

November 15, 2024

Honorable Debbie-Anne A. Reese
Secretary
Federal Energy Regulatory Commission
888 First Street, NE, Room 1A
Washington, DC 20426

*Re: PJM Interconnection, L.L.C., Docket No. ER25-455-000
Notice of Cancellation of ISA, SA No. 6239; Queue No. AE2-343*

Dear Secretary Reese:

Pursuant to section 205 of the Federal Power Act,¹ and section 35.15 of the Federal Energy Regulatory Commission's ("Commission") regulations,² PJM Interconnection, L.L.C. ("PJM") submits this filing to notify the Commission of the cancellation of an executed Interconnection Service Agreement ("ISA") entered into by and among PJM, Welcome Solar III, LLC ("Welcome Solar"), and American Transmission Systems, Inc. ("ATSI"), associated with PJM Queue No. AE2-343, designated as Service Agreement No. 6239, and accepted by the Commission effective April 17, 2023 ("Welcome Solar ISA").³ PJM is submitting this notice of cancellation because Welcome Solar did not meet the milestones for substantial site work completed (section 6.1); acquisition of major electrical

¹ 16 U.S.C. § 824d.

² 18 C.F.R. § 35.15.

³ *PJM Interconnection, L.L.C.*, Letter Order, Interconnection Service Agreement, Docket No. ER23-1126-000 (Apr. 14, 2023). Capitalized terms not defined herein have the meaning set forth in the Welcome Solar ISA or the PJM Open Access Transmission Tariff ("Tariff").

equipment (section 6.3); or delivery of major electrical equipment (section 6.4).⁴ As described in further detail below and in the accompanying affidavit of Nathan G. Roberts, Welcome Solar was served with a notice of Breach but failed to cure the Breach, and thus is in Default of the Welcome Solar ISA.⁵ PJM therefore requests cancellation of the Welcome Solar ISA, effective January 15, 2025.

I. THE WELCOME SOLAR ISA AND RELEVANT BREACH PROVISIONS

The Welcome Solar ISA is intended to facilitate interconnection of the Welcome Solar III Customer Facility, to be located in Mercer County, Pennsylvania.⁶ The proposed Customer Facility is a 17.9-megawatt (“MW”) ground mounted solar facility with battery storage, with associated Capacity Interconnection Rights of 12.3 MW.⁷ As accepted by the Commission, the Welcome Solar ISA includes six project specific milestones, including a commercial operation milestone date of December 31, 2023.⁸

A. Milestone Provisions in Default.

6.1 Substantial Site Work Completed.

The Substantial Site Work milestone requires that on or before December 9, 2022, “Interconnection Customer must demonstrate completion of at least 20% of project site construction.”⁹ PJM defines “Substantial Site Work” as “[m]ajor site construction

⁴ A companion Interconnection Construction Service Agreement entered into by the parties, designated as Original Service Agreement No. 6240 (“Welcome Solar CSA”), will be cancelled in PJM’s Electric Quarterly Report.

⁵ Affidavit of Nathan Roberts on Behalf of PJM Interconnection, L.L.C. (Attachment A) (“Roberts Aff.”).

⁶ Welcome Solar ISA, Specifications sections 1.0(a)-(b).

⁷ *Id.*, Specifications sections 1.0(c)-(d) and 2.1.

⁸ *Id.*, section 6.5.

⁹ *Id.*, section 6.3.

activities which are initiated with the site preparation and are typically considered complete with the end of civil construction activities.”¹⁰ Thus, in order to complete 20% of project site construction, Interconnection Customer must have engaged in at least some major site construction activities, and usually includes work completed pursuant to an agreement with an engineering, procurement, and construction (“EPC”) contractor. Additionally, as clarified in the PJM Manuals, the Interconnection Customer must submit certified drawings of the Customer Interconnection Facilities to the Interconnected Transmission Owner and PJM for their review in order to satisfy the milestone’s requirements.¹¹

6.3 Acquisition of Major Electrical Equipment.

The “acquisition of major electrical equipment” milestone requires that on or before April 30, 2022, “Interconnection Customer must demonstrate that it has acquired *all* major electrical equipment.”¹² In order to satisfy this milestone, Welcome Solar must demonstrate that “it has signed a memorandum of understanding [(“MOU”)] for the acquisition of generating units (including wind turbines and solar inverters) and other major electrical equipment.”¹³

¹⁰ System Planning Division, *PJM Manual 14C: Interconnection Facilities, and Network Upgrade Construction*, PJM Interconnection, L.L.C., § 2.2.6 (July 26, 2023), <https://pjm.com/~media/documents/manuals/m14c.ashx> (“PJM Manual 14C”) (emphasis added).

¹¹ *Id.*, § 1.1.1.

¹² Welcome Solar ISA, section 6.1 (emphasis added).

¹³ *Id.*; PJM Manual 14C, § 1.1.1.

6.4 Delivery of Major Electrical Equipment.

The Delivery of Major Electrical Equipment milestone requires that on or before December 18, 2023,¹⁴ “Interconnection Customer must demonstrate that all generating units have been delivered to Interconnection Customer’s project site.”¹⁵ PJM’s expectation is that the Interconnection Customer demonstrate at least some (if not all) of the major electrical material has been received at the project site prior to the milestone date.¹⁶

B. Breach and Default Provisions Under the Tariff and the Welcome Solar ISA.

Breach and Default on obligations set forth in an ISA are governed both by the Tariff and the terms and conditions set forth in Appendix 2 of the ISA. Section 212.5 of PJM’s Tariff authorizes PJM to include “milestone dates in [an ISA] for the construction of the Interconnection Customer’s generation project that, if not met, shall relieve [PJM] and the Transmission Owners from the requirement to construct the necessary facilities and upgrades and be deemed a termination and withdrawal of the Interconnection Request.”¹⁷

Both Tariff, Attachment O, Appendix 2, section 15.1 and Appendix 2 of the Welcome Solar ISA provide that Breach of an ISA includes “[t]he failure to comply with

¹⁴ This milestone date was extended from July 14, 2023, pursuant to Welcome Solar’s exercise of its suspension rights pursuant to Appendix 2, section 3.4 of the Welcome Solar CSA.

¹⁵ Welcome Solar ISA, section 6.4.

¹⁶ PJM Manual 14C, § 1.1.1.

¹⁷ Tariff, Part VI, Subpart B, section 212.5. Milestones for the construction of an Interconnection Customer’s generation project “may include site acquisition, permitting, regulatory certifications (if required), acquisition of any necessary third-party financial commitments, commercial operation, and similar events.” *Id.*

any material term or condition of the . . . [ISA].”¹⁸ Appendix 2, section 15.3 requires an Interconnection Party not in Breach to provide written notice of the Breach setting forth, “in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.”¹⁹ Appendix 2, section 15.4.1 provides, in relevant part, that “the Breaching Interconnection Party (a) may cure the Breach within thirty days from the receipt of such notice; or (b) if the Breach cannot be cured within thirty (30) days, may *commence in good faith all steps that are reasonable and appropriate to cure the Breach within such thirty day time period and thereafter diligently pursue such action to completion.*”²⁰

Appendix 2, section 16.1.3 provides for the termination of the ISA upon Default of Interconnection Customer by providing Interconnection Customer with prior written notice of termination.²¹ For purposes of the Welcome Solar ISA, “Default” means “failure of a Breaching Party to cure its Breach in accordance with the applicable provisions of an [ISA].”²² In accordance with the Tariff and Commission regulations, termination does not

¹⁸ See Tariff, Attachment O, Appendix 2, section 15.1; Welcome Solar ISA, Appendix 2, section 15.1. All references in this section I.B to Appendix 2 shall refer to both Tariff, Attachment O, Appendix 2 and Appendix 2 of the Welcome Solar ISA.

¹⁹ Welcome Solar ISA, Appendix 2, section 15.3.

²⁰ *Id.*, section 15.4.1 (emphasis added).

²¹ *Id.*, section 16.1.3.

²² Welcome Solar ISA, Appendix 1; *see also* Tariff, Definitions – C - D (definition of “Default”).

become effective until a notice of termination has been filed with and accepted by the Commission.²³

II. BREACH OF THE WELCOME SOLAR ISA

A. Initial Breach and Default.

In January 2023, in the course of discussions with Welcome Solar regarding extension of future milestones in the Welcome Solar ISA, PJM determined that Welcome Solar had missed three milestone deadlines in the Welcome Solar ISA, including acquisition of major electrical equipment and substantial site work.²⁴ On February 8, 2023, counsel for PJM issued a notice of Breach to Welcome Solar regarding the missed milestones.²⁵ On March 7, 2023, counsel for Welcome Solar sent a letter representing that it had cured the Breaches of the Welcome Solar ISA, and specifically stated that Welcome Solar’s Limited Notice to Proceed (“LNTP”) with Mill Creek Renewables, Welcome Solar’s EPC contractor, “includes civil construction activities, as allowed under current project permits, that is expected to occur *within the next few weeks*.”²⁶ The March 2023 Cure Letter also stated that Welcome Solar “has commenced EPC contract negotiations with Mill Creek Renewables and a Final Notice to Proceed is anticipated to be issued *no later than May 2023*.”²⁷

After discussions between counsel for PJM and Welcome Solar regarding next

²³ Welcome Solar ISA, Appendix 2, section 16.3; 18 C.F.R. § 35.15(a).

²⁴ Roberts Aff. ¶ 4.

²⁵ *Id.*

²⁶ Roberts Aff. ¶ 4; *id.*, Exhibit A (“March 2023 Cure Letter”).

²⁷ Roberts Aff. ¶ 4. Welcome Solar continued to represent that commencement of civil construction activities was imminent through July 2024. *See* Roberts Aff., Exhibit L (demonstrating that no civil construction activities had commenced as of July 2024).

steps, including entering suspension *after* cure activities were completed, PJM notified Welcome Solar that “[w]ith reliance on the information you provided on March 7, 2023, PJM confirms that Welcome Solar, LLC . . . [has] cured [its] Breaches as set forth in the PJM Breach notice[] dated February 8, 2023.” Counsel for PJM further provided that Welcome Solar “*should continue to diligently pursue ongoing cure actions to completion, as applicable.* Please continue to coordinate with the PJM and FirstEnergy project managers on the project schedule and the remaining milestones.”²⁸

On April 28, 2023, Welcome Solar sent notices of suspension for each of the Welcome Solar projects.²⁹ On October 3, 2023, Welcome Solar provided formal notice that it had exited suspension for each of its three projects. On November 27, 2023, following several calls with Welcome Solar regarding the status of its project, PJM determined that Welcome Solar did not appear to have pursued further action to cure the Breaches as represented in its March 2023 Cure Letter, and immediately sought clarity on the status of the Welcome Solar ISA and of the cure activities.³⁰

On December 21, 2023, Welcome Solar provided PJM with an unsigned letter dated December 19, 2023, with updates on the Welcome Solar ISA.³¹ The letter did not address the outstanding cure activities. On January 18, 2024, counsel for PJM and Welcome Solar held a conference call to discuss the status of the Welcome Solar ISA. PJM indicated that Welcome Solar had failed to complete the cure activities in the second

²⁸ Roberts Aff. ¶ 5; *id.*, Exhibit B.

²⁹ Roberts Aff. ¶ 6.

³⁰ Roberts Aff. ¶ 6; *id.*, Exhibit C.

³¹ Roberts Aff. ¶ 7; *id.*, Exhibit D.

quarter of 2023 as they represented in the March 2023 Cure Letter, and as a result, PJM may be left with little option but to invoke the Default and termination provisions of the Welcome Solar ISA.³²

PJM then reviewed documents provided by Welcome Solar to date, which showed that Welcome Solar could not possibly have satisfied the milestones at issue in the notice of Breach (including Acquisition of Major Electrical Equipment and Substantial Site Work) by March 7, 2023.³³ Based on these facts, PJM concluded that Welcome Solar had not actually cured, in March 2023, the Breaches of the Welcome Solar ISA identified by PJM in February 2023, and that Welcome Solar had improperly entered suspension without completing its prerequisite cure requirements. Accordingly, on January 25, 2024, PJM filed and served a Notice of Cancellation of the Welcome Solar ISA.³⁴

Welcome Solar protested the Notice of Cancellation, and separately filed a complaint against PJM alleging, among other things, that PJM acted unjustly and unreasonably in exercising its discretion to not extend the milestones under the Welcome Solar ISA.³⁵ On May 28, 2024, the Commission issued an order rejecting the Notice of Cancellation, without prejudice, and dismissing the EL24-73 Complaint.³⁶ The Commission made no finding as to whether Welcome Solar had satisfied its milestone

³² Roberts Aff. ¶ 7.

³³ *Id.* ¶ 8.

³⁴ *Id.*

³⁵ See generally *Welcome Solar, LLC v. PJM Interconnection, L.L.C.*, Complaint and Request for Fast Track Processing of Welcome Solar, LLC, Welcome Solar II, LLC, and Welcome Solar III, LLC, Docket No. EL24-73-000 (Feb. 14, 2024) (“EL24-73 Complaint”).

³⁶ *PJM Interconnection, L.L.C. v. PJM Interconnection, L.L.C.*, 187 FERC ¶ 61,118 (“May 28 Order”), *reh’g denied*, 188 FERC ¶ 62,053 (2024).

provisions, including Acquisition of Major Electrical Equipment and Substantial Site Work Completed. Instead, the Commission held that “PJM has not demonstrated that Welcome Solar has failed to satisfy the milestones under the Welcome Solar ISAs, and, as a result, we find that PJM has not met its burden under section 205 to demonstrate, *on the current record*, that the cancellation of the Welcome Solar ISAs is warranted.”³⁷ Commissioner Christie concurred, but noted that “[i]f PJM continues to believe cancellation of the [Welcome Solar ISA] is called for . . . PJM [should] clearly outline any and all alleged failures by Welcome Solar to meet milestones.”³⁸

B. Discussions with Welcome Solar and Second Breach.

Following the May 28 Order, PJM reached out to Welcome Solar to ascertain the status of its satisfaction of the milestones under the ISA, given the passage of time.³⁹ Welcome Solar’s counsel contemporaneously reached out to PJM counsel to request an extension of all milestones under the Welcome Solar ISA, including a revised commercial operation date.⁴⁰ In response to a statement from PJM’s counsel that discussion of milestone extensions was premature, Welcome Solar adopted the position that it had satisfied the milestones at issue in the February 2024 notice of Breach over a year earlier, citing the “robust record developed before FERC.” Welcome Solar then reiterated its requested extension of its commercial operation date milestone.⁴¹ On June 14, 2024, PJM counsel responded that it required evidence demonstrating that the milestones under

³⁷ May 28 Order at P 80 (emphasis added).

³⁸ *Id.*, concur op. (Commissioner Christie) at P 6.

³⁹ Roberts Aff. ¶ 9; *id.*, Exhibit E.

⁴⁰ Roberts Aff. ¶ 9; *id.*, Exhibit F.

⁴¹ Roberts Aff. ¶ 9.

sections 6.1, 6.3, and 6.4 of the Welcome Solar ISA had been satisfied.⁴² Specifically, PJM provided the following guidance for demonstrating satisfaction of the milestones:⁴³

Applicable Milestone	PJM Guidance
6.1 Substantial Site Work Completed. On or before December 9, 2022, Interconnection Customer must demonstrate completion of at least 20% of project site construction. At this time, Interconnection Customer must submit to Interconnected Transmission Owner and Transmission Provider initial drawings, certified by a professional engineer, of the Customer Interconnection Facilities.	PJM suggests providing photos of the civil construction activities at the site. Those photos should demonstrate the site work completed in the spring of 2023, which included (1) site mobilization, (2) construction of site erosion and sediment control measures, and (3) construction of site driveways and entrances. PJM also requests photos demonstrating the major site construction activities completed under the May 2023 Final Notice to Proceed. Further, Welcome Solar should provide updated initial drawings.
6.3 Acquisition of major electrical equipment. On or before April 7, 2023, Interconnection Customer must demonstrate that it has signed a memorandum of understanding for the acquisition of major equipment.	PJM suggests providing copies of signed purchase orders or memorandums of understanding, redacted as necessary, for the acquisition of major electrical equipment for the project.
6.4 Delivery of major electrical equipment. On or before December 18, 2023 (adjusted by Suspension period), Interconnection Customer must demonstrate that all generating units have been delivered to Interconnection Customer’s project site.	PJM suggests providing bills of lading and photos confirming delivery of the major electrical equipment to the project site.

Rather than provide the requested evidence, Welcome Solar initiated an Alternative Dispute Resolution (“ADR”) process pursuant to Tariff, section 12, reiterating the same

⁴² *Id.*

⁴³ Roberts Aff. ¶ 9; *id.*, Exhibit G.

request for extension of its commercial operation milestone dates.⁴⁴ On July 26, 2024, an ADR session was held, during which PJM again explained that it needed to review evidence that the milestones under sections 6.1, 6.3, and 6.4 of the Welcome Solar ISA had been met. Welcome Solar agreed to present PJM with a data room to review and confirm progress toward satisfaction of the milestones.⁴⁵

On August 2, 2024, PJM received a link to the data room. PJM responded requesting that the data room be reorganized so that PJM could easily identify which documents corresponded to each milestone at issue.⁴⁶ Welcome Solar responded on August 6, 2024, agreeing to reorganize the data room, but also reiterating its position that “it has achieved the milestones subject to the Notice[] of Breach (namely milestones 6.1, 6.2, and 6.3), and did so as of March 2023.”⁴⁷

On August 20, 2024, PJM notified Welcome Solar that it had completed its review of the data room and requested further discussion with Welcome Solar regarding the evidence provided.⁴⁸ On August 27, 2024, PJM and Welcome Solar discussed the data room evidence. PJM indicated that based on review, Welcome Solar’s evidence was insufficient to demonstrate satisfaction of the milestones, and identified the *specific deficiencies* in the data for each of the three milestones which PJM had requested evidence of completion.⁴⁹

⁴⁴ Roberts Aff. ¶ 10.

⁴⁵ *Id.*

⁴⁶ *Id.* ¶ 11.

⁴⁷ Roberts Aff. ¶ 11; *id.*, Exhibit H.

⁴⁸ Roberts Aff. ¶ 12.

⁴⁹ *Id.* ¶¶ 12-15.

On September 5, 2024, PJM issued a notice of Breach of the Welcome Solar ISA, and again provided Welcome Solar with *specific guidance* as to PJM’s expectations for demonstrating cure within 30 days.⁵⁰ Without demonstrating cure or “commenc[ing] in good faith all steps that are reasonable and appropriate to cure the Breach,”⁵¹ Welcome Solar filed a complaint on October 4, 2024, 29 days after the notices of breach were issued.⁵² Only after the EL25-5 Complaint was filed did Welcome Solar contact PJM to provide materials it believed to be responsive to the notices of breach.⁵³

C. Review of Cure Materials.

PJM reviewed the data provided on October 4, 2024, as supplemented on October 25, 2024. Figure 1 below provides a summary of PJM’s review of the data room materials against the clear expectation for satisfaction of each milestone.

Figure 1

Milestones	Evidence Provided Prior to Breach Notice	Expectations in September 5, 2024 Notice of Breach	Evidence After Breach Notice Issued
6.1 Substantial Site Work	Pictures of tree clearing found. Erosion sediment controls photos were also available but were not divided into different Projects.	Provide photos demonstrating the site preparation work completed under the limited notice to proceed, and photos demonstrating the subsequent major construction activities to reach the 20% requirement for	No photos demonstrating the 20% requirement for substantial site work, which should include at minimum the foundation work, trenching and underground utilities installation, and

⁵⁰ Roberts Aff. ¶¶ 16-20; *id.*, Exhibit I (“September 2024 Breach Notice”).

⁵¹ Welcome Solar ISA, Appendix 2, section 15.4.1.

⁵² *Welcome Solar, LLC v. PJM Interconnection, L.L.C., Complaint and Request for Fast Track Processing of Welcome Solar, LLC, Welcome Solar II, LLC, and Welcome Solar III, LLC*, Docket No. EL25-5-000 (Oct. 4, 2024) (“EL25-5 Complaint”).

⁵³ Roberts Aff. ¶ 16; *id.*, Exhibit J (E-mail from Steven Shparber, MINTZ, to Jeffrey M. Gray, PJM (Oct. 4, 2024, 4:53 PM) (providing notice of filed complaint and link to materials Welcome Solar believed to be responsive to notices of breach)).

	Construction Contract and Design and Surveys were included in the DataRoom folders.	substantial site work, which should include at minimum the foundation work, trenching and underground utilities installation, and racking system installation. Also, submit initial drawings, certified by a professional engineer, of the Customer Interconnection Facilities.	racking system installation. Pictures of tree and field clearing, along with access road being cleared and established. Monthly report for September.
6.3 Acquisition of Major Electrical Equipment	Purchase orders for the GSU, An appraisal, a warehouse agreement and a MSA (Master Service Agreement) for the Modules were the only equipment found in the folder for this milestone.	Provide copies of signed purchase orders or memorandums of understanding that include equipment descriptions and delivery details, with commercial terms redacted as necessary, for the following: solar modules, inverters, main power transformer, circuit breaker, and protection and control equipment.	Purchase orders for the Control SCADA, GSU, Inverters, Modules, Mounting Racking and Steel Piles found in the folder. Circuit Breaker Purchase Order or MOU was not found.
6.4 Delivery of Major Electrical Equipment	Purchase Order for GSU and Modules provided, pictures of Module Pallets in warehouse provided.	Provide bills of lading and photos confirming delivery to the project site of all equipment acquired under the milestone 6.3 requirements.	Pictures of the GSU, and the Modules (same as before breach) stored in the warehouse. Warehouse and storage agreements for both equipment. However, none of the other equipment mentioned in the Acquisition of major electrical equipment folder, including the circuit breaker, have any pictures or storage/warehouse agreements.

As Figure 1 demonstrates, the materials provided in the data room failed to demonstrate that Welcome Solar satisfied any of the milestones subject to the September 2024 Breach Notice. With respect to section 6.1, Welcome Solar failed to offer *any evidence* of major construction activities consistent with Substantial Site Work, instead offering photos that merely demonstrate work it alleged to have completed approximately 18 months ago.⁵⁴ With respect to section 6.3, Welcome Solar provided memoranda of understanding or purchase orders for most, but not all, of its major electrical equipment. Significantly, as Mr. Roberts notes, Welcome Solar failed to provide any evidence of acquisition of the circuit breaker, a central piece of major electrical equipment.⁵⁵ Finally, with respect to section 6.4, Welcome Solar provided evidence of delivery for only two pieces of major electrical equipment, rather than all items subject to the acquisition requirement under section 6.3.⁵⁶

Following its review of the materials provided to demonstrate cure, PJM concluded it had not cured the Breaches included in the September 2024 Breach Notice. Therefore, in accordance with the requirements of the Tariff and the Welcome Solar ISA, PJM now provides this notice of cancellation.

II. WELCOME SOLAR HAS FAILED TO CURE BREACH OF THE WELCOME SOLAR ISA

Welcome Solar has not demonstrated cure of its Breaches of sections 6.1, 6.3, or 6.4 of the Welcome Solar ISA. After nearly two years of formal and informal discussion,

⁵⁴ Roberts Aff. ¶ 19.

⁵⁵ *Id.* ¶ 18.

⁵⁶ *Id.* ¶ 20.

months of protracted litigation, and extensive document review, there is no longer a question of whether Welcome Solar has cured or has commenced steps to cure its Breaches. Simply put, Welcome Solar has not complied with PJM’s specific guidance to demonstrate cure. As such, it is in Default, and the Welcome Solar ISA should be cancelled effective January 15, 2025.

A. Welcome Solar Has Clearly Failed to Meet the Substantial Site Work Completed Milestone and Termination of the Welcome Solar ISA Is Appropriate.

Welcome Solar has failed to demonstrate satisfaction of the Substantial Site Work milestone. Welcome Solar’s evidence of cure is limited to photos of tree clearing and an access road. As Mr. Roberts explains, demonstration of Substantial Site Work requires significant construction progress, and mere surface area changes will not suffice.⁵⁷ The September 2024 Breach Notice required Welcome Solar to “[p]rovide photos demonstrating the site preparation work completed under the limited notice to proceed, *and* photos demonstrating the subsequent major construction activities to reach the 20% requirement for substantial site work, which should include *at minimum* the foundation work, trenching and underground utilities installation, and racking system installation.”⁵⁸ As demonstrated below, the photos of tree clearing and access roads provided by Welcome Solar are woefully deficient to demonstrate cure.

Figure 2 below provides a recent example of Substantial Site Work completed to PJM’s satisfaction. As Mr. Roberts explains, this image shows that foundation work,

⁵⁷ *Id.* ¶ 19.

⁵⁸ Roberts Aff. ¶ 19; *id.*, Exhibit I at 2 (emphasis added).

trenching and underground utilities installation, and racking system installation have been or are in the process of being completed.⁵⁹ By contrast, Figure 3, which reflects an image provided in Welcome Solar’s data room to demonstrate satisfaction of Substantial Site Work, shows none of the foundation work or installations clearly visible in Figure 2. In fact, Welcome Solar’s image shows little more than cleared trees and a roughly dug access road, the very work it claims to have completed in March 2023. Nothing in Figure 3 could be described as the kind of “major construction activities” Welcome Solar alleges it was ready to begin as of May 2023.⁶⁰

Figure 2: Substantial Site Work Completed



⁵⁹ Roberts Aff. ¶ 19; *id.*, Exhibit K.

⁶⁰ Roberts Aff. ¶ 19.

Figure 3: Welcome Solar Evidence of Cure (October 16, 2024)



Not only are Welcome Solar's images of site work woefully lacking, but Mr. Roberts also found that Welcome Solar did not provide certified drawings, as required both by the section 6.1 milestone itself and the September 2024 Breach Notice.⁶¹ Welcome Solar is therefore in Default of section 6.1 of the Welcome Solar ISA, and the Welcome Solar ISA should be cancelled effective January 15, 2025.

B. Welcome Solar Has Clearly Failed to Meet the Acquisition of Major Electrical Equipment Milestone and Termination of the Welcome Solar ISA Is Appropriate.

Despite Welcome Solar's repeated insistence that it satisfied section 6.3 of the Welcome Solar ISA as of March 2023, Welcome Solar has once again failed to demonstrate acquisition of major electrical equipment. PJM's guidance in the September 2024 Breach

⁶¹ *Id.*

Notice was explicit: Welcome Solar must provide signed copies of a purchase order or MOU for *each piece* of the major electrical equipment, including solar modules, inverters, main power transformers, circuit breakers, and protection and control equipment.⁶² As Mr. Roberts explains, Welcome Solar failed to provide evidence of a purchase order or MOU for the circuit breaker, nor was any anecdotal evidence provided indicating that the circuit breaker has been ordered.⁶³ This is a straightforward requirement, and Welcome Solar has failed to meet it. Welcome Solar is therefore in Default of section 6.3 of the Welcome Solar ISA.

C. Welcome Solar Has Clearly Failed to Meet the Delivery of Major Electrical Equipment Milestone and Termination of the Welcome Solar ISA Is Appropriate.

Finally, as Mr. Roberts explains, Welcome Solar has failed to demonstrate satisfaction of the Delivery of Major Electrical Equipment milestone.⁶⁴ Welcome Solar was obligated to provide evidence of “bills of lading and photos confirming delivery to the project site of all equipment acquired” in order to demonstrate cure.⁶⁵ While Welcome Solar provided photos of the generator step-up transformers and modules, along with warehouse agreements for both pieces of equipment, it did not provide evidence of delivery of any other piece of equipment referenced in the September 2024 Breach Notice as requirements for satisfaction of milestone 6.3.⁶⁶ Moreover, as Mr. Roberts notes, Welcome Solar’s failure to demonstrate cure of section 6.3 necessarily preempts demonstration of

⁶² *Id.* ¶ 18.

⁶³ *Id.*

⁶⁴ *Id.* ¶ 20.

⁶⁵ *Id.*

⁶⁶ *Id.*

cure of section 6.4, as Welcome Solar cannot demonstrate delivery of equipment it has not yet acquired.⁶⁷ Welcome Solar is therefore in default under section 6.4 of the Welcome Solar ISA.

III. WAIVER AND EFFECTIVE DATE

In accordance with the Commission's regulations, PJM requests an effective date of January 15, 2025, for the cancellation of the Welcome Solar ISA, which is 61 days from the date of this filing.⁶⁸

IV. CORRESPONDENCE AND COMMUNICATIONS

Correspondence and communications with respect to this filing should be sent to, and PJM requests the Secretary to include on the official service list, the following:⁶⁹

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Vice President – Federal Government
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⁶⁷ *Id.*

⁶⁸ *See* 18 C.F.R. § 35.15(a).

⁶⁹ To the extent necessary, PJM requests waiver of Rule 203(b)(3) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.203(b)(3), to permit all of the persons listed to be placed on the official service list for this proceeding.

V. SERVICE

PJM has served a copy of this filing on Welcome Solar, ATSI, and the affected state regulatory commissions within the PJM Region.

VI. CONCLUSION

For the foregoing reasons, PJM respectfully requests that the Commission accept the cancellation of the Welcome Solar ISA, effective January 15, 2025.

Respectfully submitted,

/s/ Elizabeth P. Trinkle

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Attachment A

Affidavit of Nathan Roberts on Behalf of PJM Interconnection, L.L.C.

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

PJM Interconnection, L.L.C.

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Docket No. ER25-__-000

**AFFIDAVIT OF NATHAN ROBERTS ON
BEHALF OF PJM INTERCONNECTION, L.L.C.**

1. My name is Nathan Roberts. I am a Senior Engineer II, Interconnection Planning Projects, at PJM Interconnection, L.L.C. (“PJM”) and have been in that position since August 2022. My duties and responsibilities include the coordination and facilitation of interconnection for new generation and other Interconnection Process projects to the PJM system, and the installation of network upgrades to ensure the long-term reliability and adequacy of the PJM system. This includes coordination of engineering and construction activities with Interconnected Transmission Owners and Interconnection Customers, and facilitation of outage planning, model coordination and markets activities required to integrate generation and merchant transmission interconnections, and new transmission infrastructure improvements, into PJM Operations and Markets. Prior to working at PJM, I was a General Engineer at PECO Energy Company and have held other engineering positions.
2. The purpose of my affidavit is to support the notice of cancellation of the Interconnection Service Agreement (“ISA”) among PJM, Welcome Solar III, LLC (“Welcome Solar”) and American Transmission Systems, Inc. (“ATSI”), designated as Service Agreement No. 6239 and accepted by the Federal Energy Regulatory Commission (“Commission”) effective April 17, 2023 (“Welcome Solar ISA”).

3. In my role at PJM, I serve as the Construction Engineer assigned to oversee interconnection of the Customer Facility under the Welcome Solar ISA. My responsibilities in that role include ensuring satisfaction of the project specific milestones set forth in sections 6.1 through 6.6 of the Welcome Solar ISA.

Background and Initial Breach

4. I was assigned to oversee the project associated with the Welcome Solar ISA in January 2023. At that time, I determined that Welcome Solar had failed to satisfy the milestones in sections 6.1 through 6.3 of the Welcome Solar ISA. PJM issued a notice of Breach to Welcome Solar regarding those milestones on February 8, 2023. On March 7, 2023, counsel for Welcome Solar sent a letter representing that it had cured the Breaches of the Welcome Solar ISA, and specifically stated that Welcome Solar's Limited Notice to Proceed ("LNTP") with Mill Creek Renewables, Welcome Solar's engineering, procurement, and construction ("EPC") contractor, "includes civil construction activities, as allowed under current project permits, that is expected to occur *within the next few weeks.*"¹ The March 2023 Cure Letter also stated that Welcome Solar "has commenced EPC contract negotiations with Mill Creek Renewables and a Final Notice to Proceed is anticipated to be issued *no later than May 2023.*"
5. After discussions between counsel for PJM and Welcome Solar regarding next steps, including entering suspension *after* cure activities were completed, and in advance of the upcoming July 14, 2023 milestone for delivery of major electrical equipment, PJM notified Welcome Solar that "[w]ith reliance on the information you provided on March 7, 2023,

¹ See Exhibit A ("March 2023 Cure Letter") (emphasis added).

PJM confirms that Welcome Solar, LLC . . . [has] cured [its] Breaches as set forth in the PJM Breach notice[] dated February 8, 2023.” Counsel for PJM further provided that Welcome Solar “*should continue to diligently pursue ongoing cure actions to completion, as applicable.* Please continue to coordinate with the PJM and FirstEnergy project managers on the project schedule and the remaining milestones.”²

6. On April 28, 2023, Welcome Solar sent notices of suspension for each of the Welcome Solar projects. On October 3, 2023, Welcome Solar provided formal notice that it had exited suspension for each of its three projects. On November 27, 2023, following several calls with Welcome Solar regarding the status of its project, I determined that Welcome Solar did not appear to have pursued further action to cure the Breaches as represented in its March 2023 Cure Letter, and immediately sought clarity on the status of the Welcome Solar ISA and of the cure activities.³
7. On December 21, 2023, Welcome Solar provided PJM with an unsigned letter dated December 19, 2023, with updates on the Welcome Solar ISA.⁴ The letter did not address the outstanding cure activities. On January 18, 2024, I informed Welcome Solar that it had failed to complete the cure activities in the second quarter of 2023 as they represented in the March 2023 Cure Letter, and as a result, PJM may be left with little option but to invoke the Default and termination provisions of the Welcome Solar ISA.
8. I then reviewed documents provided by Welcome Solar to date, which showed that

² See Exhibit B (E-mail from Jeffrey M. Gray, PJM, to Alexander Smorzewski, AB CarVal Investors (Mar. 10, 2023, 1:37 PM) (emphasis added)).

³ See Exhibit C (E-mail from Nathan Roberts, PJM, to Derek Daly, AB CarVal Investors (Nov. 27, 2023, 1:03 PM)).

⁴ See Exhibit D.

Welcome Solar could not possibly have satisfied the milestones at issue in the notice of Breach (including Acquisition of Major Electrical Equipment and Substantial Site Work) by March 7, 2023. Based on these facts, PJM concluded that Welcome Solar had not actually cured, in March 2023, the Breaches of the Welcome Solar ISA identified by PJM in February 2023, and that Welcome Solar had improperly entered suspension without completing its prerequisite cure requirements. Accordingly, on January 25, 2024, PJM filed and served a Notice of Cancellation of the Welcome Solar ISA.

Discussions with Welcome Solar June-September 2024

9. Following the Commission’s rejection of the Notice of Cancellation without prejudice, I reached out to Welcome Solar on June 3, 2024, to ascertain the status of its satisfaction of the milestones under the ISA.⁵ Also on June 3, 2024, Welcome Solar’s counsel contacted PJM counsel adopting the position that Welcome Solar had satisfied the milestones at issue in the February 2023 Notice of Breach over a year earlier.” Welcome Solar further requested extension of its commercial operation date milestone.⁶ PJM counsel responded on June 13, 2024 that, “to avoid potential misrepresentations or omissions, or misunderstandings, PJM asks Welcome Solar to demonstrate completion of the milestones for (1) acquisition of major electrical equipment, (2) substantial site work completed, and (3) delivery of major electrical equipment.” PJM counsel then offered specific guidance as to how Welcome Solar could demonstrate satisfaction for each milestone.⁷

⁵ See Exhibit E (E-mail from Christopher Holt, PJM, to Steven Shparber, MINTZ (June 3, 2024, 1:34 PM)).

⁶ See Exhibit F (E-mail from Steven Shparber, MINTZ, to Christopher Holt, PJM (June 10, 2024, 4:31 PM)).

⁷ See Exhibit G (E-mail from Christopher Holt, PJM, to Steven Shparber, MINTZ (June 14, 2024, 9:51 PM)).

10. On July 3, 2024, Welcome Solar provided a Notice of Dispute pursuant to the Alternative Dispute Resolution (“ADR”) process set forth in Tariff, section 12, and repeated its request for extension of its commercial operation milestone date. On July 26, 2024, an ADR session was held, during which PJM again explained that it needed to review evidence that the milestones under sections 6.1, 6.3, and 6.4 of the Welcome Solar ISA had been met. Welcome Solar agreed to present PJM with a data room to review and confirm progress toward satisfaction of the milestones.
11. On August 2, 2024, PJM received a link to the data room. PJM responded requesting that the data room be reorganized so that PJM could easily identify which documents corresponded to each milestone at issue. Welcome Solar responded on August 6, 2024, agreeing to reorganize the data room, but also reiterating its position that “it has achieved the milestones subject to the Notice[] of Breach (namely milestones 6.1, 6.2, and 6.3), *and did so as of March 2023.*”⁸
12. On August 20, 2024, PJM notified Welcome Solar that it had completed its review of the data room and requested further discussion with Welcome Solar regarding the evidence provided. On August 27, 2024, PJM and Welcome Solar discussed the data room evidence. PJM indicated that based on review, Welcome Solar’s evidence was insufficient to demonstrate satisfaction of the milestones.
13. With respect to section 6.3, I informed Welcome Solar that while the LNTP provided in the data room indicated that the majority of major electrical equipment would be purchased by the EPC contractor, there was no memorandum of understanding (“MOU”) confirming

⁸ Exhibit H (E-mail from Steven Shparber, MINTZ, to Christopher Holt, PJM (Aug. 6, 2024, 10:45 AM)).

that the inverters, circuit breaker, or protection and control equipment had in fact been procured.

14. With respect to section 6.1, I informed Welcome Solar that while it had provided evidence of tree clearing and erosion & sediment control—work it claimed to have completed nearly 18 months prior—Welcome Solar had not submitted any evidence demonstrating 20% completion of project site construction. I also noted that Welcome Solar did not provide certified drawings of the Customer Interconnection Facilities certified by a professional engineer, as required to satisfy the Substantial Site Work milestone.
15. Finally, with respect to section 6.4, I informed Welcome Solar that with the exception of the modules, there was no indication that any major electrical equipment subject to acquisition under section 6.3 of the Welcome Solar ISA had been delivered to the project site.

Breach and Review of Breach Materials

16. On September 5, 2024, PJM issued a notice of Breach of the Welcome Solar ISA, and again provided Welcome Solar with specific guidance as to PJM’s expectations for demonstrating cure within 30 days.⁹ On October 4, 2024, counsel for Welcome Solar provided PJM with a link to materials it claimed were responsive to the notice of breach and demonstrated cure.¹⁰
17. I reviewed the cure materials provided on October 4, 2024, as supplemented on October

⁹ See Exhibit I (“September 2024 Breach Notice”).

¹⁰ See Exhibit J (E-mail from Steven Shparber, MINTZ, to Jeffrey M. Gray, PJM (Oct. 4, 2024, 4:53 PM) (providing notice of filed complaint and link to materials Welcome Solar believed to be responsive to notices of breach)).

24, 2024, and concluded that Welcome Solar failed to cure the Breaches of the Welcome Solar ISA.

18. First, with respect to section 6.3, while Welcome Solar remedied some of the deficiencies I identified on August 27, 2024, Welcome Solar failed to provide an MOU or purchase order for the circuit breaker, a critical piece of major electrical equipment. Moreover, the LNTP provided to PJM in the data room was executed only by Welcome Solar and not the counterparty. Thus, it is not clear when that agreement became effective, and whether it is actually in effect now.
19. With respect to section 6.1, Welcome Solar provided no evidence demonstrating completion of 20% of substantial site work. As explained in the September 2024 Breach Notice, this requirement includes, at a minimum, foundation work, trenching, underground utilities installation, and racking system installation.¹¹ Welcome Solar provided pictures of tree and field clearing showing minimal progress from photos previously provided in July 2024.¹² Demonstration of substantial site work requires significant construction progress, both above and below ground, and mere surface area changes will not suffice. Moreover, the construction contract provided by Welcome Solar in the data room does not even contemplate completion of Substantial Site Work, as it is limited to clearing trees, grubbing, pre-seed and stabilization, and installing the construction entrance.¹³ Thus, there is no indication from the evidence Welcome Solar provided that any substantial site work,

¹¹ See Notice of Cancellation at Figure 2 for demonstrative example of substantial site work completed.

¹² Exhibit K (side-by-side comparison of July 2024 photos and October 2024 photos).

¹³ Exhibit L (Construction Contract).

let alone 20%, has been completed. In addition, Welcome Solar failed to provide certified drawings of the Customer Interconnection Facilities, a plain requirement for satisfaction of section 6.3.

20. Finally, with respect to section 6.4, Welcome Solar has failed to demonstrate delivery of most of the major electrical equipment contemplated by section 6.3. Welcome Solar provided additional photos of the generator step-up transformers and the modules in response to the September 2024 Breach Notice, the only difference being that the equipment had been removed from its packaging. While Welcome Solar also provided storage agreements for this same equipment, it provided no bills of lading or photos demonstrating delivery for other major electrical equipment, including the circuit breaker. Given that Welcome Solar failed to provide evidence of acquisition of the circuit breaker, as required by section 6.3, it is no surprise that it failed to provide evidence of delivery of this key piece of equipment.
21. Because Welcome Solar failed to demonstrate cure of the Breaches of sections 6.1, 6.3, and 6.4, Welcome Solar is in Default, and the Welcome Solar ISA is being cancelled.
22. This concludes my affidavit.

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

PJM Interconnection, L.L.C.

)

Docket No. ER25-___-000

VERIFICATION

I, Nathan Roberts, pursuant to 28 U.S.C. § 1746, state, under penalty of perjury, that I am the Nathan Roberts referred to in the foregoing “Affidavit of Nathan Roberts on Behalf of PJM Interconnection, L.L.C.,” that I have read the same and am familiar with the contents thereof, and that the facts set forth therein are true and correct to the best of my knowledge, information, and belief.

DocuSigned by:
Nathan Roberts
AD2196A2E6A54CB

Nathan Roberts

Executed on: 11/12/2024

Exhibit A



1601 Utica Avenue South,
Suite 1000
Minneapolis, MN 55416
www.abcarval.com
T +1 952 444 4780

STRICTLY PRIVATE AND CONFIDENTIAL

March 7, 2023

VIA FEDEX AND ELECTRONIC EMAIL

PJM Interconnection, L.L.C.
Attn: Nathan Roberts
2750 Monroe Blvd.
Audubon, PA 19403
Nathan.Roberts@pjm.com

Jeffrey M. Gray
Gray PLLC
P.O. Box 620323
Middleton, WI 53562-0323
(608) 628-3800
jeffrey.gray@pjm.com
Counsel for PJM Interconnection, L.L.C

Re: Response to Notice (the “Notice”) of Breach of Interconnection Service Agreement (the “Interconnection Agreement”) among PJM Interconnection, L.L.C. (“PJM”), Welcome Solar III, LLC (“Welcome Solar III”), and American Transmission Systems, Inc.; Service Agreement No. 6239; Queue Position No. AE2-343

Dear Nathan,

This letter serves as formal notice on behalf of Welcome Solar III that Welcome Solar III has completed those project milestones (set forth in the table below) as specified in the Notice:

ISA Milestone	Required Completion Date
6.1 Substantial Site work completed	December 9, 2022
6.3 Acquisition of major electrical equipment	April 30, 2022

Set forth in and attached to this letter, we have provided supporting detail regarding the satisfaction of each of the foregoing milestones. We remain firmly committed to building the Welcome III Solar Project (the “Project”) as evidenced by total equity investment of \$1,775,500 as of the date of this letter and in addition total contracts executed on behalf of the project in the amount of \$7,291,450. We respectfully request acknowledgment by PJM that the foregoing milestones have been satisfied.

To the extent Welcome Solar III was in breach of its Interconnection Agreement, this letter demonstrates that such breach has been cured within the time period provided in PJM’s February 8, 2023 letter and in accordance with section 15.4.1 of Appendix 2 to the Interconnection Agreement, which provides that a “Party (a) may cure the Breach within thirty days from the receipt of such notice; or (b) if the Breach cannot be cured within thirty (30) days, may commence in good faith all steps that are reasonable and appropriate to cure the Breach within such thirty day time period and thereafter diligently pursue such action to completion.”



6.2 Site permits

While we appreciate that PJM has not yet claimed any breach of the Section 6.2 Site Permits milestone, we hereby provide notice that Welcome Solar III has obtained all necessary local, county and state permits required for the project, except for certain immaterial, ordinary course matters and renewals customary for a project at this stage of construction. Please see attached memorandum provided by Kimley-Horn (Civil Engineer of Record) that serves to summarize the permits that have been obtained on the Project, and any outstanding permits that Kimley-Horn deems will be necessary for project construction. Below is a brief summary table for each permit associated with Welcome Solar III LLC:

Permits/Approvals	Documented Date	Current Status
Phase I ESA	August 28, 2022	Complete
PNDI	February 22, 2021	Complete
Wetland Delineation	May 1, 2020	Complete
Infiltration Report	August 17, 2022	Complete
Chapter 93 Designations	December 13, 2021	Complete
Land Development Approval	July 14, 2022	Complete
Township Building Permit	Pending	This will be obtained by the EPC Contractor in due course.
NPDES Permit	February 14, 2022	Complete
General – Resource and Road Crossings	N/A	N/A
Highway Occupancy Permit	N/A	N/A

6.3 Acquisition of major electrical equipment

Welcome Solar has acquired all major electrical equipment. We have successfully procured transformers, modules, inverters, racking, piles, and MV/HV cable for the Project. Please see attachments for the VTC transformer purchase order as well as an LNTP executed with Mill Creek Renewables. Major equipment orders placed for Welcome Solar III LLC as of the date of this letter include:

Equipment Type	Manufacturer/Part #	Quantity	Procuring Entity	Value
Transformers	Virginia Transformer Corporation GSU 13500/18600/22500 KVA 69 – 34.5 kV	1	Owner	\$1,159,599
Modules	VSUN550-144BMH-DG	24MW (43,637 modules)	EPC	\$9,720,000
Inverters	Power Electronics Freesun HEM FS4200M	5	EPC	\$1,800,000
Racking	ATI Duratrack HZ V3		EPC	\$3,360,000
Cabling	Various MV/HV		EPC	\$250,000
Total				\$16,289,599

6.1 Substantial Site work completed

We have met the 20% threshold for construction, based on advanced progress in permitting, procurement, design, and contracted onsite construction activities. In summary, these milestones include:

1. We have engaged a team of experienced and proficient design engineers, with signed service agreements totaling \$603,190. These firms include:
 - a. High Voltage/Substation: BODEC



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- b. Electrical: Stellavise
 - c. Civil/Structural: Kimley-Horn
2. Civil designs are sufficiently advanced to achieve major permits
3. Substation and electrical designs are at approximately the 30% stage
4. Full geotechnical analyses have been conducted, including pile load testing, by Terracon and reports have been issued.
5. Our LNTP with Mill Creek Renewables includes civil construction activities, as allowed under current project permits, that is expected to occur within the next few weeks. As is typical for construction in this region, work over the winter months was minimal due to local weather conditions and is expected to accelerate in the coming months. Contracted civil construction activities include:
 - a. Site mobilization
 - b. Construction of site erosion and sediment control measures
 - c. Required surveys and site investigations
 - d. Construction of site driveways and entrances
6. The project has commenced EPC contract negotiations with Mill Creek Renewables and a Final Notice to Proceed is anticipated to be issued no later than May 2023.
7. We have placed approximately 60% of the total project costs under contract, including LNTP and associated equipment orders (noting that in the current market, equipment deposits are non-refundable and represent a significant risk of loss to Owner if the project does not proceed).

Based on achieving the significant expenditure of funds, contracting of major relevant construction activities, and advances in project designs we have demonstrated compliance with the required 20% construction completion noted in this milestone.

I am available to discuss these matters further if helpful and provide any further supporting documentation that may be required or desired by PJM in order to evaluate the work and investments that we have made to this point with respect to the Project.

Full Attachment and Dataroom List:

- Kimley Horn – 2023-02-14 – Welcome Solar 3 – Permit Summary
- Virginia Transformer Corporation – Purchase Order C-23004
- Mill Creek Renewables LNTP
- Design Drawings saved here: [CarVal Share File](#)

Sincerely,

Derek Daly
Director, Clean Energy Investments, AB CarVal
Investors, on behalf of Welcome Solar III LLC
AB CarVal Investors
461 Fifth Avenue
New York, NY 10017

cc (via e-mail): Derek.Daly@abcarval.com

ReneSola Power Holdings LLC

Bradley Davis bradley.davis@renesolapower.com

American Transmission Systems, Inc.

Mike Thorn mthorn@firstenergycorp.com
Amanda Parker aparker@firstenergycorp.com
Tricia Hartzell thartzell@firstenergycorp.com

Exhibit B

From: [Gray, Jeffrey, M](#)
To: [Alexander Smorzewski](#); [Mills, Jennifer](#); [Bradley Davis](#); [Emma Bankier](#)
Cc: [Roberts, Nathan](#); [Derek Daly](#); [Julie Kranz](#); [mthorn@firstenergycorp.com](#); [aparker@firstenergycorp.com](#); [thartzell@firstenergycorp.com](#); [Holt, Christopher](#)
Subject: RE: Notice of Breach of Interconnection Services Agreements for Queue Positions AE1-079, AE1-237, and AE2-343
Date: Friday, March 10, 2023 1:37:06 PM

CAUTION: This external email was sent to you by jeffrey.gray@pjm.com. Do not click links or open attachments unless you trust the sender and know the content is safe.

Alex:

With reliance on the information you provided on March 7, 2023, PJM confirms that Welcome Solar, LLC, Welcome Solar II, LLC, and Welcome Solar III, LLC (the "Welcome Projects") have cured their respective Breaches as set forth in the PJM Breach notices dated February 8, 2023. The Welcome Projects should continue to diligently pursue ongoing cure actions to completion, as applicable.

Please continue to coordinate with the PJM and FirstEnergy project managers on the project schedule and the remaining milestones.

Sincerely,

Jeffrey M. Gray
Counsel
608-628-3800

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Exhibit C

From: [Roberts, Nathan](#)
To: [Derek Daly](#); [Shawn Shaw](#); [Emma Bankier](#); [Juan Escobar](#)
Cc: [Lambert, Andrew J](#); [Culp, Louis](#)
Subject: RE: Notice of Breach of Interconnection Services Agreements for Queue Positions AE1-079, AE1-237, and AE2-343
Date: Monday, November 27, 2023 1:03:14 PM
Attachments: [AE1-237 - Welcome Solar II LLC - Response to Feb 8 Breach Notice vF.pdf](#)
[AE2-343 - Welcome Solar III LLC - Response to Feb 8 Breach Notice vF.pdf](#)
[AE1-079 - Welcome Solar LLC - Response to Feb 8 Breach Notice vF.pdf](#)

CarVal Team:

In our recent construction calls for the Welcome projects, PJM learned that the implementation and construction milestone requirements in the Interconnection Service Agreements (ISAs), pursuant to which PJM provided Notices of Breach in February 2023, may still be unsatisfied. Before PJM considers additional steps pursuant to the ISAs and Tariff, please provide relevant updates to your March 7, 2023 cure letters (attached) for PJM's review, with supporting detail.

Nate

Exhibit D

Welcome Solar, LLC
Welcome Solar II, LLC
Welcome Solar III, LLC
c/o AB CarVal Investors, L.P.
1601 Utica Avenue South
Suite 1000
Minneapolis, Minnesota 55416

December 19, 2023

RE:

Hi Nathan,

We want to update you on our progress since the Cure of Breach letter, dated March 7, 2023. Following the Cure of Breach, the project entered into a formal suspension in order to adjust the remaining interconnection milestones to align with updated project schedules. During the suspension, we made considerable progress on updating permits and approvals, contracts, and engineered designs as detailed in the letter. After the suspension was lifted, we engaged FirstEnergy to determine the status of the project. We intend to provide you with the new construction schedule and full FNTP with the EPC Contractor, Mill Creek Renewables as soon as we receive the new interconnection milestones.

Status of other activities are highlighted as follows:

- Since the date of the Cure of Breach letter, the Welcome Solar team achieved a 90% design status across all engineering disciplines, and Issued for Construction sets are anticipated to be complete in January.
- CarVal has an execution version of a third revision of the Limited Notice to Proceed with Mill Creek Renewables to complete procurement of long lead time equipment and formalize a handover of the engineering responsibilities from owner to contractor. Delays in procurement were due in part to cost engineering analyses as the project considered alternative vendors for major equipment. We also completed advanced designs prior to finalizing equipment orders, in response to vendor requests for further technical specification.
- Immediately following receipt of the energization date from First Energy, Carval will execute the fully negotiated EPC Agreement.
- All solar modules are currently warehoused in Jamestown, NY. Production of solar modules was completed in June and shipments were complete by August of 2023. Proof of delivery receipts are attached.
- GSU transformer production is scheduled to begin in January of 2024 and the equipment is expected to ship in late February.

Next Steps:

- Immediately following confirmation of energization dates from First Energy, Carval will execute the EPC Agreement with Mill Creek Renewables and amend the existing ISA milestone dates. The EPC Agreement is fully negotiated and ready for execution once we populate the energization dates with the correct schedule information. We intend a spring 2024 mobilization as soon as site conditions are suitable.

In short, we are continuing to diligently pursue satisfying the requirements under the interconnection agreement milestones, while revising milestones with FirstEnergy and PJM to reflect the project's current construction schedule of COD in late 2024/early 2025.

Please see the attached support for the activities highlighted here. We are available at your convenience to address any questions or concerns.

Regards,

Welcome Solar Project Team



1601 Utica Avenue South, Suite 1000

Minneapolis, MN 55416

Exhibit E

From: Roberts, Nathan

Sent: Monday, June 3, 2024 3:34 PM

To: Derek Daly <Derek.Daly@abcarval.com>; Emma Bankier <Emma.Bankier@abcarval.com>

Cc: Shoemaker, Jason R. <Jason.Shoemaker@pjm.com>; McGill, Susan <Susan.McGill@pjm.com>;

Lambert, Andrew J <Andrew.Lambert@pjm.com>; Culp, Louis <Louis.Culp@pjm.com>

Subject: Welcome Solar I,II, & III (AE1-079, AE1-237 & AE2-343) Status Update

Derek,

PJM is unaware of the current project status for Queue Positions AE1-079, AE1-237, and AE2-343 (Welcome Solar), including Welcome Solar's satisfaction of the contractual milestone requirements documented in the applicable Interconnection Service Agreements (ISAs) under the FERC-jurisdictional PJM Tariff. Therefore, PJM respectfully asks Welcome Solar to demonstrate that the contractual milestone requirements have been met, in accordance with Tariff, section 212.5, the ISAs, and PJM Manual 14C. PJM acknowledges receiving information from Welcome Solar in March 2023 regarding early project milestones. Given the passage of time, PJM now requires updated information and all materials that Welcome Solar relies upon to demonstrate satisfaction of milestones. Therefore, based on current project status, please provide as promptly as possible all documentation, photos, and correspondence that Welcome Solar relies upon to demonstrate that Welcome Solar has achieved the following milestones as documented in the ISAs:

Welcome Solar I

6.1 Site Permits. On or before December 31, 2022, Interconnection Customer must demonstrate that it has obtained any necessary local, county, and state site permits.

6.2 Acquisition of major electrical equipment. On or before July 31, 2022, Interconnection Customer must demonstrate that it has signed a memorandum of understanding for the acquisition of major equipment.

6.3 Substantial Site Work Completed. On or before December 9, 2022, Interconnection Customer must demonstrate completion of at least 20% of project site construction. At this time, Interconnection Customer must submit to Interconnected Transmission Owner and Transmission Provider initial drawings, certified by a professional engineer, of the Customer Interconnection Facilities.

6.4 Delivery of major electrical equipment. On or before December 18, 2023 (adjusted by Suspension period), Interconnection Customer must demonstrate that all generating units have been delivered to Interconnection Customer's project site.

Welcome Solar II

6.1 Acquisition of major electrical equipment. On or before July 31, 2022, Interconnection Customer must demonstrate that it has signed a memorandum of understanding for the acquisition of major equipment.

6.2 Site Permits. On or before December 21, 2022, Interconnection Customer must demonstrate that it has obtained any necessary local, county, and state site permits.

6.3 Substantial Site Work Completed. On or before December 9, 2022, Interconnection Customer must demonstrate completion of at least 20% of project site construction. At this time, Interconnection Customer must submit to Interconnected Transmission Owner and Transmission Provider initial drawings, certified by a professional engineer, of the Customer Interconnection Facilities.

6.4 Delivery of major electrical equipment. On or before December 18, 2023 (adjusted by Suspension period), Interconnection Customer must demonstrate that all generating units have been delivered to Interconnection Customer's project site.

Welcome Solar III

6.1 Substantial Site Work Completed. On or before December 9, 2022, Interconnection Customer must demonstrate completion of at least 20% of project site construction. At this time, Interconnection Customer must submit to Interconnected Transmission Owner and Transmission Provider initial drawings, certified by a professional engineer, of the Customer Interconnection Facilities.

6.2 Site Permits. On or before April 7, 2023, Interconnection Customer must demonstrate that it has obtained any necessary local, county, and state site permits.

6.3 Acquisition of major electrical equipment. On or before April 30, 2022, Interconnection Customer must demonstrate that it has signed a memorandum of understanding for the acquisition of major equipment.

6.4 Delivery of major electrical equipment. On or before December 18, 2023 (adjusted by Suspension period), Interconnection Customer must demonstrate that all generating units have been delivered to Interconnection Customer's project site.

Best Regards,

Nathan Roberts

Sr. Engineer II, Interconnection Planning Project: Infrastructure Coordination

(610)666-4265 | C: (610)267-0936 | Nathan.Roberts@pjm.com

PJM Interconnection | 2750 Monroe Blvd. | Audubon, PA 19403



Exhibit F

From: Shparber, Steven <SShparber@mintz.com>

Sent: Monday, June 10, 2024 4:31 PM

To: Holt, Christopher <Christopher.Holt@pjm.com>

Cc: O'Hara, Chris <Chris.OHara@pjm.com>; Gray, Jeffrey, M <Jeffrey.Gray@pjm.com>; Matthew Bogart <Matthew.Bogart@abcarval.com>; Colleen Ryan <Colleen.Ryan@abcarval.com>; Jody Gunderson <Jody.Gunderson@abcarval.com>; Drew Venkatraman <Drew.Venkatraman@abcarval.com>; Bustami, Omar <OBustami@mintz.com>; Warren, Wendy <warren@wrightlaw.com>; Roberts, Nathan <Nathan.Roberts@pjm.com>

Subject: RE: Welcome Solar

⚠ External Email! Think before clicking links or attachments.

Contact the Support Center immediately if you click on a link or open an attachment that appears malicious.

Good afternoon, Chris. Following your response to my previous email regarding Welcome Solar, and a subsequent communication that AB Carval received from PJM on last week (discussed below and attached hereto), I wanted to respond on behalf of AB Carval.

We are disappointed that PJM's position is that "[i]t is premature to discuss extension of milestones until we have received confirmation that the underlying milestones have been achieved." Additionally, in the attached email that AB Carval received from PJM's project manager for Welcome Solar, PJM states that it is "unaware of the current project status for Queue Positions AE1-079, AE1-237, and AE2-343," that it only "acknowledges receiving information from Welcome Solar in March 2023 regarding early project milestones" and that PJM is now requiring "updated information and all materials that Welcome Solar relies upon to demonstrate satisfaction of [all] milestones" applicable to each of the Welcome Solar projects. PJM's statements are troubling for the following reasons.

First, the robust record developed before FERC in Docket Nos. ER24-994, et al. and EL24-73 is replete with information concerning the current status of the Welcome Solar projects, including a multitude of information supplied to PJM before *and after* March 2023. Accordingly, it is difficult for AB Carval to understand how PJM is "unaware of the current project status" of the Welcome Solar projects, or that PJM now only seems to "acknowledge[e] receiving information from Welcome Solar in March 2023 regarding early project milestones."

Second, it is concerning that PJM is still seeking information from Welcome Solar on "early project milestones" (which we interpret to mean those milestones related to obtaining site permits, acquisition of major electrical equipment, and substantial sitework completion) following the issuance of FERC's May 28 order rejecting PJM's Notices of Cancellation ("Order"). As you are aware, PJM issued Notices of Breach related to these milestones in February 2023, which Welcome Solar responded to in March 2023. Following PJM's issuance of the Notices of Termination in January 2024 and the subsequent proceedings before FERC, FERC concluded that "PJM has not demonstrated that Welcome Solar failed to cure the breaches of the Welcome Solar ISAs and, accordingly, has not demonstrated that Welcome Solar is in default." (Order at P 68). Despite this, PJM now appears to be asking for information on milestones that came to pass over a year ago, that Welcome Solar satisfied over a year ago, and that

were the subject of the FERC proceedings that just concluded in which PJM failed to demonstrate that Welcome Solar failed to cure the breaches as wrongfully alleged by PJM.

As I noted in my email to you on last week, “AB Carval is committed to continue developing and eventually constructing the Welcome Solar projects as soon as practicable.” Further, as part of any process related to amending the Welcome Solar ISAs, AB Carval is “open to discussing potentially adding additional milestones to the amended Welcome Solar ISAs that would precede the delivery of major electrical equipment milestone to demonstrate progress in developing the projects.” AB Carval is also open to hearing any reasonable suggestions that PJM has that are intended to ensure that the projects’ development is moving forward in as expedited a manner as possible under the applicable circumstances. However, AB Carval is not interested in relitigating the question of whether it satisfied the “early project milestones” – which PJM’s requests and its current position seem aimed at doing.

At this point, the single greatest impediment to moving the Welcome Solar projects forward in a timely manner is the fact that we need to speak with ATSI and PJM to understand how long it will take ATSI to perform its scope of work related to the projects so that we can establish a new placed-in-service date for each project, along with an appropriate, revised project development milestone schedule for each project based on each project’s respective placed-in-service date. Without additional visibility into when ATSI can complete its scope of work for each project, and agreement from both PJM and ATSI on the revised project development milestone schedule, AB Carval is being prevented from undertaking additional tasks that it needs to complete to develop and eventually construct the Welcome Solar projects, including, but not limited to, executing final EPC Agreements.

We had intended to provide PJM and ATSI with additional information concerning the current status of the Welcome Solar projects at our regular monthly meeting, which was scheduled to take place tomorrow. However, this morning AB Carval received an email from PJM unilaterally cancelling the meeting. Accordingly, AB Carval requests a meeting with PJM, with counsel present, to discuss 1) what specific information PJM needs from Welcome Solar related to the status of the Welcome Solar projects that it believes it is missing; and 2) the process PJM intends to undertake to amend the Welcome Solar ISAs and milestones contained therein to ensure that AB Carval can develop and eventually construct the Welcome Solar projects as soon as practicable.

Thank you and we look forward to hearing from you.

Steven Shparber

Member

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
555 12th Street NW, Suite 1100, Washington, DC 20004
[+1.202.434.7417](tel:+12024347417)

SShparber@mintz.com | Mintz.com

Exhibit G

From: Holt, Christopher <Christopher.Holt@pjm.com>

Sent: Friday, June 14, 2024 9:51 AM

To: Shparber, Steven <SShparber@mintz.com>

Cc: Gray, Jeffrey, M <Jeffrey.Gray@pjm.com>; Matthew Bogart <Matthew.Bogart@abcarval.com>; Colleen Ryan <Colleen.Ryan@abcarval.com>; Jody Gunderson <Jody.Gunderson@abcarval.com>; Drew Venkatraman <Drew.Venkatraman@abcarval.com>; Bustami, Omar <OBustami@mintz.com>; Warren, Wendy <warren@wrightlaw.com>; Roberts, Nathan <Nathan.Roberts@pjm.com>; Shoemaker, Jason R. <Jason.Shoemaker@pjm.com>; Emma Bankier <Emma.Bankier@abcarval.com>; Roy Jumbo <Roy.Jumbo@abcarval.com>; Julie Kranz <Julie.Kranz@abcarval.com>

Subject: RE: Welcome Solar

Steve,

Removing O'Hara as he does not need to be on project related emails.

The March 2023 representations that PJM previously relied upon may need updating. If Welcome Solar has no material updates on the permits, then PJM does not expect Welcome Solar to provide any updates.

However, while unclear, other representations upon which PJM relied may have changed materially prior to Welcome Solar exercising Suspension in advance of the July 14, 2023 "delivery of major electrical equipment" milestones.

Therefore, to avoid potential misrepresentations or omissions, or misunderstandings, PJM asks Welcome Solar to demonstrate completion of the milestones for (1) acquisition of major electrical equipment, (2) substantial site work completed, and (3) delivery of major electrical equipment.

Welcome Solar I

6.2 Acquisition of major electrical equipment. On or before July 31, 2022, Interconnection Customer must demonstrate that it has signed a memorandum of understanding for the acquisition of major equipment.

PJM suggests providing copies of signed purchase orders or memorandums of understanding, redacted as necessary, for the acquisition of major electrical equipment for the project.

6.3 Substantial Site Work Completed. On or before December 9, 2022, Interconnection Customer must demonstrate completion of at least 20% of project site construction. At this time, Interconnection Customer must submit to Interconnected Transmission Owner and Transmission Provider initial drawings, certified by a professional engineer, of the Customer Interconnection Facilities.

PJM suggests providing photos of the civil construction activities at the site. Those photos should demonstrate the site work completed in the spring of 2023, which included (1) site mobilization, (2) construction of site erosion and sediment control measures, and (3) construction of site driveways and entrances. PJM also requests photos demonstrating the major site construction activities completed

under the May 2023 Final Notice to Proceed. Further, Welcome Solar should provide updated initial drawings.

6.4 Delivery of major electrical equipment. On or before December 18, 2023 (adjusted by Suspension period), Interconnection Customer must demonstrate that all generating units have been delivered to Interconnection Customer's project site.

PJM suggests providing bills of lading and photos confirming delivery of the major electrical equipment to the project site.

Welcome Solar II

6.1 Acquisition of major electrical equipment. On or before July 31, 2022, Interconnection Customer must demonstrate that it has signed a memorandum of understanding for the acquisition of major equipment.

PJM suggests providing copies of signed purchase orders or memorandums of understanding, redacted as necessary, for the acquisition of major electrical equipment for the project.

6.3 Substantial Site Work Completed. On or before December 9, 2022, Interconnection Customer must demonstrate completion of at least 20% of project site construction. At this time, Interconnection Customer must submit to Interconnected Transmission Owner and Transmission Provider initial drawings, certified by a professional engineer, of the Customer Interconnection Facilities.

PJM suggests providing photos of the civil construction activities at the site. Those photos should demonstrate the site work completed in the spring of 2023, which included (1) site mobilization, (2) construction of site erosion and sediment control measures, and (3) construction of site driveways and entrances. PJM also requests photos demonstrating the major site construction activities completed under the May 2023 Final Notice to Proceed. Further, Welcome Solar should provide updated initial drawings.

6.4 Delivery of major electrical equipment. On or before December 18, 2023 (adjusted by Suspension period), Interconnection Customer must demonstrate that all generating units have been delivered to Interconnection Customer's project site.

PJM suggests providing bills of lading and photos confirming delivery of the major electrical equipment to the project site.

Welcome Solar III

6.1 Substantial Site Work Completed. On or before December 9, 2022, Interconnection Customer must demonstrate completion of at least 20% of project site construction. At this time, Interconnection Customer must submit to Interconnected Transmission Owner and Transmission Provider initial drawings, certified by a professional engineer, of the Customer Interconnection Facilities.

PJM suggests providing photos of the civil construction activities at the site. Those photos should demonstrate the site work completed in the spring of 2023, which included (1) site mobilization, (2) construction of site erosion and sediment control measures, and (3) construction of site driveways and entrances. PJM also requests photos demonstrating the major site construction activities completed under the May 2023 Final Notice to Proceed. Further, Welcome Solar should provide updated initial drawings.

6.3 Acquisition of major electrical equipment. On or before April 30, 2022, Interconnection Customer must demonstrate that it has signed a memorandum of understanding for the acquisition of major equipment.

PJM suggests providing copies of signed purchase orders or memorandums of understanding, redacted as necessary, for the acquisition of major electrical equipment for the project.

6.4 Delivery of major electrical equipment. On or before December 18, 2023 (adjusted by Suspension period), Interconnection Customer must demonstrate that all generating units have been delivered to Interconnection Customer's project site.

PJM suggests providing bills of lading and photos confirming delivery of the major electrical equipment to the project site.

Going forward please coordinate with Jeff Gray and Nate Roberts as they are the attorney and PM handling this project for PJM.

Thanks,
Chris

Exhibit H

From: Shparber, Steven <Sshparber@mintz.com>

Sent: Tuesday, August 6, 2024 10:45 AM

To: Lai, Erin <Erin.Lai@pjm.com>; Holt, Christopher <Christopher.Holt@pjm.com>

Cc: Matthew Bogart <Matthew.Bogart@abcarval.com>; Drew Venkatraman <Drew.Venkatraman@abcarval.com>; Jody Gunderson <Jody.Gunderson@abcarval.com>; Colleen Ryan <Colleen.Ryan@abcarval.com>; Bustami, Omar <OBustami@mintz.com>; Mike Borgatti <mike.borgatti@gabelassociates.com>; Lambert, Andrew J <Andrew.Lambert@pjm.com>; Roberts, Nathan <Nathan.Roberts@pjm.com>; Gray, Jeffrey, M <Jeffrey.Gray@pjm.com>; Moretti, Andrea, R <Andrea.Moretti@pjm.com>; Warren, Wendy <warren@wrightlaw.com>; Berman, David <berman@wrightlaw.com>; Trinkle, Elizabeth, P <trinkle@wrightlaw.com>; Bielak, Donnie <Donnie.Bielak@pjm.com>; O'Hara, Chris <Chris.OHara@pjm.com>

Subject: RE: Welcome Solar data room access

⚠ External Email! Think before clicking links or attachments.

Contact the Support Center immediately if you click on a link or open an attachment that appears malicious.

Good morning, Erin, I was about to respond to Chris's August 2 email when you wrote, and so will provide the response below. There have been no offline conversations between AB Carval and PJM. Thank you and please let me know if you have any other questions.

Response to Chris Holt's August 2 Email

Good morning, Chris, the data room is already populated with the most up to date information concerning the current status of the Welcome Solar projects and is organized in the manner that you requested. That said, we will add additional documents to the data room (which have been previously provided to PJM and/or are publicly available at FERC) by tomorrow and let you know once they have all been uploaded. The AB Carval team will make itself available to answer any additional questions that you have related to the documents or any related issue.

Notwithstanding the foregoing, I want to respectfully take this opportunity to make clear AB Carval's position with respect to the milestones. Specifically, Welcome Solar cured the Breaches related to the milestones specified in the Notices of Breach in March 2023. While PJM filed Notices of Cancellation of the Welcome Solar ISAs in January 2024 over alleged failures of Welcome Solar to cure the Breaches specified in the Notices of Breach, FERC rejected the Notices of Cancellation in the May 28 Order. As a result, AB Carval's position is that it has achieved the milestones subject to the Notices of Breach (namely milestones 6.1, 6.2 and 6.3), *and did so as of March 2023*.

Since the issuance of the May 28 Order, AB Carval has attempted on numerous occasions to engage in good faith with PJM to discuss updating the other project development milestones specified in the Welcome Solar ISAs, and make any other mutually agreeable revisions to the

Welcome Solar ISAs, to reflect realistic placed-in-service dates for the Welcome Solar projects, which are dependent on input from PJM and ATSI. PJM has categorically refused to have this discussion, even after AB Carval initiated the ADR process pursuant to Section 12 of the PJM Tariff. In fact, not only has PJM refused to have this discussion (which was and is the subject of our July 3 Notice of Dispute) but as you confirmed at our July 26 ADR meeting, PJM refused to even review the materials included in our July 3 Notice of Dispute related to the current status of the Welcome Solar projects. Moreover, as you acknowledge, PJM continues to refuse to review the data that was provided to it last week. Put simply, it is PJM's conduct that has delayed the Welcome Solar projects' development, final construction, and operation - not AB Carval's.

Steven Shparber

Member

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
555 12th Street NW, Suite 1100, Washington, DC 20004
+1.202.434.7417

SShparber@mintz.com | Mintz.com

Exhibit I



September 5, 2024

Via courier/email to emma.bankier@carval.com

Welcome Solar III, LLC
c/o AB CarVal Investors, L.P.
461 Fifth Avenue, 25th Floor
New York, NY 10017

Re: Notice of Breach of Interconnection Service Agreement among PJM Interconnection, L.L.C., Welcome Solar III, LLC, and American Transmission Systems, Inc.; Service Agreement No. 6239; Queue Position No. AE2-343

To whom it may concern:

PJM Interconnection, L.L.C. (“PJM”) hereby notifies you that Welcome Solar III, LLC (“Welcome III”) is in breach of the above-referenced Interconnection Service Agreement (“ISA”) for PJM queue position number AE2-343.¹

Welcome III has failed to demonstrate timely completion of project milestones specified in the ISA, as follows:

ISA Milestone	Required Completion Date
6.1 Substantial Site work completed	December 9, 2022
6.3 Acquisition of major electrical equipment	April 30, 2022
6.4 Delivery of major electrical equipment	December 18, 2023 (adjusted by Suspension period)

If, within 30 days of your receipt of this letter, Welcome III does not cure the above-described breach, Welcome III will be in default of the ISA, and PJM will file a notice of cancellation of the ISA with the Commission.

To cure the breach, with 30 days of your receipt of this letter, Welcome III must demonstrate completion of the project milestones as follows:

6.1 Substantial Site work completed – Provide photos demonstrating the site preparation work completed under the limited notice to proceed, and photos demonstrating the subsequent major construction activities to reach the 20%

¹ PJM filed the ISA with the Federal Energy Regulatory Commission (“Commission”) in Docket No. ER23-1126-000, effective April 17, 2023.

requirement for substantial site work, which should include at minimum the foundation work, trenching and underground utilities installation, and racking system installation. Also, submit initial drawings, certified by a professional engineer, of the Customer Interconnection Facilities.

6.3 Acquisition of major electrical equipment – Provide copies of signed purchase orders or memorandums of understanding that include equipment descriptions and delivery details, with commercial terms redacted as necessary, for the following: solar modules, inverters, main power transformer, circuit breaker, and protection and control equipment.

6.4 Delivery of major electrical equipment – Provide bills of lading and photos confirming delivery to the project site of all equipment acquired under the milestone 6.3 requirements.

If Welcome III cannot complete the above tasks within 30 days, then, in accordance with ISA, Appendix 2, section 15.4.1, Welcome III “may commence in good faith all steps that are reasonable and appropriate to cure the Breach within such thirty day time period and thereafter diligently pursue such action to completion.” PJM will evaluate any incomplete and ongoing cure activities in accordance with the foregoing standards, using its reasonable discretion.

By copy of this letter, PJM is notifying American Transmission Systems, Inc. of the breach. Should you have any questions, you may contact the undersigned.

Sincerely,

/s/ Jeffrey M. Gray

Jeffrey M. Gray
Gray PLLC
P.O. Box 620323
Middleton, WI 53562-0323
(608) 628-3800
jeffrey.gray@pjm.com

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

Cc (via email):

American Transmission Systems, Inc.
Scott Perry - sepperry@firstenergycorp.com
Amanda Parker - aparker@firstenergycorp.com

PJM
Nathan Roberts- Nathan.Roberts@pjm.com

Exhibit J

From: Shparber, Steven <SShparber@mintz.com>

Sent: Friday, October 4, 2024 4:53 PM

To: Gray, Jeffrey, M <Jeffrey.Gray@pjm.com>

Cc: Holt, Christopher <Christopher.Holt@pjm.com>; O'Hara, Chris <Chris.OHara@pjm.com>; Matthew Bogart <Matthew.Bogart@abcarval.com>; Colleen Ryan <Colleen.Ryan@abcarval.com>; Bustami, Omar <OBustami@mintz.com>

Subject: Welcome Solar Response to September 5 Notices of Breach

⚠ External Email! Think before clicking links or attachments.

Contact the Support Center immediately if you click on a link or open an attachment that appears malicious.

Good afternoon, Jeff, I am writing on behalf of Welcome Solar, LLC; Welcome Solar II, LLC and Welcome Solar III, LLC (collectively, "Welcome Solar") with respect to PJM's September 5, 2024, Notices of Breach (the "Notices of Breach"), which are attached hereto. Welcome Solar disputes the validity of the Notices of Breach, as well as their justness and reasonableness. Accordingly, this afternoon Welcome Solar filed the attached complaint against PJM related to the Notices of Breach (the "Complaint").

Notwithstanding the arguments raised and positions taken in the Complaint, Welcome Solar is providing information that is responsive to the Notices of Breach, which demonstrates significant additional progress made on the Welcome Solar Facilities, organized by milestone. The information is available in the data

room: <https://carvalinvestors.sharefile.com/home/shared/fo225890-653b-48e5-a4fe-b96ba1a6f420> - please advise if anyone at PJM has any trouble accessing the data room or requires access. Further, Welcome Solar can make itself available at PJM's convenience to answer any questions with respect to the information provided in the data room.

While Welcome Solar is providing information that is responsive to the Notices of Breach, the provision of such information to PJM should not be interpreted by PJM as a waiver of any arguments or positions set forth in the Complaint, or admission of any facts related to Welcome Solar's dispute with PJM.

Further, despite the filing of today's Complaint against PJM, Welcome Solar reiterates its longstanding and strong preference to give PJM the assurances it needs to know that the Welcome Solar Facilities will be built as soon as practicable and proceed with building them, rather than resorting to continued litigation at FERC. Accordingly, Welcome Solar stands ready to discuss a mutually agreeable resolution of its longstanding dispute with PJM concerning the Welcome Solar Facilities, including a resolution of the Complaint.

Steven Shparber
Member

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Exhibit K

Evidence of Substantial Site Work Provided Prior to Breach Notice (July 2024)



Evidence of Substantial Site Work Provided to Demonstrate Cure (October 16, 2024)



Exhibit L

CONSTRUCTION CONTRACT

1. **Scope of Work.** Contractor agrees to perform the following work, hereafter "the Work":

- A. Mobilization and site clearing:
 - a. Mobilize crew to clear trees.
 - b. Clearing and Grubbing.
 - c. Pre-seed and stabilization
 - d. Filter Sock
 - e. Install Construction Entrance

Description	Cost
Mobilization	
Clearing and Grubbing	
Pre-Seed	
Filter Sock	
Construction Entrance	
Total	

2. **Plans and Specifications.** The work shall be performed in accordance with the following plans and specifications, hereafter "the plans and specifications" titled: Welcome 3 Solar dated February 1, 2025 IFC Civil Package prepared by Kimely Horn and Associates, Inc. approved or unapproved

The plans and specifications are, by this reference, incorporated herein and made a part of this contract, but are not attached.

3. **Payment.** Owner shall pay to Contractor, as full compensation for all the work the following amount(s):

- a. The above price(s) shall include all applicable Sales, Use, Franchise, Excise and other taxes which may now or hereafter be levied.
- b. In the event the above price(s) is/are unit price(s) based on quantities, final payment shall be for actual quantities determined by field measurement, upon completion of the work.
- c. Payment address

4. **Time.** Contractor shall commence the work as promptly as practicable after it receives from Owner written notice to proceed.

5. **Contract Documents.** The contract documents shall consist of the plan and specifications, the general conditions printed on the reverse side hereon, the special provisions, if any, and this contract, and all of the same by this reference are made a part of this contract.

6. **Project Information.** The property upon which the work is to be performed, hereafter "the property", is located at 1297 Patton Road, West Fallowfield, PA 16131, the lessee of the property is Welcome Solar III, LLC.

CONTRACTORS ARE REQUIRED BY LAW TO BE LICENSED AND REGULATED BY THE CONTRACTORS' STATE LICENSE BOARD. ANY QUESTIONS CONCERNING A CONTRACTOR MAY BE REFERRED TO THE REGISTRAR, CONTRACTORS' STATE LICENSE BOARD, MAILING ADDRESS: [N/A].