

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

PJM Interconnection, L.L.C.

)

Docket No. ER25-778-000

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

On December 20, 2024, PJM Interconnection, L.L.C. (“PJM”) filed revisions to Part VIII of its Open Access Transmission Tariff (“Tariff”) to remove three specific limitations¹ that currently face resources requesting Surplus Interconnection Service (“SIS”) and to allow these requests to be submitted earlier in the project development cycle.² The Organization of PJM States, Inc. (“OPSI”) views these reforms as positive improvements to PJM’s rules governing SIS and encourages the Federal Energy Regulatory Commission (“Commission”) to accept them.³

I. COMMENTS

As described in PJM’s Reliability Resource Initiative (“RRI”) filing in Docket ER25-712-000, since early 2023, PJM has been describing trends driving supply tightening that continue to accelerate.⁴ OPSI, too, recognizes the pressing resource adequacy challenges facing the PJM region and the importance of bringing resources online quickly.⁵

In addition to the reforms proposed in the RRI docket, PJM proposes in this docket to remove restrictions on SIS. As defined in the PJM Tariff, SIS is “any unneeded portion of

¹ PJM Interconnection, L.L.C., Proposed Tariff Amendments for Surplus Interconnection Service, Docket No. ER25-778-000 at 6-8 (Dec. 20, 2024) (“SIS Filing”).

² SIS Filing at 6.

³ The OPSI Board unanimously supports these comments.

⁴ PJM Interconnection, L.L.C., Tariff Revisions for Reliability Resource Initiative, Docket No. ER25-712-000 at 10, citing PJM, Energy Transition in PJM: Resource Retirements, Replacements & Risks, PJM Interconnection, L.L.C., (Feb. 24, 2023) available at: <https://www.pjm.com/-/media/library/reports-notices/special-reports/2023/energy-transition-in-pjm-resource-retirements-replacements-and-risks.ashx>.

⁵ OPSI, Letter to the PJM Board of Managers (Nov. 14, 2024) (“The trends driving these reliability risks include increasing electric demand, primarily from data centers, the pace of retirements exceeding the pace of new construction, and an interconnection queue of resources with relatively low capacity accreditation values.”) available at: <https://www.pjm.com/-/media/DotCom/about-pjm/who-we-are/public-disclosures/2024/20241114-opsi-letter-re-load-forecasts-and-reliability-analysis.pdf>.

Interconnection Service established in a Generation Interconnection Agreement, such that if Surplus Interconnection is utilized, the total amount of Interconnection Service at the Point of Interconnection would remain the same.”⁶ In other words, as PJM notes in the filing, SIS is intended to allow “a new interconnection customer to utilize the unused portion of an existing interconnection customer’s interconnection service within specific parameters.”⁷

PJM’s current Tariff has raised concern that the specific parameters for approving SIS are too narrow to be reasonably applied and fail to result in expedited interconnection as intended by the Commission in Order No. 845.⁸ In the filing, PJM proposes several changes to address this concern. First, PJM proposes to permit SIS even when additional physical facilities are needed to accommodate the new interconnecting resource. Second, PJM proposes to eliminate restrictions on SIS in instances when it would affect the determination of Network Upgrades for projects already in the interconnection queue or result in certain “material adverse impacts” to the transmission system. Instead, PJM proposes to retain the restriction on SIS only when making use of this resource would require new Network Upgrades, a change that will put PJM in line with other Regional Transmission Operators. Third, PJM proposes to allow project developers to apply for SIS from Planned Generators (generators not yet constructed or operating) in addition to existing generating facilities.⁹

OPSI has previously supported PJM’s efforts to reform the SIS provisions of its Tariff in a letter to the PJM Board of Managers, writing:

[C]orrective efforts by PJM to enable interconnection customers with unused interconnection service to more expeditiously allow other generating facilities, such as energy storage, to use that interconnection service are overdue. OPSI strongly

⁶ PJM, Open Access Transmission Tariff, Part VII, Subpart A, Section 400, Definitions S.

⁷ SIS Filing at 3.

⁸ See generally, EDP Renewables North America LLC v. PJM Interconnection, Complaint of EDP Renewables North America LLC Under Federal Power Act Section 206, Docket No. EL24-135-000 (Jul. 3, 2024).

⁹ SIS Filing at 2.

encourages PJM to tap the potential of SIS as directed by and consistent with FERC Order Nos. 845 and 2023. In addition, PJM must make the SIS process clear and transparent, so applicants know what proposals are likely to get approved. Currently, there is not enough specificity about what qualifies as a “material impact” and how PJM uses that information to determine the need for any network upgrades. With clear, workable SIS standards, PJM can take important strides towards maintaining reliability.¹⁰

OPSI appreciates PJM’s efforts in the filing to improve its SIS rules and make SIS a more workable option for project developers to use in bringing new capacity online as expeditiously as possible.

II. CONCLUSION

PJM’s proposal is a significant improvement over the status quo, and OPSI encourages the Commission to accept it.

Respectfully Submitted,

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¹⁰ OPSI, Letter to the PJM Board of Managers (Nov. 21, 2024) available at: <https://opsi.us/wp-content/uploads/2024/11/OPSI-RRI-SIS-Letter-2024.11.21.pdf>.

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

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Dated at Newark, Delaware this January 10, 2025.