

Interconnection Land Acquisition Responsibilities FERC Show Cause Order (Docket No. EL24-26-000)

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9/8/25
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Who is responsible to
acquire land and when?

On December 20, 2023, FERC issued an order establishing a section 206 show cause proceeding:

- This order arises out of a proceeding involving PJM's filing of the unexecuted ISA and ICSA for Queue No. AC1-190 per the Interconnection Customer's request in 2022.
- An issue in **dispute** was whether the Transmission Owner (TO) or Interconnection Customer (IC) was responsible **for obtaining one additional acre** beyond the project's Site to accommodate the expansion of the existing substation to which the AC1-190 project will interconnect. The TO identified the need for additional land during the Facilities Study.
- The pro forma ICSA is silent on this issue. The TO and IC each believed the other should be responsible.

FERC's December 20 Order:

Explain why pro forma ICSA is just and reasonable, not unduly discriminatory or preferential; or describe Tariff changes that would address FERC's concerns.

or

Propose Tariff revisions to address FERC's concerns in the order.

Aug. 2, 2024	<p>PJM filed our proposed Tariff changes to FERC.</p> <p>PJM explained that, under the new rules, project developers are responsible for obtaining site control to the POI, including third-party land.</p>
June 2, 2025	<p>FERC Determination</p> <ul style="list-style-type: none">• PJM's Site Control Amendments did not fully remedy concerns from Dec 2023 Order.• FERC rejected PJM's revisions to Tariff Part VII, section 302, and Part VIII, section 402.• FERC also rejected the "Option to Acquire" that PJM proposed• Directed PJM to revise:<ul style="list-style-type: none">• Section 5.3 of pro forma ICSA• Section 23.3.3 of pro forma GIA
July 2, 2025	<p>PJM Compliance Filing</p> <ul style="list-style-type: none">• Filed Revised ICSA (5.3) and GIA (23.3.3) as directed• Requested effective date of June 2, 2025

• 23.3.3 – Third Parties

If any part of the Transmission Owner Interconnection Facilities and/or Network Upgrades is to be installed on property owned or controlled by persons other than Project Developer or Transmission Owner {i.e. anything not expressly requested/provided as part of DP3}, the **Transmission Owner shall at Project Developer's expense use efforts, similar in nature and extent to those that it typically undertakes** for its own or affiliated generation, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such person any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove the Transmission Owner Interconnection Facilities and/or Network Upgrades upon such property

- PJM requested clarification that the ruling “does not alter the obligations on Project Developers to demonstrate Site Control at all required stages of the interconnection process as prescribed under the currently effective Tariff” {i.e. Site Control obligations at Application, DP1 and DP3}
- PJM concern was that the “Compliance Directive may be read as *absolving* Project Developers of the responsibility to demonstrate Site Control for land that must be obtained from a third-party for Transmission Owner Interconnection Facilities and Network Upgrades” which was surely not the intent of the Show Cause
- FERC responded stating “We see no inherent conflict between the revisions the Commission ordered to the GIA and the site control requirements in sections 302 and 402”
- Takeaway:
 - Site Control requirements at Application, DP1 and DP3 are still required
 - Anything above that, TO acquires at PD expense

Tariff Requirements for Cycle Process Site Control

Site Control is evidence provided by the Project Developer to Transmission Provider in relation to Project Developer's New Service Request demonstrating Project Developer's interest in, control over, and right to utilize the Site for the purpose of constructing a:

- Generating Facility
- Merchant Transmission Facilities
- Interconnection Facilities
- Transmission Owner's Interconnection Facilities
- and/or Network Upgrades at the Point of Interconnection

Proof of Site Control can be in the form of one of the following:

1. Deed
2. Lease
3. Option to lease or purchase
4. As deemed acceptable by the Transmission Provider, any other contractual or legal right to possess, occupy and control the Site

Site Control Term

Existing Requirements

NEW Requirements with IPRTF

		Generating Facility	Interconnection Facility	Interconnection Switchyard
Submission 1 Application Phase	Full	100% Deed Lease Option (See Note 1)		
Term Requirement		1 year from Application Date		
Submission 2 Decision Point 1 (See Note 2)	Partial	100% Deed Lease Option	50% Deed Lease Option Right-of-Way	50% Deed Lease Option
Term Requirement		1 year from last day of Phase I	1 year from last day of Phase I	
Submission 3 Decision Point 3 (See Note 3)	Full	100% Deed Lease Option	100% Deed Lease Option Right-of-Way	100% Deed Lease Option (See Note 4)
Term Requirement		Additional 1 year from last day of Phase III (for Transition Cycles #1 and #2) Additional three years from last day of Phase III (for new Cycle)		



= 100% Funding Required



= 50% Funding Required

- FERC confirmed **prospective-only** application (post June 2, 2025).
- No impact to existing executed agreements unless challenged via formal complaint.

TC1

- GIAs will include FERC approved revised pro forma language.
- At DP3, Project Developers must submit evidence of 100% land control for: Generating Facility, Interconnection Facilities, Interconnection Switchyard.
- TO will acquire any additional land (i.e. third-party land) at PD expense.

TC2 and Beyond

- Project Developers will submit site control representing: 100% of Generating Facility, 50% of Interconnection Facilities and 50% of Interconnection Switchyard (for greenfield projects) at DP1
- TO will use the submitted site control as a basis for the Phase 2 Physical Interconnection FAC.
- In the event additional land is required (i.e. brownfield substation expansion), TO will provide Phase 2 level estimate for land acquisition.

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