

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

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PJM Interconnection, L.L.C.)	Docket No. ER24-2447-000
)	ER24-2447-001
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**MOTION FOR LEAVE TO ANSWER AND ANSWER OF
PJM INTERCONNECTION, L.L.C.**

Pursuant to Rule 213 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”),¹ PJM Interconnection, L.L.C. (“PJM”) submits this answer (“Answer”) to the August 23, 2024 protest, motion for leave to answer, and answer (“August 23 Protest”) of American Municipal Power, Inc. (“AMP”) submitted in response to PJM’s August 16, 2024 motion for leave to answer and answer and PJM’s August 9, 2024 deficiency response as they relate to PJM’s July 1, 2024 filing proposing revisions to the PJM Reliability Assurance Agreement Among Load Serving Entities (“RAA”) to better allocate Large Load Adjustments when determining the capacity obligations for Load Serving Entities (“LSEs”)² within a zone/area.³

PJM limits this response to address one point from the August 23 Protest:⁴ the

¹ 18 C.F.R. § 385.213 (2022).

² All capitalized terms that are not otherwise defined herein have the meaning defined in the Open Access Transmission Tariff, Operating Agreement, or the RAA.

³ *PJM Interconnection, L.L.C.*, Proposal to Better Account for Large Load Adjustments in Forecasted Capacity Obligations, Docket No. ER24-2447-000 (July 1, 2024) (the “July 1 Filing”); *see PJM Interconnection, L.L.C.*, Answer to Protest, Docket No. ER24-2447-001 (Aug. 16, 2024) (“August 16 Answer”); *PJM Interconnection, L.L.C.*, Response to Deficiency Letter, Docket No. ER24-2447-001 (Aug. 9, 2024) (“August 9 Deficiency Response”).

⁴ PJM sufficiently explained in the July 1 Filing, the August 9 Deficiency Response, and particularly in the August 16 Answer in this docket that the purpose of these provisions is to better allocate Large Load

proposal does not unduly discriminate between Fixed Resource Requirement Entities (“FRR Entities”) and entities participating in the Reliability Pricing Model (“RPM”).

I. MOTION FOR LEAVE TO ANSWER

While an answer to a protest or comment is not a matter of right under the Commission’s regulations,⁵ the Commission routinely permits such answers when the answer provides useful and relevant information that will assist the Commission in its decision-making process,⁶ assures a complete record in the proceeding,⁷ and provides information helpful to the disposition of an issue.⁸ This Answer satisfies each of these criteria, and PJM therefore respectfully requests that the Commission grant leave and accept this pleading.

II. ANSWER

A. The Proposal Does Not Unduly Discriminate Between FRR Entities and Entities that Participate in the Reliability Pricing Model.

The proposal’s lack of a mandatory threshold to report Large Load Adjustments does not render the proposal unduly discriminatory against non-FRR Entities. Both the existing methodology for forecasting load and the requirements for and process by which

Adjustments when determining capacity obligations, not to “ensure Large Load Adjustments will result in an accurate PJM load forecast,” as AMP’s August 23 Protest alleges. August 23 Protest at 4; *see* August 16 Answer at 8-11; *see also* August 9 Deficiency Response at 8; July 1 Filing at 11.

⁵ 18 C.F.R. § 385.213(a)(2).

⁶ *See, e.g., Pioneer Transmission, LLC v. N. Ind. Pub. Serv. Co.*, 140 FERC ¶ 61,057, at P 94 (2012) (accepting answers that “provided information that assisted us in our decision-making process”); *Tallgrass Transmission, LLC*, 125 FERC ¶ 61,248, at P 26 (2008) (same); *Midwest Indep. Transmission Sys. Operator, Inc.*, 120 FERC ¶ 61,083, at P 23 (2007) (permitting answer to protests when it provided information that assisted the Commission in its decision-making process).

⁷ *See, e.g., Pac. Interstate Transmission Co.*, 85 FERC ¶ 61,378, at 62,443 (1998), *order on reh’g*, 89 FERC ¶ 61,246 (1999); *see also Morgan Stanley Cap. Grp., Inc. v. N.Y. Indep. Sys. Operator, Inc.*, 93 FERC ¶ 61,017, at 61,036 (2000) (accepting an answer that was “helpful in the development of the record”).

⁸ *See, e.g., CNG Transmission Corp.*, 89 FERC ¶ 61,100, at 61,287 n.11 (1999).

Large Load Adjustments can be reported for consideration by PJM at the Load Analysis Subcommittee remain unchanged by this proposal. The process for reporting Large Load Adjustments continues to be one closely supervised and implemented by PJM.⁹ This proposal does not alter the allotment of responsibility for reporting peak load contributions or Obligation Peak Load and does not discriminate regarding who may report or be impacted by Large Load Adjustments based on whether entities participate as FRR Entities or in the RPM. This proposal simply seeks to more accurately align the capacity obligations associated with Large Load Adjustments with the load expected to be served at the zone/area level instead of spreading the capacity obligations associated with such adjustments across an entire Zone, as currently required by the RAA.

An Electric Distributor overseeing multiple zone/areas, some with affiliate LSEs and some without, would not be incentivized to underreport expected Large Load Adjustments in the zone/area with affiliates and/or over-report Large Load Adjustments in the zone/area without affiliates.¹⁰ That is because an Electric Distributor who purposely underreports Large Load Adjustments in a zone/area would create reliability concerns for that zone/area because that additional load would not be considered in the forecast. Whereas any Large Load Adjustments which may be already considered in the load forecast and could therefore be considered “over-reported” would be subject to vetting by PJM and stakeholders at the Load Analysis Subcommittee. In short, this proposal simply seeks to equitably allocate capacity obligations, which would only serve to incentivize accurate reporting of Large Load Adjustments.

⁹ August 23 Protest at 2-3.

¹⁰ *Id.*

PJM also does not share AMP's speculation that unaffiliated LSEs will be stuck paying for the costs of unreported Large Load Adjustments.¹¹ Unreported Large Load Adjustments will not be included in the forecast and will not have capacity procured for them in an auction. Therefore, no costs will be incurred by any unaffiliated LSE on behalf of the unreported Large Load Adjustment. This would not result in higher capacity prices for neighboring zone/areas, as AMP is concerned about.¹²

The August 23 Protest alleges that to cure the undue discrimination, which does not exist under the instant proposal, PJM must mandate that Large Load Adjustments above a certain threshold be reported but does not explain how PJM would actually go about requiring that. Unlike with generator interconnection, PJM does not have a load interconnection process to track load coming onto the system and would therefore have no reasonable way to police such a requirement. Furthermore, the August 23 Protest does not explain how requiring Large Load Adjustments above a certain threshold be reported would address their concerns regarding speculation and whether loads would actually materialize. The administrative burden of policing load expectations and making judgments on the certainty with which an Electric Distributor or LSE should have known that load was to be expected is unknown and would likely require a far more complex and intentional analysis of load forecasting that is entirely outside the scope of the instant proposal.¹³

¹¹ *Id.* at 3.

¹² *Id.* (“The plainly apparent motive would be avoiding the cost of procuring additional capacity associated with load increases by seeking to shift costs to other LSEs in the zone.”).

¹³ *See, e.g., Sw. Power Pool, Inc.*, 160 FERC ¶ 61,087, at P 12 (2017) (determining that requests for additional revisions not proposed by the public utility in its section 205 filing were beyond the scope of the proceeding); *ISO New England Inc.*, 147 FERC ¶ 61,173, at P 95 (2014) (same); *PJM Interconnection, L.L.C.*, 146 FERC

III. CONCLUSION

For the reasons stated above, PJM continues to request that the Commission issue an order by September 23, 2024, granting PJM’s proposed Tariff revisions effective August 31, 2024.

Respectfully submitted,

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August 30, 2024

*On behalf of
PJM Interconnection, L.L.C.*

¶ 61,150, at P 32 (2014) (“Directing PJM to make revisions in its filing goes beyond the scope of a section 205 filing.”).

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 Audubon, PA., this 30th day of August 2024.

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