input type="checkbox"/>
	If the parties have mutually agreed to use the Negotiated Contract Option, the permitted, negotiated terms on which they have agreed and which are not already set forth as part of the Scope of Work and/or Schedule of Work attached to this CSA as Schedules I and J, respectively, shall be as set forth in Schedule H attached to this CSA.
	3. Exercise of Option to Build. Has Interconnection Customer timely exercised the Option to Build in accordance with Section 3.2.3 of Appendix 2 to this CSA with respect to some or all of the Transmission Owner Interconnection Facilities?
Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>
	If Yes is indicated, Interconnection Customer shall build, in accordance with and subject to the conditions and limitations set forth in Section 3.2.3 of Appendix 2 to this CSA, those portions of the Transmission Owner Interconnection Facilities described on Schedule D attached to this CSA.

New Site Plan (Schedule A of ISA)

Please provide an updated site plan which includes at least the following:

- Property Boundaries (if multiple queue projects per agreement, designate location for each project)
- Location of POI
- Location of Collector Substation

Site Plan does NOT need to include panel specific layout or orientation

Please copy and paste a picture of the Site Plan below OR email a copy when returning this document.

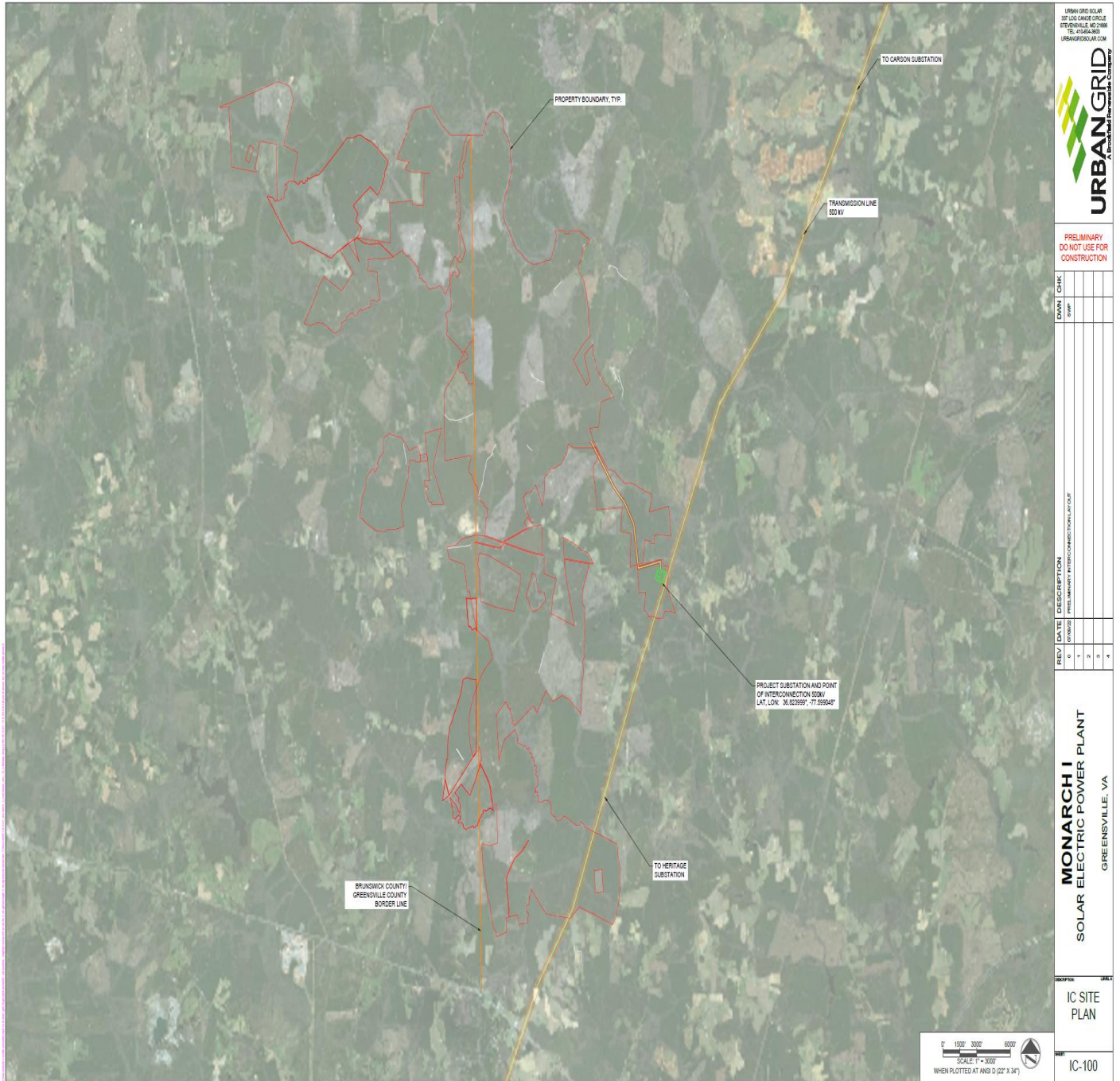


Exhibit III

May 1, 2023 Deferred Security Emails

From: [Jeff Hudson](#)
To: [Tiwari, Megha](#)
Cc: [Thompson, Jonathan](#)
Subject: RE: AE1-068 and AE1-069 Site plan
Date: Monday, May 1, 2023 4:04:05 PM
Attachments: [image001.png](#)

External Email! Think before clicking links or attachments.

Contact the Support Center immediately if you click on a link or open an attachment that appears malicious.

Megha,

Understood, I didn't realize that the deferral was contingent on later queued projects, but I understand. Do you have a time frame when you expect to provide the ISAs? I will work on getting the security together since it will be required earlier now.

Jeff Hudson
Vice President - Asset Management
Urban Grid

Charlotte, NC
(704) 709-0341 Direct
(410) 604-3603 Office
www.urbangridco.com

From: Tiwari, Megha <Megha.Tiwari@pjm.com>
Sent: Monday, May 1, 2023 2:54 PM
To: Jeff Hudson <jeff.hudson@urbangridco.com>
Cc: Thompson, Jonathan <Jonathan.Thompson@pjm.com>
Subject: RE: AE1-068 and AE1-069 Site plan

Jeff,

I just wanted to reach out to you regarding deferring security for AE1-068. In the input form you have elected to defer security for AE1-068. Unfortunately, security is not deferrable. There are three projects with executed system impact study agreement AG1-014, AG1-015 and AE1-069 that depend on the AE1-068 network upgrade. Please let us know if you have any questions.

Thanks,
Megha

From: Jeff Hudson <jeff.hudson@urbangridco.com>
Sent: Friday, April 28, 2023 1:56 PM
To: Tiwari, Megha <Megha.Tiwari@pjm.com>
Subject: Re: AE1-068 and AE1-069 Site plan

External Email! Think before clicking links or attachments.

Contact the Support Center immediately if you click on a link or open an attachment that appears malicious.

Megha,

It will be Saad Shamsi, Chief Operating Officer (saad.shamsi@urbangridco.com).

Thanks,

Jeff Hudson
Vice President - Asset Management
Urban Grid

Charlotte, NC
(704) 709-0341 Direct
(410) 604-3603 Office
www.urbangridco.com

From: Tiwari, Megha <Megha.Tiwari@pjm.com>
Sent: Friday, April 28, 2023 1:52 PM
To: Jeff Hudson <jeff.hudson@urbangridco.com>
Subject: RE: AE1-068 and AE1-069 Site plan

Jeff,

Thanks for the updated site plan. I do have another question for you. Who is the signatory authority for AE1-068 and AE1-069? Currently, I have "Peter Candelaria, CEO Urbangrid" as a signatory authority for both projects. Please let me know if this needs updated.

Thanks!
Megha

From: Jeff Hudson <jeff.hudson@urbangridco.com>
Sent: Tuesday, April 25, 2023 9:54 PM
To: Tiwari, Megha <Megha.Tiwari@pjm.com>
Subject: Re: AE1-068 and AE1-069 Site plan

External Email! Think before clicking links or attachments.

Contact the Support Center immediately if you click on a link or open an attachment that appears malicious.

Megha,

Sorry about that, please see attached. Hopefully this file is not too large. Let me know if it doesn't work for you.

Thanks,

Jeff Hudson
Vice President - Asset Management
Urban Grid

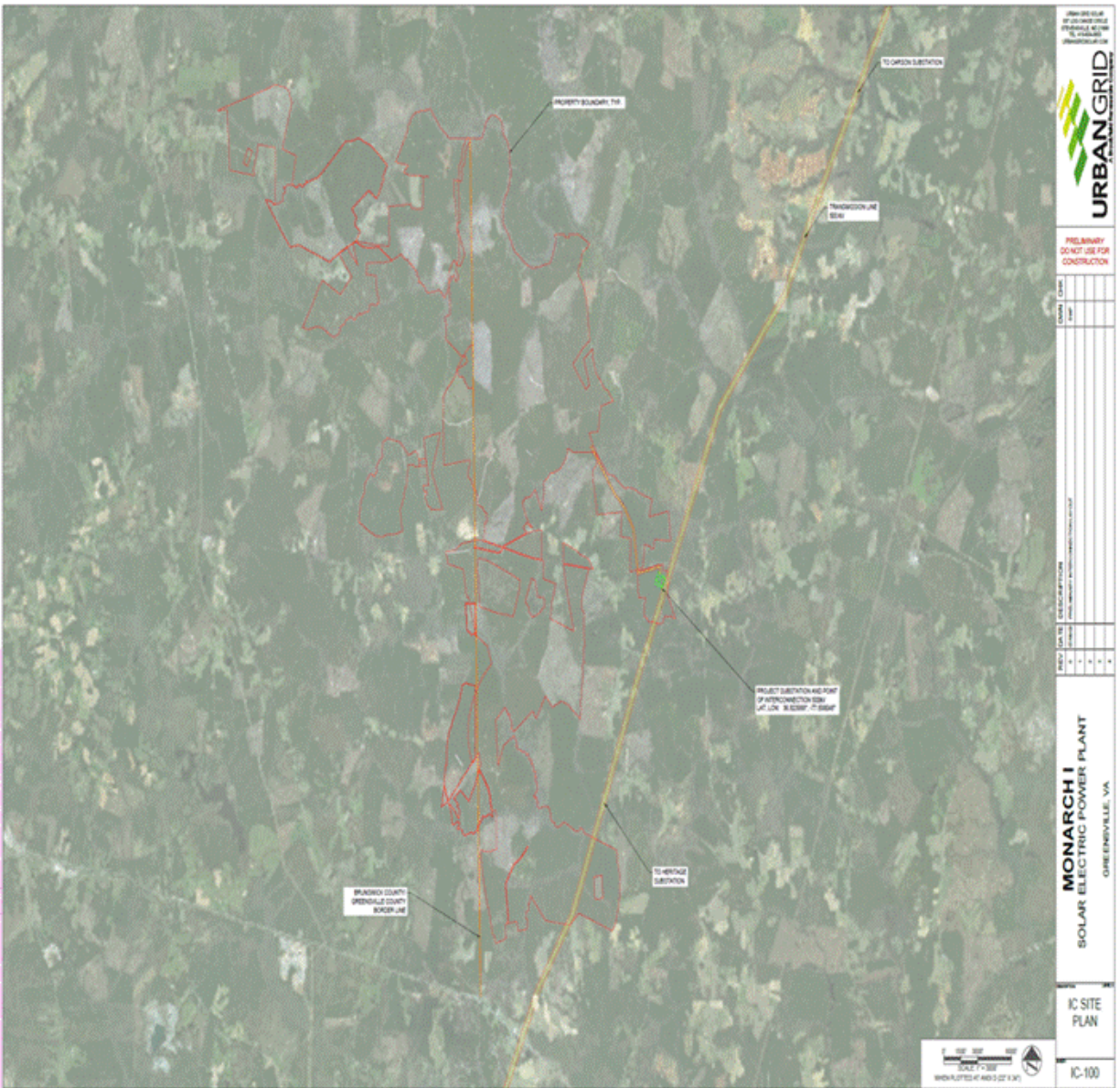
Charlotte, NC
(704) 709-0341 Direct
(410) 604-3603 Office
www.urbangridco.com

From: Tiwari, Megha <Megha.Tiwari@pjm.com>
Sent: Tuesday, April 25, 2023 5:22 PM
To: Jeff Hudson <jeff.hudson@urbangridco.com>
Subject: AE1-068 and AE1-069 Site plan

Hi Jeff,

I am reaching out to you regarding AE1-068 and AE1-69 projects. The site plan provided for both is very blurry and is hard to read. Are you planning on using the same site plan for both? If so, please include boundary for each project in the site plan. Something similar to what you had provided for AD2-008/AD2-007 but readable and boundary for each project. Please let me know if you have any questions.

Thanks!
Megha



CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C., this 6th day of December 2023.

/s/ David S. Berman
David S. Berman