

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

Pennsylvania Public Utility Commission,	)	
Complainant	)	
v.	)	Docket No. EL26-98-000
	)	
PJM Interconnection, L.L.C.	)	
Respondent	)	

COMMENTS OF THE ORGANIZATION OF PJM STATES, INC.

On August 17, 2026, the Pennsylvania Public Utility Commission (“PA PUC”) filed a complaint against PJM Interconnection, L.L.C. (“PJM”), alleging that PJM’s market efficiency project selection methodology under Schedule 6, section 1.5.7 of the Operating Agreement (“OA”) is unjust, unreasonable, and unduly discriminatory or preferential.¹ The PA PUC’s Complaint raises important issues concerning PJM’s administration of its market efficiency planning process and the resulting impacts on customers throughout the PJM region. Pursuant to the Commission’s September 1, 2026 Notice of Extension of Time, the Organization of PJM States, Inc. (“OPSI”) respectfully submits these comments in support of the Complaint.²

I. COMPLAINT

The Complaint challenges a specific feature of PJM’s market-efficiency Benefit-Cost Ratio framework. For purposes of calculating the “Change in Load Energy Payment” and “Change in Load Capacity Payment” components of the total benefits test, Schedule 6 associated with market-efficiency projects, section 1.5.7 directs PJM to sum only the changes for zones that experience

¹ *Pa. Pub. Util. Comm’n v. PJM Interconnection, L.L.C.*, Complaint, Docket No. EL26-98-000 (filed Aug. 17, 2026) (“Complaint”).

² The following OPSI 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, New Jersey Board of Public Utilities, North Carolina Utilities Commission, Public Utilities Commission of Ohio, and Tennessee Public Utility Commission. The Pennsylvania Public Utility Commission abstained. The Michigan Public Service Commission, Virginia State Corporation Commission, and Public Service Commission of West Virginia did not participate in the vote.

decreases in those payments. The PA PUC argues that this asymmetric treatment overstates project benefits and means PJM does not measure whether a proposed project produces a net benefit for customers across the region. Instead, PJM counts the gains in zones where prices fall while excluding the losses in zones where the same project causes prices to rise. The PA PUC contends that this practice can produce projects that appear to be cost-beneficial under PJM's formula even though in aggregate customer costs may increase.³ The PA PUC argues that ignoring adverse zonal impacts favors customers who benefit from a project over customers who face higher costs.

The Complaint provides project examples to illustrate the claimed distortion. For the 644+908 Multi-Driver project in the ComEd–NIPSCO–AEP area, proposed as part of the 2022 Regional Transmission Expansion Plan, the Complaint quotes the IMM's calculation that PJM counted \$169.8 million in energy cost reductions while excluding \$149.1 million of energy cost increases to other loads. Including both in the benefit calculation reduced the total benefit of the project to \$20.7 million rather than \$169.8 million, and the benefit-cost ratio to 0.24 rather than 1.99, below PJM's 1.25 threshold.⁴ The PA PUC highlights that no other RTO excludes zones with cost increases from its project selection benefit calculation, surveying MISO, SPP, NYISO, ISO-NE, and CAISO.⁵

The PA PUC asks the Commission to require PJM to revise the OA definitions of Change in Load Energy Payment and Change in Load Capacity Payment so that impacts in all zones, including zones with increases, impact the benefit calculation. Alternatively, the Commission could require PJM to place those payment increases on the cost side of the benefit-cost ratio.⁶

³ Complaint at 18–19 (citing PJM Operating Agreement, Schedule 6, § 1.5.7).

⁴ *Id.* at 30.

⁵ *Id.* at 24–29.

⁶ *Id.* at 37–44.

Either approach would correct the current practice of mathematically excluding adverse zonal impacts from the benefit calculation used in project selection.

II. COMMENTS

OPSI supports the Complaint's core proposition that regional transmission planning should identify projects that create a net benefit for the region, with a transparent accounting of both positive and negative benefits. That requires fully accounting for negative benefits wherever they arise. If a proposed project lowers costs in some locations but raises them elsewhere, the evaluation should capture both effects. Excluding adverse impacts can overstate project value, distort comparisons among alternatives, and weaken confidence that selected projects represent a sound investment. Such a methodology cannot produce a reliable estimate of incremental regional value. Project evaluations should quantify both benefits and adverse impacts against the same baseline, over the same time horizon, and with explicit safeguards against double counting.

III. CONCLUSION

For these reasons, OPSI supports the PA PUC Complaint and its proposed solutions. Regional market-efficiency projects should proceed on the strength of their total, demonstrable net value. Counting adverse zonal impacts in the benefit calculation is necessary to meet that standard, and comprehensive measurement of benefits is equally necessary.

Respectfully Submitted,

Benjamin B. Sloan

Executive Director
Organization of PJM States, Inc.
700 Barksdale Road, Suite 1
Newark, DE 19711
601-214-8481
ben@opsi.us

Ellen Egen

Director of Legal and Regulatory Affairs
Organization of PJM States, Inc.
700 Barksdale Road, Suite 1
Newark, DE 19711
336-254-4915
ellen@opsi.us

Dated: September 29, 2026

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/ Ellen Egen

Director of Legal and Regulatory Affairs
Organization of PJM States, Inc.
700 Barksdale Road, Suite 1
Newark, DE 19711
336-254-4915
ellen@opsi.us

Dated at Newark, Delaware this 29th day of September 2026.