

**MC Legal Report
Summary of Significant Filings, Legal
Activity and
Federal Energy Regulatory Commission (Commission) and Court Orders
(February 7, 2025 – March 6, 2025)**

ORDERS

On March 4, 2025, in Docket No. ER25-1022-000, the Commission issued a letter order accepting PJM's clerical and ministerial markets-related revisions originating from the Governing Document Enhancement & Clarification Subcommittee (the GDECS Filing) to correct, clarify, and/or make consistent certain markets-related provisions of the PJM Tariff, Operating Agreement, and Reliability Assurance Agreement. PJM's revisions become effective as of March 24, 2025.

On February 27, 2025, in Docket No. ER24-3135-001, the Commission accepted PJM's compliance filing pursuant to the Commission's November 26, 2024 order accepting PJM's revisions for automating bid duration for economic load response participants in PJM's Energy Markets. The Commission granted PJM's requested indeterminate effective date, and directed PJM to file an informational filing at least 30 days before implementation to inform the Commission of the actual effective date.

On February 20, 2025, in Docket No. ER25-785-000, the Commission issued an order accepting PJM's proposal to (1) eliminate the categorical must offer exception for Intermittent Resources, Capacity Storage Resources, and Hybrid Resources; (2) allow unit-specific Market Seller Offer Caps to be based on a stand-alone CPQR (with no EAS offset); and (3) allow for unit-specific segmented offer caps. These changes are effective February 21, 2025. Further, the Commission directed PJM to submit a compliance filing by March 7, 2025 to include in the Tariff the requirement that each subsequent segmented offer cap be higher than the prior segments.

On February 18, 2025, in Docket No. ER25-775-000, the Commission issued a letter order accepting PJM's revisions to PJM Tariff, Schedule 12 – Appendix, Schedule 12 – Appendix A, and Schedule 12 – Appendix C to update annual cost responsibility assignments for Regional Facilities, Necessary Lower Voltage Facilities, Lower Voltage Facilities, and State Agreement Public Policy Projects, consistent with PJM Tariff, Schedule 12. PJM's revisions become effective as of January 1, 2025.

On February 18, 2025, in Docket No. ER25-783-000, the Commission issued an order accepting PJM's proposed revisions in Tariff Attachments DD and Q, which expand PJM's ability to perform credit reviews in advance of bilateral capacity transactions. The revisions provide for advance credit review of auction-specific and locational UCAP bilateral transactions. This change allows PJM to confirm that sufficient credit is in place to support the financial exposures of both buyers and sellers before these transactions are finalized. PJM's revisions become effective as of February 19, 2025.

On February 14, 2025, in Docket No. ER25-682-000, the Commission issued an order accepting PJM's Tariff revisions to count qualifying resources retained for reliability as capacity for the next two Delivery Years, retain the combustion turbine as the reference resource, include explicit language that the categorical exemption does not provide a safe harbor from claims of market power, and remove reactive revenues beginning with the 26/27 Base Residual Auction. PJM's revisions will become effective as of February 18, 2025. The Commission directed PJM to submit two separate filings by March 3, 2025, one compliance filing and one ministerial clean-up filing pursuant to this order.

On February 11, 2025, in Docket No. ER25-807-000, the Commission issued an Order accepting PJM's filing of a revised Market Monitoring Services Agreement as PJM Rate Schedule FERC No. 46. The effective date is January 1, 2026.

On February 11, 2025, in Docket No. ER25-712-000, the Commission accepted PJM's filing to modify Tariff, Part VII to add provisions enabling a one-time reliability-based expansion of the eligibility criteria for PJM's interconnection process Transition Cycle #2. The Tariff revisions are intended to allow a very limited number of additional resources to participate in Transition Cycle #2 while still keeping Transition Cycle #2 on track for timely completion, and are the result of PJM's Reliability Resource Initiative, effective date of December 14, 2024.

On February 11, 2025, in Docket No. ER25-778-000, the Commission accepted PJM's filing to modify provisions of Tariff, Part VIII governing Surplus Interconnection Service, to facilitate the rapid expansion of existing and planned generating facilities on PJM's system through the expedited Surplus Interconnection Service process, effective date of March 7, 2025.

On February 10, 2025, in Docket No. ER24-374-002, the Commission issued a letter order accepting PJM's compliance filing pursuant to the Commission's order accepting PJM's revisions to address reforms to the Bilateral Sale of Financial Transmission Rights, including enhanced reporting of FTR bilateral transactions to promote increased transparency, accuracy and timeliness of reporting. PJM's revisions in the compliance filing become effective as of June 30, 2024.

On February 7, 2025, in Docket ER25-688-000, the Commission issued an Order accepting PJM's submission on behalf of The Potomac Edison Company ("Potomac Edison") a request for authorization to recover specified costs incurred toward rebuilding the Potomac Edison-owned portion of the Doubs-Goose Creek 500 kV Transmission Line (the "Project"), prior to abandonment of the Project on December 11, 2023. The order is effective on February 11, 2025.

On February 6, 2025, in Docket No. RM21-17-000, the Commission issued a notice granting motions filed by PJM, the PJM Transmission Owners (TOs), and the PJM Area Relevant State Entities Committee (PARSEC) to extend deadlines associated with Order No. 1920 compliance. Specifically, FERC extended: (i) the deadline for PJM to submit its compliance filing to meet all requirements of Order No. 1920, except those

related to interregional transmission coordination, to December 12, 2025; (ii) the PJM TOs-PARSEC Engagement Period for an additional six months, to and including October 7, 2025; and (iii) the deadline for the PJM TOs to submit their compliance filing to meet the cost allocation requirements of Order 1920 to December 12, 2025.

FILINGS

On March 6, 2025, in Docket No. ER25-785-001, PJM submitted a compliance filing pursuant to the Commission's February 20 order proposing Tariff revisions to clarify that each subsequent segmented offer cap segment must be greater than prior segments. PJM requested for its compliance revisions to be effective as of February 21, 2025.

On March 6, 2025, in Docket No. ER25-1525-000, PJM submitted a proposal under section 205 of the Federal Power Act to revise certain definitions in its Reliability Assurance Agreement Among Load Serving Entities, effective with the 2027/2028 Delivery Year. The proposed changes would (1) extend the Demand Resource availability window to 24 hours a day throughout the year; and (2) revise the definition of Winter Peak Load used in calculating Demand Resources' Winter Nominated Value in PJM's effective load carrying capability methodology. PJM requested an effective date of May 6, 2025 for the revisions.

On March 5, 2025, in Docket No. ER24-754-002, PJM submitted on behalf of Baltimore Gas and Electric Company a compliance filing pursuant to the Commission's February 6, 2025 order, in Docket No. ER24-754-001, approving the executed, uncontested Settlement Agreement resolving all issues in Docket No. ER24-754 and all sub-dockets thereto. Pursuant to the Commission's order and consistent with the Settlement Agreement, the requested effective date of the tariff revisions is March 1, 2024.

On March 4, 2025, in Docket No. ER25-1501-000, PJM submitted for filing proposed enhancements to Part V of its Open Access Transmission Tariff to update the generator deactivation process and compensation provisions for any resources that agree to remain online to address PJM-identified transmission reliability issues (the Deactivation Proposal). This Deactivation Proposal is the culmination of the first phase of the Deactivation Enhancements Senior Task Force's work, which will now move on to the next phase. PJM has requested an effective date of May 5, 2025.

On March 3, 2025, in Docket No. ER25-682-001, PJM submitted a compliance filing pursuant to the Commission's February 14 order and to clarify that any proposed extension of the provision relating to counting RMR resources beyond the 2027/2028 delivery year would require Commission approval. Additionally, PJM included a ministerial-clean up in this filing as directed by the Commission in the February 14 order.

On February 28, 2025, in Docket Nos. ER22-2359-000 and ER23-2964-000, PJM and PJM Transmission Owners submitted a Motion for Extension of Time to Comply with implementing the requirements of Order No. 881 and Order No. 881-A. PJM respectfully

requests (1) an extension of the compliance deadline and effective dates for Order No. 881-related tariff records to a date no later than April 15, 2026, for PJM to implement Order No. 881 requirements; (2) an extension of the compliance deadline and effective dates for Order No. 881-related tariff records to a date no later than April 15, 2026, for PJM's Transmission Owners to implement their requirements pursuant to Order No. 881, and of the effective date of the amendments to the Consolidated Transmission Owners Agreement previously accepted by the Commission ("CTOA Order No. 881 Amendments") (collectively, the "Compliance Deadline and Effective Dates"); and (3) that the Commission issue an order on this motion as soon as practicable but no later than March 31, 2025. PJM and the PJM Transmission Owners pledge to make an informational filing no less than 30 days before the expected Compliance Deadline and Effective Dates indicating that final Compliance Deadline and Effective Dates can be set for the affected provisions, as set forth in this Motion.

On February 25, 2025, in Docket No. ER25-1392-000, PJM submitted on behalf of East Kentucky Power Cooperative, Inc. (EKPC) revisions of its transmission formula rate (Attachment H-24A to the Tariff) to correct (i) the calculation of the regulatory expense included in EKPC's transmission cost of service; (ii) the calculation of the wages and salaries allocator in the formula; (iii) references to EKPC's prorated PJM transition expense that is no longer recovered; and (iv) several ministerial errors (e.g., internal line references). The revisions would go into effect with the start of EKPC's next rate year, which begins June 1, 2025, and will have a de minimis impact on the calculation of EKPC's annual transmission revenue requirement (ATRR).

On February 24, 2025, in Docket No. AD25-4-000, the Eastern Interconnection Planning Collaborative, which includes PJM as a member, submitted comments on the NERC Interregional Transfer Capability Study and recommendations for next steps as the Commission prepares its required report involving strengthening reliability through energy transformation.

On February 21, 2025, in Docket Nos. ER22-1539-004 and ER23-2688-006, PJM submitted a Motion for Leave to Answer and Answer to a request for rehearing of the Commission's January 16, 2025 order approving the Indian River 4 Reliability Must-Run (RMR) settlement.

On February 20, 2025, in Docket No. ER25-1357-000, PJM submitted a proposal under section 205 of the Federal Power Act to propose a temporary capacity market demand curve price cap and price floor for the 2026/2027 and 2027/2028 Delivery Years.

On February 18, 2025, 2024, in Docket No. EL24-125-000, PJM and EDP Renewables North America LLC submitted a joint motion to: (1) hold the Docket No. EL24-125 proceeding in abeyance hold the captioned proceeding for an additional 45 days, until April 4, 2025; and (2) grant expedited treatment of the motion.

On February 14, 2025, in Docket No. EL25-46-000, PJM submitted jointly with Governor Josh Shapiro and the Commonwealth of Pennsylvania a stipulation of

satisfaction and joint motion to dismiss the December 30, 2025 Complaint with prejudice upon Commission acceptance of PJM's forthcoming section 205 proposal to temporarily set a capacity market demand curve cap and floor for the 2026/2027 and 2027/2028 Delivery Years.

On February 14, 2025, in Docket No. EL25-51-000, PJM Interconnection, L.L.C. submitted an answer to the January 24, 2025 complaint filed by Honeysuckle Solar, L.L.C. (Honeysuckle), which alleged that Honeysuckle should not be held responsible for the full cost of a Network Upgrade. PJM's answer explains why the cost of the Network Upgrade was properly fully allocated to Honeysuckle and not to other Interconnection Customers.

On February 14, 2025, in Docket Nos. ER22-2110-000 and ER22-2110-001, PJM filed an informational report pursuant to the Commission's November 29, 2022 order accepting PJM's comprehensive reforms to its generation interconnection process involving the transition from a "first-come, first-served" serial approach to a "first-ready, first-served" Cycle approach. Consistent with the November 29, 2022 order, PJM is submitting this informational report to inform the Commission on the processing of New Service Requests under PJM's Transition Period Rules.

On February 14, 2025, in Docket Nos. ER24-1790-001 and ER24-1787-001, PJM filed comments in support of the Joint Offer of Settlement in the Brandon Shores and Wagner Reliability Must-Run (RMR) rate cases.

On February 14, 2025, in Docket No. ER25-1325-000, PJM submitted a request for waiver of the deadline to post the VRR Curve for the 2026/2027 Base Residual Auction by 28 days to avoid posting multiple VRR Curves in light of the forthcoming section 205 filing that will propose a demand curve cap and floor for the 2026/2027 and 2027/2028 Delivery Years. PJM also requested expedited action for the Commission to issue an order by March 28, 2025, and requested a shortened 10-day comment period.

On February 14, 2025, in Docket Nos. EL21-39 and ER22-1606, PJM submitted on behalf of the PJM Transmission Owners, acting through the CTOA, a Settlement and amendments to Schedule 12 of the PJM Open Access Transmission Tariff (the "Settlement"). The Settlement resolves all issues presented in the proceedings.

On February 10, 2025, in Docket No. EL24-148-000, PJM submitted an answer to the January 31, 2025 motion to lodge filed by Sierra Club, Natural Resources Defense Council, Public Citizen, Sustainable FERC Project, and the Union of Concerned Scientists. PJM's answer explains that the proposal filed in Docket No. ER25-682-000 is consistent with PJM's arguments made in response to the complaint in this docket.

On February 10, 2025, in Docket No. ER25-775-000, PJM submitted a Motion for Leave to Answer and Limited Answer to the New Jersey Division of Rate Counsel filing submitted in response to PJM's December 20, 2024 annual RTEP cost responsibility assignment update filing.

On February 7, 2025, in Docket No. ER25-973-000, PJM filed a protest to RWE Clean Energy Development, LLC's (RWE) request for waiver to allow its New Service Request associated with Project Identifier No. AG1-435 (Concord Wind) to postpone payment of Decision Point II Readiness Deposit Number 3. PJM argued that the cost allocation to Concord Wind was just and reasonable and consistent with principles of cost causation, and RWE's waiver request failed to satisfy the Commission's standard for waiver. PJM requested that the Commission deny the waiver request.