

MC Legal Report
Summary of Significant Filings, Legal Activity
and
Federal Energy Regulatory Commission (Commission) and Court Orders
(July 10, 2025 – Aug. 10, 2025)

ORDERS

On August 8, 2025, in Docket No. ER25-682-002, the Commission issued an order on rehearing, which reaffirmed its prior orders accepting PJM's proposed revisions and compliance filing that count Reliability Must Run (RMR) resources as capacity.

On August 8, 2025, in Docket No. ER25-1128-000, the Commission issued an order rejecting the PJM's January 31, 2025 proposed revisions to PJM Tariff, Part VIII that are intended to enhance the process for transferring Capacity Interconnection Rights from deactivating generation resources to new replacement resources (each a Replacement Generation Resource).

On August 8, 2025, in Docket No. ER25-1128-001, the Commission issued an order rejecting the PJM's April 11, 2025 responses to the Commission's letter dated March 12, 2025 requesting additional information about PJM's January 31, 2025 proposed revisions to PJM Tariff, Part VIII that are intended to enhance the process for transferring Capacity Interconnection Rights from deactivating generation resources to new replacement resources (each a Replacement Generation Resource).

On August 7, 2025, in Docket No. EL25-63-000, the Commission accepted in part and denied in part Savion, LLC's, on behalf of its affiliate, Martin County Solar Project, LLC (Savion) March 3, 2025, complaint requesting to exercise suspension under its Interconnection Service Agreement (Martin ISA) and Interconnection Construction Service Agreement (Martin County ICSA). The Commission found Savion has a unilateral right under the Martin ICSA, Appendix 2, section 3.4 to suspend the Interconnected Transmission Owner work until all of the Interconnected Transmission Owner work associated with the construction and installation of the Transmission Owner Interconnection Facilities is complete. The Commission denied as moot Savion's request to direct PJM to work with Savion to amend the Martin County ISA and ICSA at the end of the suspension period to reflect updated and appropriate milestone dates for the Martin Project.

On August 4, 2025, in Docket No. ER25-1073-000, the Commission issued an order on PJM's Order No. 904 compliance filing regarding reactive power compensation. The Commission accepted PJM's proposed tariff revisions to remove compensation for the provision of reactive power within the standard power factor range specified in the interconnection customer's interconnection agreement, as required by Order No. 904. The Commission also accepted PJM's proposal for a transition mechanism, which would end reactive power compensation in PJM on June 1, 2026, to align with changes to the calculation of the Energy & Ancillary Services (EAS) Offset that begin with the 2026/2027 Delivery Year. The Commission ruled PJM's proposed gating criteria for inclusion in the transition mechanism is out of scope for Order No. 904, and directed PJM to submit a compliance filing within 60 days removing the proposed gating criteria language from the Tariff language.

On July 28, 2025, in Docket No. ER25-712-001, the Commission denied requests for rehearing related to PJM's December 13, 2024 Reliability Resource Initiative (RRI) filing which adds a one-time reliability-based

expansion of Transition Cycle #2. The Commission accepted PJM's offer to make a compliance filing to remove the word unilaterally and directed PJM to make this edit within 30 days of the July 28th order.

On July 28, 2025, in Order No. 202-25-6, the Secretary of Energy issued an order pursuant to Federal Power Act, Section 202(c) to authorize the continued operation of H.A. Wagner Generating Station's Unit 4 ("Wagner Unit 4"), located in Anne Arundel County, Maryland (Zip Code 21226), beyond an existing Operating Limit in certain limited circumstances. Such circumstances include when PJM declares or anticipates declaring based on system conditions, a Maximum Generation Alert and/or Transmission Security Emergency (to include conditions impacting the reliability of transmission facilities that are required to serve the load in the BG&E Zone, or to prevent potential load shed due to transmission limitations), or when PJM schedules and dispatches Wagner Unit 4 in a manner consistent with the Settlement Agreement accepted by FERC in Docket No. ER24-1787. The order is immediately effective and expires at 12:45 PM EDT on October 26, 2025.

On July 24, 2025, in Docket Nos. ER24-2045-000 and ER24-2045-002, the Commission accepted in part and rejected in part certain Independent Entity Variations (IEV) detailed in PJM's compliance filing required by Commission Order Nos. 2023 and 2023-A. The Commission directed PJM to submit a compliance filing within 60 days from the July 24th order.

On July 22, 2025, in Docket No. ER22-962-008, the Commission accepted PJM's re-dated eTariff records applicable to PJM's Order No. 2222 participation model, to memorialize in eTariff the effective date of February 1, 2028, accepted by the Commission in the May 1, 2025 Order in PJM's Order No. 2222 compliance proceeding.

On July 17, 2025, in Docket Nos. ER25-2038-000, ER25-2038-001, ER25-2040-000 and ER25-2040-001, the Commission accepted both PJM's and Midcontinent Independent System Operator, Inc.'s (MISO) (together the RTOs), proposed revisions to the Joint Operating Agreement (JOA) between PJM and MISO (MISO-PJM JOA). MISO submitted simultaneous filings, in Docket Nos. ER25-2040-000 and ER25-2040-001, to incorporate revisions in its own version of the JOA. The revisions to MISO-PJM JOA, Article IX, section 9.3.3 were submitted as the result of ongoing coordination and collaboration between PJM and MISO to align the Affected System study processes for interconnection requests pending in the RTOs' respective queues. The revisions have an effective date of June 25, 2025.

On July 14, 2025, in Docket Nos. ER24-2336-002, ER24-2338-002 and EL24-119-001, the Commission issued its order addressing the arguments raised on rehearing, setting aside in part the prior Order on the proposed amendments to the PJM Operating Agreement and Consolidated Transmission Owners Agreement (CTOA) submitted by PJM and the PJM Transmission Owners, and affirmed its prior rejection of the CTOA Amendments. However, the Commission modified the result of the prior Order, in part, denying the PJM Complaint on the merits, and instead dismissed the PJM Complaint without prejudice on procedural grounds.

FILINGS

On August 7, 2025, PJM submitted comments that provide an update on key changes since the existing Greenhouse Gas (GHG) rule was first published. The updates address topics including Demand growth, Supply constriction, New construction, and Resource mix.

On August 7, 2025, in Docket No. ER25-3104-000, PJM submitted a ministerial clean-up filing to correct an eTariff metadata error involving Tariff, Schedule 12-Appendix A, section 34. PJM requested that the ministerial clean-up filing become effective as of June 26, 2025.

On August 6, 2025, in Docket No. ER25-2653-000, PJM submitted a motion for leave to answer and answer to respond to the August 4, 2025 limited answer of the PJM Industrial Customer Coalition regarding PJM's proposed cost allocation methodology for recovering costs incurred by Constellation Energy Generation, LLC to effectuate DOE Order No. 202-25-4. This answer explains that the PJM ICC's claim regarding an ultra vires bilateral agreement on a rate wholly outside of the existing tariff is built on an erroneous factual premise.

On August 6, 2025, in Docket No. ER25-3095-000, PJM submitted on behalf of FirstEnergy Service Company (FirstEnergy) acting on behalf of Potomac Edison Company a transmission rate incentive request for authorization to recover 100 percent of CWIP in rate base during construction for certain transmission projects identified by PJM. FirstEnergy is requesting that the Commission issue an order granting the application effective October 6, 2025.

On August 5, 2025, in Docket Nos. ER25-2123-000 and ER25-2123-001, PJM submitted a motion for leave to answer and answer to the IMM's May 21, 2025 and July 21, 2025 comments submitted in response to PJM's filing and response to the Commission's deficiency letter regarding PJM's proposed revisions to the PJM Tariff to revise the base formula rate and capital cost recovery rate for NERC-CIP specific recovery for Black Start Service.

On August 4, 2025, in Docket Nos. ER24-2045-000 and ER24-2045-002, PJM filed a motion for extension of time to comply with the directives of the Commission's July 24, 2025 order regarding Order No. 2023 and 2023-A. PJM requested a thirty-day extension, until October 22, 2025, to submit its compliance filing, and requested Commission action on the motion by August 11, 2025.

On August 3, 2025, in Docket No. ER25-3073-000, PJM submitted an errata filing to correct a typographical error in its August 1, 2025 Request for Waiver. Specifically, the errata clarifies that the upcoming Periodic Review Filing is targeted to be effective with the Base Residual Auction associated with the 2028/2029 Delivery Year, which is scheduled to commence in June of 2026.

On August 1, 2025, in Docket No. ER25-3073-000, PJM submitted a Request for Waiver to extend the deadlines for PJM Members to vote on the upcoming Periodic Review Filing and for PJM to submit with the Commission the upcoming Periodic Review Section 205 Filing to update Cost of New Entry and modify the Variable Resource Requirement Curve. Additionally, PJM requested a shortened seven-day comment period and expedited Commission action by August 22, 2025.

On August 1, 2025, in Docket No. ER25-3066-000, PJM submitted on behalf of UGIU proposals to update and align the depreciation rates in its transmission formula rate with those most recently submitted by UGIU to the PA PUC based on the most recent depreciation study performed by an independent third-party expert. UGIU proposes to make the updated depreciation rates effective October 1, 2025.

On July 31, 2025, PJM submitted a compliance report in accordance with Ordering Paragraph B of the Secretary of Energy's Order No. 202-25-4, issued May 30, 2025. The compliance report relates to the operations of Eddystone Unit 3 and Eddystone Unit 4 on July 30, 2025.

On July 30, 2025, PJM submitted a compliance report in accordance with Ordering Paragraph B of the Secretary of Energy's Order No. 202-25-4, issued May 30, 2025. The compliance report relates to the operations of Eddystone Unit 3 and Eddystone Unit 4 on July 29, 2025.

On July 30, 2025, in Docket Nos. ER22-957-000 and EL22-26-000 (not consolidated), PJM submitted its fourteenth informational update to provide the Commission with the most updated congestion pattern information on the Northern Neck Peninsula.

On July 30, 2025, in Docket No. ER25-3018-000, PJM submitted on behalf of Exelon Corporation ("Exelon"), on behalf of Baltimore Gas and Electric Company, a request for authorization to recover 100 percent of Construction Work in Progress costs in rate base that are related to the construction of new major baseline wholesale electric transmission projects approved by the PJM Board of Managers as a result of the 2022 Regional Transmission Expansion Plan Window 3. Exelon is requesting that the Commission issue an order granting the application effective October 1, 2025.

On July 29, 2025, PJM submitted a compliance report in accordance with Ordering Paragraph B of the Secretary of Energy's Order No. 202-25-4, issued May 30, 2025. The compliance report relates to the operations of Eddystone Unit 3 and Eddystone Unit 4 on July 28, 2025.

On July 25, 2025, in Docket No. EL25-87-000, PJM submitted a Motion for Leave to Answer and Answer in response to the Market Monitor's July 15, 2025 Answer in the Market Monitor's Complaint matter against Affirmed Energy LLC, Enel X North America Inc. and Enerwise Global Technologies, LLC.

On July 24, 2025, in the United States Supreme Court (Cases No. 24-1304 and No. 24-1318), PJM filed a brief in support of petitions for writs of certiorari addressing the eligibility of utilities to receive the FPA section 219(c) incentive (the RTO Adder).

On July 21, 2025, in D.C. Circuit Court of Appeals Case No. 24-1353, PJM, along with other Intervenor-Respondents Electric Power Supply Association, NRG Business Marketing LLC, Midwest Generation LLC, the PJM Power Providers Group and Constellation Energy Generation, LLC, filed their joint intervenor brief in support of the Commission order denying the PJM Load Parties' Complaint against PJM regarding Capacity Prices and Commitments for the 2024/2025 Delivery Year.

On July 23, 2025, in Docket No. ER25-2954-000, PJM submitted Ministerial Clean-Up Revisions to correctly reflect the language accepted by the Commission in prior filings that will be overlapped as a result of PJM's informational filing providing notice of the September 1, 2025 effective date for revisions accepted in Docket No. ER24-3135-000. This filing also corrects an interim version of Tariff, Article 1, Definitions L-M-N. The revisions originally accepted relate to allowing Economic Load Response Participants to specify a maximum down time that end-use loads can be curtailed and a minimum release time between load curtailments.

On July 22, 2025, in Docket No. ER25-2941-000, PJM submitted on behalf of NextEra Energy Transmission MidAtlantic, Inc. (NEET) revisions to Attachment H-33 and H-33A to permit appropriate allocation of ATRR. NEET is requesting an effective date of July 23, 2025.

On July 21, 2025, PJM submitted a request to the Department of Energy for an order pursuant to Federal Power Act, Section 202(c) to authorize the continued operation of Wagner Unit 4 beyond an existing Operating Limit in certain limited circumstances described in the request. PJM requested that the Department of Energy issue an order as soon as possible. In Docket No. ER24-1787, the Commission has already accepted a Settlement Agreement detailing the rate and cost allocation methodology to be used for the operation of Wagner Unit 4 pursuant to a Section 202(c) Order.

On July 21, 2025, in Docket No. ER24-3135-000, PJM submitted an informational filing providing notice that the final effective date for PJM's proposed revisions for automating bid duration for Economic Load Response Participants in PJM's Energy Markets will be September 1, 2025.

On July 18, 2025, in Docket No. ER25-2653-000, PJM submitted a Motion for Leave to Answer and Answer to protests and comments made in response to PJM's proposed addition to PJM's Reliability Assurance Agreement Among Load Serving Entities to establish a cost allocation methodology for recovering costs incurred by Constellation Energy Generation, LLC to effectuate DOE Order No. 202-25-4.

On July 18, 2025, in Docket No. ER25-2335-000, PJM filed a Motion for Leave to Answer and Answer to Martin County Solar Project, LLC's July 2, 2025 Answer to PJM's June 18, 2025 Protest to the Co-Tenancy and Shared Facilities Agreement by and among Martin County Solar, Martin County II Solar Project, LLC, and Threeforks Energy Storage, LLC.

On July 18, 2025, in Docket No. ER25-2897-000, PJM submitted a ministerial clean-up filing to ensure the Tariff correctly reflects the language in Tariff, Schedule 12-Appendix A and Schedule 12-Appx C that was accepted by FERC as of various effective dates. In this filing, PJM also requested: (1) to change the name of Tariff, Schedule 12-Appendix A, section 28; and (2) a waiver of the Commission's notice requirements to update the effective date of the ministerial Tariff clean-up changes accepted by the Commission in Docket No. ER25-1811-000.

On July 17, 2025, in Docket No. ER25-1594-001, PJM filed a motion for leave to answer and answer the motion to lodge and request for rehearing of Hickory Wind, LLC (Hickory Wind). PJM argued that the motion to lodge should be denied for improperly attempting to introduce new evidence into the procedural record. PJM further argued that the rehearing request should be denied, as Hickory Wind failed to demonstrate that the Commission's June 3, 2025 order denying its request for waiver of the Tariff was not a product of reasoned decision-making or supported by substantial evidence.

On July 14, 2025, in D.C. Court of Appeals Case No. 25-1091, PJM filed a joint intervenor brief with the Market Monitor in support of the Commission in the appeal of the Commission's Orders that sunset the participation of Energy Efficiency Resources in PJM's Capacity Market beginning with the 26/27 Delivery Year.

On July 11, 2025, in Docket No. ER25-2827-000, PJM submitted on behalf of FirstEnergy Service Company (FirstEnergy), on behalf of Potomac Edison Company and American Transmission Systems, Inc. a request for authorization to recover 100 percent of prudently incurred construction costs associated with investment in certain transmission projects identified by PJM in the event one or more of the projects are abandoned or cancelled for reasons beyond First Energy's control. FirstEnergy is requesting that the Commission issue an order granting the application effective September 10, 2025.