



June 15, 2026

David E. Mills
President & CEO
PJM Interconnection
2750 Monroe Blvd.
Audubon, PA 19403

RE: Request to Initiate State Agreement Approach

Dear Mr. Mills,

In March 2026, the U.S. Department of Energy announced a unique public-private partnership, as part of the Trump Administration's U.S.-Japan Strategic Trade and Investment Agreement, through which SoftBank Group and SB Energy will build 10 gigawatts (GW) of new power generation, including at least 9.2 GW of new natural gas generation, to power 10 GW of data center development at the former Portsmouth Gaseous Diffusion Plant in Pike County, Ohio. SB Energy has also committed to make excess generation and transmission capacity available to the grid for the benefit of American consumers by increasing energy supply and lowering energy costs, while also investing \$40 million through a Community Benefits Agreement to support the surrounding Ohio communities. Additionally, SB Energy and AEP Ohio have partnered to build \$4.2 billion in new transmission, including 756-kilovolt infrastructure. SB Energy will pay for that infrastructure so that Ohio customers are protected from the costs.¹

In order to timely and efficiently facilitate the transmission infrastructure necessary to support this critical project, the state of Ohio seeks to utilize the State Agreement Approach (SAA) outlined in PJM's Operating Agreement. The SAA provides a flexible pathway for Ohio to partner with PJM in implementing transmission solutions that directly support public policy requirements. Ohio Revised Code 4928.02 sets forth state policy as implemented by the Public Utilities Commission of Ohio (PUCO).² Among other key objectives, the statute requires the

¹ FACT SHEET: The Department of Energy is Ensuring Affordable Energy Access in Ohio While Powering the Future of AI, available at <https://www.energy.gov/articles/fact-sheet-department-energy-ensuring-affordable-energy-access-ohio-while-powering-future>; AEP Ohio Partners to Bring \$4.2B in New Electric Infrastructure in Appalachian Ohio Without Raising Customer Rates, available at <https://www.aep.com/news/stories/view/10823/>.

² Available at <https://codes.ohio.gov/ohio-revised-code/section-4928.02>.

Commissioners

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PUCO to facilitate the state's effectiveness in the global economy. This policy is aligned with the federal administration's plans for this new large-scale technology campus, which will support advanced research in industries such as fusion and quantum computing, strengthen national defense, and reinforce U.S. leadership in the global technology race, while also enhancing the grid, protecting Ohio ratepayers, and creating thousands of local jobs. This historic project will require coordinated and timely transmission planning that advances state and federal policy priorities and regional reliability needs.

The SAA will ensure that costs associated with the transmission lines and associated infrastructure constructed by AEP Ohio or its designee are assigned to Ohio to then be further allocated to SB Energy, which has committed to pay the costs. The details of the SAA and the specific cost-allocation and recovery approach will be subject to regulatory proceedings before the PUCO, which will issue its findings through an order in the PUCO case. Any state agreement to be filed at the Federal Energy Regulatory Commission pursuant to the SAA provisions in the Operating Agreement will need to be authorized by the PUCO in conjunction with the resolution of any state-jurisdictional issues in those proceedings.

Accordingly, I request that PJM initiate the SAA so that the state of Ohio and PJM can work together to facilitate the infrastructure necessary to support this project consistent with Ohio's public policy objectives. The PUCO staff looks forward to working collaboratively with PJM on this important matter.

Sincerely,

Sarah J. Parrot
Federal Energy Advocate

CC:

Jason P. Connell, Vice President – Planning

Asim Z. Haque, Executive Vice President – Governmental & Member Services

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