

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

PJM Interconnection, L.L.C.	)	Docket No. ER23-2612-000
	)	Docket No. ER23-2612-001
	)	Docket No. ER23-2612-002

**COMMENTS OF THE ORGANIZATION OF PJM STATES, INC.**

Pursuant to Rule 212 of the Federal Energy Regulatory Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.212, the Organization of PJM States, Inc. (“OPSI”),<sup>1</sup> respectfully submits these comments in support of the Maryland Public Service Commission’s (MDPSC) Protest and Comments filed in this proceeding on September 19, 2023.<sup>2</sup> The MDPSC argues that PJM may not be in compliance with Schedule 6 of its Operating Agreement (“OA”) in developing the transmission projects discussed below and that because of this, the PJM Board of Managers has approved projects that may expose ratepayers to unjust and unreasonable costs. OPSI supports the MDPSC’s Protest and Comments.

In addition to finding PJM’s filing deficient, the Commission should direct PJM to improve its Regional Transmission Expansion Plan (“RTEP”) development process so that its process for considering transmission alternatives is holistic and allows for the opportunity to consider non-transmission solutions that could be implemented under state jurisdiction, as the MDPSC describes.<sup>3</sup> This consideration of transmission alternatives should equally apply to all portions of

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<sup>1</sup> OPSI’s following members support these comments: the Delaware Public Service Commission, Public Service Commission of the District of Columbia, Illinois Commerce Commission, Indiana Utility Regulatory Commission, Kentucky Public Service Commission, Maryland Public Service Commission, Michigan Public Service Commission, New Jersey Board of Public Utilities, and Public Service Commission of West Virginia. The North Carolina Utilities Commission, Public Utilities Commission of Ohio, Pennsylvania Public Utility Commission, and Virginia State Corporation Commission abstained in the vote on this filing.

<sup>2</sup> *PJM Interconnection L.L.C.*, “Maryland Public Service Commission Protest and Comments”, Docket Nos. ER23-2612-000, ER23-2612-001, ER23-2612-002 (Sept. 18, 2023) (“MDPSC Protest and Comments”).

<sup>3</sup> *Id.* at 3 (“The Maryland PSC has jurisdiction over the retail electric distribution system in Maryland and clearly has the latitude to consider enhancements to that system – including the strategic placement of non-wholesale assets,

*(continued)*

RTEP planning, including Reliability Must-Run (“RMR”) studies and solutions.

## **I. COMMENTS IN SUPPORT OF MDPSC FILING**

On August 14, 2023, PJM Interconnection, L.L.C. (“PJM”) filed amendments to its Tariff to incorporate cost responsibility assignments for 25 baseline upgrades approved by the PJM Board of Managers on July 12, 2023.<sup>4</sup> Specifically, the PJM Board of Managers approved \$333 million of 500 kV reinforcements and \$452.8 million of 230 kV reinforcements (collectively, “Brandon Shores Deactivation Projects”) in response to the announced June 1, 2025, deactivation of the two-unit Brandon Shores coal-power generating station located in Maryland.<sup>5</sup>

Fifty percent of the 500 kV reinforcements are allocated on a region-wide postage stamp basis, and the other fifty percent are allocated to specific beneficiaries.<sup>6</sup> The 230 kV reinforcements are allocated using a solution-based DFAX analysis.<sup>7</sup> OPSI has an interest in this proceeding because all OPSI members are allocated some portion of the costs of these projects.

On September 18, 2023, the MDPSC filed a Protest and Comments arguing that PJM approved these baseline upgrades without considering, or at least making such consideration transparent to the public, non-transmission alternatives or processes that could have ensured reliability more cost effectively.<sup>8</sup> The MDPSC requests that the Commission find PJM’s filing deficient with respect to projects b3780.1 through b3780.13 and b3781.<sup>9</sup> The MDPSC argues that

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such as energy storage, on the system to effectively reduce load and possibly negate the need for the PJM-approved transmission upgrades. Maryland’s statutes require installation of 3,000 MW of energy storage – an amount more than double the Brandon Shores facility’s total capacity. Without PJM making public any detailed information regarding operational or load control alternatives, the State is challenged with giving consideration to effectuating enhancements within its jurisdiction, in a manner that complements PJM’s reliability goals and may make PJM’s approved Baseline Upgrades unnecessary.”)

<sup>4</sup> *PJM Interconnection L.L.C., Revisions to Incorporate Cost Responsibility Assignments for Regional Transmission Expansion Plan Baseline Upgrades*, Docket No. ER23-2612-001 (August 11, 2023) (“PJM Filing”).

<sup>5</sup> *Id.* at Attachment A, p. 12-25 (specifically referencing upgrades b3780.1 – b3780.13 and b3781.)

<sup>6</sup> *See Id.* at § 1.A.1.

<sup>7</sup> *See Id.* at § 1.A.2.

<sup>8</sup> MDPSC Protest and Comments at 2.

<sup>9</sup> *Id.*

PJM did not comply with Schedule 6, sections 1.4 and 1.6 of its Operating Agreement (“OA”). Section 1.6 requires the PJM Board of Managers to approve projects in accordance with Schedule 6, and section 1.4 requires that PJM consider alternatives in its transmission planning process.

The MDPSC argues that because PJM did not conduct, or did not make public, any detailed information regarding “operational or load control alternatives” that Maryland did not have the opportunity to consider infrastructure development that may have rendered all or some of the Brandon Shores deactivation projects unnecessary.<sup>10</sup> Because of this the MDPSC argues that if the proposed cost allocation is approved, Maryland ratepayers may be exposed to unjust and unreasonable costs.

OPSI agrees that PJM has failed to comply with its OA and that greater transparency as to why specific transmission solutions are needed is necessary. This additional transparency should apply to PJM’s transmission expansion studies, including RMR studies, and to its selection of projects. Specifically, Schedule 6, section 1.4 requires PJM, to “provide, if appropriate, alternative means for meeting transmission needs in the PJM region.” PJM has proposed \$785 million in transmission upgrades, and OPSI believes that that magnitude of transmission needs addressed creates a situation where it is appropriate for PJM to study alternative means to maintain system reliability. PJM does not contend it conducted this analysis with respect to the Brandon Shores Deactivation Projects. Thus, the Commission should direct PJM to improve its RTEP process to consider transmission alternatives in a holistic manner. As part of this review, the Commission should also direct PJM to update and clarify how RMR studies and processes, contained within OA, Schedule 1, Section 6, should interact and comply with the RTEP planning provisions contained in Schedule 6 Sections 1.4 and 1.6. RMR studies can and should consider non-

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<sup>10</sup> *Id.* at 3.

transmission alternatives that could be implemented under state jurisdiction to address the reliability need associated with a retirement.

PJM's OA states, "[T]he PJM Board shall approve the Regional Transmission Expansion Plan in accordance with the requirements of Operating Agreement, Schedule 6." The PJM Board has not approved the RTEP in accordance with Schedule 6 of the OA with respect to the Brandon Shores Deactivation Projects because PJM did not adequately consider, or demonstrate that it considered, alternatives to the projects the PJM Board of Managers approved. For that reason, OPSI supports the Protest and Comments of the MDPSC.

## **II. CONCLUSION**

For the reasons above, OPSI supports the complaint of the MDPSC and requests the Commission find PJM's filing deficient and in conflict with PJM's OA. The Commission should also direct PJM to improve its RTEP process to allow for the opportunity to consider non-transmission solutions that could be implemented under state jurisdiction to address reliability concerns identified by PJM.

Respectfully Submitted,

**Gregory V. Carmean**  
Executive Director  
Organization of PJM States, Inc.  
700 Barksdale Road, Suite 1  
Newark, DE 19711  
302-266-0914  
greg@opsi.us

**Benjamin B. Sloan**  
Director of Legal and Regulatory Affairs  
Organization of PJM States, Inc.  
700 Barksdale Road, Suite 1  
Newark, DE 19711  
601-214-8481  
ben@opsi.us

Dated: September 25, 2023

**CERTIFICATE OF SERVICE**

I hereby certify that the foregoing has been served in accordance with 18 C.F.R. Section 385.2010 upon each person designated on the official service list compiled by the Secretary in this proceeding.

*/s/ Gregory V. Carmean*

Gregory V. Carmean  
Executive Director  
Organization of PJM States, Inc.  
700 Barksdale Road, Suite 1  
Newark, DE 19711  
Tel: 302-266-0914

Dated at Newark, Delaware this September 25, 2023.