

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

EDP Renewables North America LLC)	
Complainant,)	
)	
v.)	Docket No. EL24-125-000
)	
PJM Interconnection, L.L.C.)	
Respondent.)	

**MOTION FOR LEAVE TO ANSWER AND ANSWER
OF PJM INTERCONNECTION, L.L.C.**

PJM Interconnection, L.L.C. (“PJM”), pursuant to Rules 212 and 213 of the Federal Energy Regulatory Commission (“Commission”) Rules of Practice and Procedure,¹ respectfully submits this Motion for Leave to Answer and Answer to the comments² in support of the Complaint filed by EDP Renewables North America LLC (“EDPR”) in the captioned proceeding.³ While the Comments are largely repetitive of the arguments raised in the Complaint, they do little to support EDPR’s claims or bolster its request for relief. As PJM explained in its Answer to the Complaint,⁴ PJM’s evaluation of Surplus Interconnection Service requests is consistent with the Tariff and

¹ 18 C.F.R. §§ 385.212, 385.213.

² *EDP Renewables North America LLC v. PJM Interconnection, L.L.C.*, Comments of Sierra Club, Docket No. EL24-125-000 (July 25, 2024) (“Sierra Club Comments”); *EDP Renewables North America LLC v. PJM Interconnection, L.L.C.*, Motion to Intervene and Comments of Invenergy Solar Development North America LLC, Docket No. EL24-125-000 (July 25, 2024) (“Invenergy Comments”); *EDP Renewables North America LLC v. PJM Interconnection, L.L.C.*, Comments in Support of Complaint of Advanced Energy United American Clean Power Association, and Solar Energy Industries Association, Docket No. EL24-125-000 (July 25, 2024) (“Clean Trade Associations Comments”); *EDP Renewables North America LLC v. PJM Interconnection, L.L.C.*, Motion for Leave to File Comments Out-of-Time and Comments of EDF Renewables, Inc. in Support of Complaint, Docket No. EL24-125-000 (July 30, 2024) (“EDF Comments”) (collectively, “Comments”).

³ *EDP Renewables North America LLC v. PJM Interconnection, L.L.C.*, Complaint of EDP Renewables North America LLC under Federal Power Act Section 206, Docket No. EL24-125-000 (July 5, 2024) (“Complaint”).

the Commission’s regulations implementing Surplus Interconnection Service.⁵ The Commission should therefore deny the Complaint.

I. MOTION FOR LEAVE TO ANSWER

While an answer to an answer is not a matter of right under the Commission’s regulations,⁶ the Commission routinely permits such answers when the answer provides useful and relevant information that will assist the Commission in its decision-making process,⁷ assures a complete record in the proceeding,⁸ and provides information helpful to the disposition of an issue.⁹ This answer satisfies these criteria, and PJM therefore respectfully requests that the Commission accept this pleading.

II. ANSWER

A. *Surplus Interconnection Service Is Wholly Unrelated to, and Cannot Mitigate, Resource Adequacy Concerns.*

Clean Trade Associations argue that PJM’s process for evaluating Surplus Interconnection Service is “counterproductive . . . to help address the growing resource adequacy concerns that currently underpin almost every market and planning activity at PJM.”¹⁰ Citing recent PJM publications regarding concerns over thermal generator

⁴ *EDP Renewables North America LLC v. PJM Interconnection, L.L.C.*, Answer of PJM Interconnection, L.L.C., Docket No. EL24-125-000 (July 25, 2024) (“PJM Answer”).

⁵ *Reform of Generator Interconnection Procedures and Agreements*, Order No. 845, 163 FERC ¶ 61,043 (2018), *order on reh’g and clarification*, Order No. 845-A, 166 FERC ¶ 61,137, *order on reh’g and clarification*, Order No. 845-B, 168 FERC ¶ 61,092 (2019) (collectively, “Final Rule”).

⁶ 18 C.F.R. § 385.213(a)(2).

⁷ *See, e.g., Energy Harbor Corp.*, 186 FERC ¶ 61,129, at P 38 (2024); *Grand River Dam Auth.*, 186 FERC ¶ 61,045, at P 30, *order on reh’g*, 187 FERC ¶ 61,211 (2024).

⁸ *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”).

⁹ *See, e.g., CNG Transmission Corp.*, 89 FERC ¶ 61,100, at 61,287 n.11 (1999).

¹⁰ Clean Trade Associations Comments at 10.

retirements and increased renewable generation in the interconnection queue, Clean Trade Associations assert that the Commission established a link between surplus interconnection service and improvements to resource adequacy in Order No. 2023,¹¹ and that PJM’s evaluation of Surplus Interconnection Service requests subverts that intended linkage.

Contrary to these contentions, implementation of Surplus Interconnection Service is wholly unrelated to PJM’s efforts to address resource adequacy concerns. Surplus Interconnection Service simply allows “a new interconnection customer to utilize the unused portion of an *existing interconnection customer’s interconnection service* within specific parameters.”¹² It is entirely unrelated to the issue of resource adequacy, which is the ability of the electric system to supply the *aggregate* energy requirements of electricity to consumers at *all* times.¹³ Resource adequacy evaluates impacts on long-term reliability at a system-wide level, and PJM responds to those impacts by procuring sufficient capacity needed to meet predicted future demand.¹⁴ PJM can only achieve this objective through the addition of new power supply resources (i.e., Generation Capacity Resources) that are obligated to perform during system emergencies, and are penalized

¹¹ Clean Trade Associations Comments at 9 (citing *Improvements to Generator Interconnection Procedures and Agreements*, Order No. 2023, 184 FERC ¶ 61,054, *limited order on reh’g*, 185 FERC ¶ 61,063 (2023), *order on reh’g & clarification*, Order No. 2023-A, 186 FERC ¶ 61,199 (2024), *appeals pending*, Petition for Review, *Advanced Energy United v. FERC*, Nos. 23-1282, et al. (D.C. Cir. Oct. 6, 2023)).

¹² Order No. 845-A at P 119 (emphasis added); *see* Order No. 845 at P 467.

¹³ *See Energy Transition in PJM: Resource Retirements, Replacements & Risks*, PJM Interconnection, L.L.C., 4 (Feb. 24, 2023), <https://www.pjm.com/-/media/library/reports-notices/special-reports/2023/energy-transition-in-pjm-resource-retirements-replacements-and-risks.ashx>.

¹⁴ *See id.*

when they do not.¹⁵ Surplus Interconnection Service, which simply maximizes an existing resource’s utilization of its *existing* capacity, does nothing to respond to the need for *additional* capacity to meet future demand.

Indeed, the Final Rule makes clear that the intent of Surplus Interconnection Service is not to address resource adequacy concerns. In describing surplus interconnection service in Order No. 845-A, the Commission was explicit that such service does not create any new capacity:

While transmission planners may make reasonable assumptions as to future transmission system use to plan for transmission system maintenance, the transmission provider has no right to assume in all circumstances that unused interconnection service will remain unused indefinitely. In fact, Order No. 845 explained that, “even if a generating facility only operates a few days a year, or routinely operates at a level below its maximum capacity, the remaining, unused interconnection service is assumed to be unavailable to other prospective interconnection customers.” As long as the original interconnection customer remains in compliance with its LGIA, it retains the right to make full use of its contracted for interconnection service, and, so long as any necessary transmission service has been obtained, it may inject at the full level contracted for under its LGIA.¹⁶

Nor does PJM’s process for evaluating Surplus Interconnection Service lead to “redundant interconnection requests at the same site.”¹⁷ As the Commission explained in the Final Rule, a resource retains its right to inject up to its fully contracted capacity level regardless of whether some of that service goes underutilized.¹⁸ If a Project Developer is seeking to add *additional* generating capacity to the transmission system, it would be

¹⁵ See, e.g., *Energy Harbor LLC v. PJM Interconnection, L.L.C.*, 185 FERC ¶ 61,203, at P 2 (2023) (explaining PJM’s Capacity Performance construct), *reh’g denied*, 186 FERC ¶ 62,070 (2024), *appeals pending*, Petition for Review, *Energy Harbor LLC v. FERC*, No. 24-1092 (D.C. Cir. Apr. 19, 2024).

¹⁶ Order No. 845-A at P 126 (emphasis added and citation omitted).

¹⁷ Clean Trade Associations Comments at 10.

¹⁸ See Order No. 845-A at P 126.

irrational to do so where it retains underutilized capacity in an existing generation facility.

PJM's process for evaluating Surplus Interconnection Service is wholly unrelated to its resource adequacy efforts, and such service is incapable of mitigating resource adequacy concerns. The Clean Trade Associations Comments should therefore not be considered, and the Complaint should be denied.

B. PJM's Tariff and Business Practices with Respect to Surplus Interconnection Requests Are Just and Reasonable.

1. The Tariff is consistent with the requirements of the Final Rule.

Commenters take a strained interpretation of the Commission's holdings in Order No. 845 to assert that PJM is *compelled* to provide Surplus Interconnection Service when requested, so long as the request does not exceed the required Network Upgrades. The Commission should reject this reimagining of the Final Rule. The Final Rule does not state, as Commenters would have it, that Surplus Interconnection Service "must be available" up to the amount that can be accommodated without requiring new network upgrades.¹⁹ To the contrary, Order No. 845-A clarifies that "surplus interconnection service is *only* available up to the level that can be accommodated without requiring the construction of new network upgrades."²⁰ Rather than create limitless opportunities to expand an existing interconnection, the Final Rule imposes reasonable boundaries (including the need for Network Upgrades) on what Project Developers can include in a Surplus Interconnection Request. The Tariff implements those boundaries with a simple, three-prong test that is applied individually to each request on a nondiscriminatory

¹⁹ See Invenergy Comments at 6.

²⁰ Order No. 845-A at P 138 (emphasis added).

basis.²¹

Commenters' reliance on the processes adopted by other transmission providers,²² including the Commission's order approving Southwest Power Pool, Inc.'s surplus interconnection service process,²³ is unavailing. The fact that other transmission providers' processes differ from PJM's Surplus Interconnection Service procedures does not render the Tariff unjust or unreasonable, a fact that the Comments concede.²⁴ As with the Complaint, the Comments do not demonstrate that *PJM's* process, which was approved by the Commission as compliant with the Final Rule, is unjust and unreasonable or inconsistent with the requirements of the Final Rule. As explained in its Answer, PJM's three-pronged analysis with respect to Surplus Interconnection Service requests is straightforward: (1) are new Network Upgrades required? (2) does the request have additional impacts affecting the determination of what Network Upgrades would be necessary to New Service Customers already in the New Services Queue? and (3) is there a material impact on short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability and response?²⁵ If the answer to each of these questions is no, the request meets the definition of Surplus Interconnection Service, and will be granted. The Commission found this threshold to be just and reasonable; that other transmission providers employ different analyses does not contravene that conclusion.

Finally, the Comments repeatedly cite to PJM's Order No. 2023 rehearing request

²¹ PJM Answer at 8-9.

²² EDF Comments at 7-8; Sierra Club Comments at 9-11; Invenergy Comments at 8-9.

²³ See, e.g., Sierra Club Comments at 12 (citing *Sw. Power Pool, Inc.*, 181 FERC ¶ 61,269 (2022)).

²⁴ See EDF Comments at 9 (citing *PJM Interconnection, L.L.C.*, 171 FERC ¶ 61,210, at P 29 n.77 (2020)).

as evidence that PJM is unwilling to facilitate Surplus Interconnection Service requests.²⁶ The Commission should ignore this red herring. The issue before the Commission is whether PJM’s *currently effective* Tariff unjust and unreasonable. PJM’s position as to the Commission’s reforms to surplus interconnection service under Order Nos. 2023 and 2023-A, which is currently in the compliance review phase,²⁷ are beyond the scope of the Commission’s inquiry in this proceeding and have no bearing on PJM’s currently effective Tariff and its actions under the Tariff with respect to the Complaint.

2. *The business practices set forth in PJM Manual 14H do not impede Surplus Interconnection Service.*

Several Comments assert that the business practices for Surplus Interconnection Service set forth in PJM Manual 14H²⁸ are overly restrictive and create categorical denials of generating facility constructs.²⁹ Certain Comments also contend that the practices contained in Manual 14H are improper and should instead be incorporated into the Tariff.³⁰ Both of these arguments should be rejected.

First, as PJM previously explained, the examples in Manual 14H are *illustrative* examples intended to provide guidance to Project Developers seeking opportunities to obtain Surplus Interconnection Service.³¹ Rather than create *de facto* categories of requests that will automatically be denied, the Tariff and Manual 14H make clear that “all

²⁵ PJM Answer at 8 (citing Tariff, Part VIII, Subpart E, section 414).

²⁶ Clean Trade Associations Comments at 9-10; Sierra Club Comments at 4-5.

²⁷ *See generally PJM Interconnection, L.L.C.*, Order Nos. 2023 and 2023-A Compliance Filing of PJM Interconnection, L.L.C., Docket No. ER24-2045-000 (May 16, 2024).

²⁸ Interconnection Project Department, *PJM Manual 14H: New Service Requests Cycle Process*, PJM Interconnection, L.L.C., (July 26, 2023), <https://pjm.com/-/media/documents/manuals/m14h.ashx> (“Manual 14H”).

²⁹ EDF Comments at 5; Sierra Club Comments at 8-9; Clean Trade Associations Comments at 8.

³⁰ Sierra Club Comments at 15.

Surplus Interconnection Requests will need to be studied in order to confirm that all the criteria for Surplus Interconnection Service are met.”³²

Second, nothing in the business practices set forth in Manual 14H violates the Commission’s rule of reason, which requires that “only those practices that affect rates and service significantly, that are realistically susceptible of specification, and that are not so generally understood in any contractual arrangement as to render recitation superfluous” must be included in the Tariff.³³ The Commission has long held that “implementation details”—including informational materials that are not terms of service themselves (such as examples)—are properly placed in a transmission provider’s manuals.³⁴ The Comments do nothing to distinguish PJM’s implementation details regarding Surplus Interconnection Service in Manual 14H from this precedent, and should therefore be disregarded.

³¹ See PJM Answer at 10-11.

³² Manual 14H, section 12.1 (emphasis added); see also Tariff, Part VIII, Subpart E, section 414(B) (“After receiving a valid Surplus Interconnection Study Agreement seeking Surplus Interconnection Service and the requisite deposit set forth in Tariff, Part VIII, Subpart E, section 414(A)(1)(j) from the Surplus Project Developer, the Transmission Provider *shall* conduct a Surplus Interconnection Study.” (emphasis added)).

³³ *City of Cleveland v. FERC*, 773 F.2d 1368, 1376 (D.C. Cir. 1985); *New York Indep. Sys. Operator, Inc.*, 179 FERC ¶ 61,198, at P 153 (2022); *Energy Storage Ass’n v. PJM Interconnection, L.L.C.*, 162 FERC ¶ 61,296, at P 103 (2018) (citation omitted).

³⁴ See *Hecate Energy Greene Cnty. 3 LLC v. FERC*, 72 F.4th 1307, 1312 (D.C. Cir. 2023) (“The tariff need not include mere implementation details.”); *PJM Interconnection, L.L.C.*, 174 FERC ¶ 61,117, at P 31 n.54 (2021).

III. CONCLUSION

For the reasons set forth above, the Commission should deny the Complaint.

Respectfully submitted,

/s/ Elizabeth P. Trinkle

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August 9, 2024

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 Washington, D.C., this 9th day of August 2024.

/s/ Elizabeth P. Trinkle

***Attorney for PJM Interconnection,
L.L.C.***