LIMITED PROTEST OF PJM INTERCONNECTION, L.L.C.


Petitioner seeks waiver of sections 212.4(c) and 212.4(d) of the PJM Open Access Transmission Tariff. For the reasons detailed in this Limited Protest, PJM respectfully requests that the Commission deny Petitioner’s request for waiver.

I. BACKGROUND

Petitioner is the Interconnection Customer for a 20 MW solar generating facility designated as PJM Queue No. AE2-120 located in Center County, Pennsylvania, within the West Penn Power Company Transmission Zone.

On March 16, 2023, PJM filed the Interconnection Service Agreement (“ISA”) among PJM, CE-Shady Farm, and West Penn Power Company (collectively, the “Parties”), designated as Service

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1 18 C.F.R. § 385.211.
2 PJM filed a doc-less Motion to Intervene in the above-captioned proceeding on June 29, 2023.
3 CE-Shady Farm LLC, Petition of CE-Shady Farm LLC for Limited Waiver, or in the Alternative for Remedial Relief, Shortened Comment Period, and Expedited Action, Docket No. ER23-2185-000 (filed June 16, 2023).
4 Tariff, Part VI, Subpart B, section 212.4(c) (hereinafter “PJM Tariff, section 212.4(c)’’); and Tariff, Part VI, Subpart B, section 212.4(d) (hereinafter “PJM Tariff, section 212.4(d)’’).
Agreement No. 6824,\(^5\) which was accepted by the Commission in Docket No. ER23-1398-000.\(^6\) PJM also reported a companion Interconnection Construction Service Agreement (“CSA”) among the Parties, designated as Service Agreement No. 6825, in PJM’s Electric Quarterly Reports (“EQR”).\(^7\) Petitioner elected to defer the posting of the security required under the AE2-120 ISA, then failed to provide the security by the June 6, 2023 deadline. On June 7, 2023, PJM notified Petitioner PJM Queue No. AE2-120 was deemed terminated and withdrawn from the PJM queue.

On July 6, 2023, PJM filed a Notice of Cancellation of Service Agreement No. 6824.\(^8\) In its filing, PJM also noted that the cancellation of the companion CSA would be reported into PJM’s EQR.

II. LIMITED PROTEST

PJM Tariff, section 212.4(c) states, “Interconnection Customer may request to defer providing security…until no later than 120 days after Interconnection Customer executes the Interconnection Service Agreement.”\(^9\) Section 212.4(c) further states, “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)…”\(^10\) An Interconnection Customer’s failure to timely provide security results in the termination and withdrawal of the Interconnection Request.\(^11\)

\(^5\) PJM Interconnection, L.L.C., Original Service Agreement No. 6824; Queue No. AE2-120, Docket No. ER23-1398-000 (Mar. 16, 2023).
\(^7\) See supra n.5 (indicating that the CSA will be reported into PJM’s EQR).
\(^8\) PJM Interconnection, L.L.C., Notice of Cancellation, Docket No. ER23-2349-000 (July 6, 2023).
\(^9\) PJM Tariff, section 212.4(c). See also AE2-120 ISA, section 5.0.
\(^10\) Id.
\(^11\) PJM Tariff, section 212.4(d). See also AE2-120 ISA, section 5.0.
Under the AE2-120 ISA, section 5.0, Petitioner was required to post security in the amount of $470,753.\textsuperscript{12} Petitioner requested to defer security and, in accordance with Tariff section 212.4(c), at the time the Petitioner’s request, PJM determined that the Network Upgrades\textsuperscript{13} required to facilitate the interconnection of PJM Queue No. AE2-120 were not shared with any other Interconnection Customer.\textsuperscript{14} Consequently, the full amount of the security was eligible for deferral.

As explained in the Petition, Interconnection Customer elected to defer the security required under the AE2-120 ISA, but “miscalculated the due date for the deferred payment amount and submitted it one day late….\textsuperscript{15}” Consistent with the Tariff, PJM notified Petitioner that its Interconnection Request was deemed terminated and withdrawn due to its failure to timely post security. The Petition seeks waiver of Tariff, sections 212.4(c) and 212.4(d) to permit PJM Queue No. AE2-120 to be reinstated into the PJM queue and claims that it meets the Commission’s four-prong test for such a Tariff waiver.\textsuperscript{16}

Although Petitioner emphasizes that it was only one day late in providing security, the fact remains that Petitioner failed to comply with the Tariff’s deadline. The Tariff requirements with regard to security are clear and unambiguous: failure to timely provide security results in the \textit{termination and withdrawal} of the Interconnection Request.\textsuperscript{17} PJM’s cancellation of this project fully comports with the Tariff’s requirements.

Additionally, as a policy matter, PJM opposes Petitioner’s request for waiver. Granting

\textsuperscript{12} See supra n.5 (ISA, section 5.0 and ISA, Specifications, sections 4.1-4.6)
\textsuperscript{13} See supra n.5 (ISA, section 3.0b) (identifying four Non-Direct Connection Network Upgrades required for the interconnection of this project).
\textsuperscript{14} See supra n.5 (ISA, Specifications, sections 4.1-4.6) (indicating that no Local Upgrades are necessary and, therefore, no such costs are reflected in the security).
\textsuperscript{15} Petition at 3.
\textsuperscript{16} Id. at 1-2.
\textsuperscript{17} See Tariff, section 212.4(d).
waiver requests is not in the public interest because it undermines PJM’s ability to efficiently and effectively administer its interconnection queue. Active management of the interconnection queue and compliance with Tariff deadlines are particularly important now as PJM is on the eve of transitioning from the current “first-come, first served” serial approach to a “first-ready, first-served” Cycle interconnection process approach. An integral component of PJM’s new interconnection process is the incorporation of stricter timelines to position PJM to more efficiently and effectively manage the queue. Indeed, under PJM’s new Cycle approach, there are at least five instances where monies will be owed by the Project Developer which are subject to Tariff-imposed deadlines. As such, the new Cycle approach will require Project Developers to exercise greater vigilance with respect to the deadlines prescribed by the Tariff in order to avoid inundating the Commission with waiver requests.

Adherence to the Tariff’s procedural deadlines serves the public interest by enforcing compliance with the Tariff, the terms of the pro forma ISA and forthcoming Generator Interconnection Agreement (“GIA”), as well as the terms of a project’s individual ISA or GIA, as the case may be, which are in place to protect the integrity of the interconnection process and the

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18 PJM Interconnection, L.L.C., Order Accepting Tariff Revisions Subject to Condition, 181 FERC ¶ 61,162 (2022) (“Interconnection Reform Order”) (accepting PJM’s proposed interconnection reforms, without modification, subject to the submission of two compliance filings to clarify effective date and acceleration procedures), reh’g denied, Notice of Denial of Rehearing by Operation of Law and Providing for Further Consideration, 182 FERC ¶ 62,055 (2023), PJM Interconnection, L.L.C., Order Addressing Arguments Raised on Rehearing, 184 FERC ¶ 61,162 (2023) (sustaining the result of the Interconnection Reform Order).

19 See, e.g., Interconnection Reform Order at P 114 (“[T]he number of pending interconnection requests in PJM’s queue is at an all-time high, and the high volume of requests has made it impossible for PJM to effectively manage the queue and efficiently study the requests under the current serial approach. PJM’s proposal balances the need for stricter timelines with the need for flexibility for project developers by allowing project developers to extend their milestones by up to one year regardless of cause”) (emphasis added).

20 See, e.g., Tariff, Part VII, Subpart A, section 301(A)(3)(a) (requiring a Study Deposit be submitted with each Application for a New Service Request in the Transition Cycle); Tariff, Part VII, Subpart A, section 301(A)(3)(b)(i) (describing when Readiness Deposits are due at each Phase of a Cycle); Tariff, Part VII, Subpart D, section 314(B)(4)(a)(iv) (requiring Security adjustments to be paid within 15 business days after receipt of final interconnection agreement).
Project Developers participating in this process. The Tariff and forms of service agreements ensure that viable projects that abide by the Tariff and the terms of their service agreements and have the resources to move forward can do so, while removing from the interconnection queue projects that are not viable or do not comply with their Tariff obligations. For these reasons, PJM opposes Petitioner’s request for waiver.

III. CONCLUSION

For the reasons stated above, the Commission should deny the request for waiver.

Respectfully submitted,

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July 7, 2023
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, Pennsylvania, this 7th day of July 2023.

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