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

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Building for the Future Through Electric Regional Transmission Planning and Cost Allocation

RM21-17-000

# MOTION FOR EXTENSION OF TIME TO SUBMIT COMPLIANCE FILING OF PJM INTERCONNECTION, L.L.C., AND REQUEST FOR ORDER BY FEBRUARY 6, 2025

Pursuant to Rule 212 of the Federal Energy Regulatory Commission's ("Commission") Rules of Practice and Procedure,<sup>1</sup> PJM Interconnection, L.L.C. ("PJM") moves for a modest six-month extension of time—to December 12, 2025—to submit the Long-Term Regional Transmission Planning-related compliance filing directed by the Commission's final rule on *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation* ("Order No. 1920"), as modified by Order No. 1920-A.<sup>2</sup>

As discussed below, good cause exists to grant this motion, as such extension will: (i) provide more time for PJM to engage with PJM's Relevant State Entities,<sup>3</sup> which include regulatory authorities from the 13 states and the District of Columbia ("States") that comprise the PJM Region; (ii) allow PJM to consult with and consider the States' input; and (iii) inform the stakeholder process that PJM will use to develop its Long-Term

<sup>&</sup>lt;sup>1</sup> 18 C.F.R. § 385.212.

<sup>&</sup>lt;sup>2</sup>Building for the Future Through Electric Regional Transmission Planning and Cost Allocation, Order No. 1920, 187 FERC ¶ 61,068, order on reh'g & clarification, Order No. 1920-A, 189 FERC ¶ 61,126 (2024), appeals pending, Petition for Review, Appalachian Voices v. FERC, Nos. 24-1650, et al. (4<sup>th</sup> Cir. July 16, 2024). Regarding the compliance filing related to interregional transmission coordination, PJM believes it will likely need to seek an extension of time to submit its compliance filing. However, PJM intends to coordinate with its neighboring regions and determine the appropriate length of such an extension of time that would be warranted to ensure a coordinated approach.

<sup>&</sup>lt;sup>3</sup> Capitalized terms not otherwise defined herein shall have the meaning set forth in Order Nos. 1920 and 1920-A.

Regional Transmission Planning-related compliance filing.<sup>4</sup> PJM requests Commission action on this motion by <u>February 6, 2025</u>, so that PJM can properly plan its stakeholder process and outreach with the States.

PJM emphasizes that it is committed to abiding by the Long-Term Regional Transmission Planning implementation deadline contemplated by Order No. 1920-A. That is, the Commission directs transmission providers to propose a date no later than two years from the date initial compliance filings are due on which they will commence the first Long-Term Regional Transmission Planning cycle.<sup>5</sup> PJM commits to proposing a date of no later than June 12, 2027, to begin its initial Long-Term Regional Transmission Planning cycle.

#### I. BACKGROUND

On May 13, 2024, the Commission issued Order No. 1920 which requires public utility transmission providers to conduct long-term transmission planning for regional transmission facilities and to determine how to allocate costs to pay for them. Specifically, Order No. 1920 requires transmission providers to engage in: (i) long-term regional transmission planning over a 20-year planning horizon and, as part of such planning, develop Long-Term Scenarios<sup>6</sup> to identify long-term transmission needs and enable the identification and evaluation of transmission facilities to meet such transmission needs;

<sup>&</sup>lt;sup>4</sup> As memorialized in PJM Open Access Transmission Tariff, section 9.1(a), the Transmission Owners of the PJM system retain Federal Power Act section 205 rights over the allocation of costs of transmission facilities. Accordingly, the Transmission Owners will be responsible for submitting the cost allocation-related compliance filing directed by Order No. 1920.

<sup>&</sup>lt;sup>5</sup> Order No. 1920-A at P 507.

<sup>&</sup>lt;sup>6</sup> Order No. 1920 provides that "[f]or purposes of this final rule, Long-Term Scenarios are scenarios that incorporate various assumptions using best available data inputs about the future electric power system over a sufficiently long-term, forward-looking transmission planning horizon to identify Long-Term Transmission Needs and enable the identification and evaluation of transmission facilities to meet such transmission needs." Order No. 1920 at P 40.

(ii) determine a cost allocation methodology for Long-Term Regional Transmission Facilities; (iii) make various other additional reforms aimed at enhanced transparency in local transmission planning, "right-sizing" of transmission projects; and (iv) interregional transmission coordination to support the development of cost-effective projects.

Following the issuance of Order No. 1920, PJM initiated a stakeholder process to aid PJM in the development of its Long-Term Regional Transmission Planning compliance filing. To date, PJM has held eight stakeholder meetings, covering stakeholder education on Order Nos. 1920 and 1920-A, as well as presentations by stakeholders on their views on PJM compliance, including the development of Long-Term Scenarios. In addition, PJM has begun outreach to the 14 States regarding compliance with Order No. 1920, and has met with the States an additional nine times in multiple state-focused forums, during which PJM and the States discussed Order No. 1920 compliance and Long-Term Scenario development, and PJM provided education on existing planning processes and cost allocation methodologies.

On November 21, 2024, the Commission issued Order No. 1920-A, largely upholding and affirming Order No. 1920. However, Order No. 1920-A significantly expanded the role of States in long-term regional transmission planning, calling for "better integrat[ion] [of] states' input into regional transmission planning and cost allocation processes, *both in the transmission providers' development of Order No. 1920 compliance filings* and the ongoing implementation of these reforms in the future."<sup>7</sup> Further, Order No. 1920-A calls for States to have an increased role in: (i) developing

<sup>&</sup>lt;sup>7</sup> Order No. 1920-A at P 3 (emphasis added).

Long-Term Scenarios;<sup>8</sup> (ii) requesting additional scenarios beyond the three Long-Term Scenarios required by Order No. 1920;<sup>9</sup> (iii) developing the evaluation processes and criteria for selecting new transmission facilities in the long-term regional transmission;<sup>10</sup> (iv) developing cost allocation approaches for selected transmission facilities;<sup>11</sup> and (v) voluntary funding opportunities.<sup>12</sup>

Despite the significant increased role for the States in both the development of compliance filings and implementation of Order No. 1920 reforms, the Commission in Order No. 1920-A declined to change the deadline for the submission of compliance filings, maintaining Order No. 1920's directive that regional planning-related compliance filings would be due ten months from the effective date of Order No. 1920, i.e., by June 12, 2025.<sup>13</sup>

# II. MOTION FOR EXTENSION OF TIME TO ALLOW FOR BETTER AND MORE MEANINGFUL ENGAGEMENT BETWEEN PJM AND RELEVANT STATE ENTITIES IN DEVELOPING PJM'S COMPLIANCE FILING

PJM requests that the Commission extend PJM's deadline to comply with Order No. 1920's compliance directives by six months, i.e., to December 12, 2025, while leaving the implementation deadline of two years after the initial due date of the compliance filing (i.e., June 12, 2027) unchanged. Even though PJM has already had numerous discussions with stakeholders and the States regarding Order No. 1920 compliance, the requested

<sup>&</sup>lt;sup>8</sup> See Order No. 1920-A at PP 271, 275, 296, 344.

<sup>&</sup>lt;sup>9</sup> See Order No. 1920-A at P 367.

<sup>&</sup>lt;sup>10</sup> See Order No. 1920-A at P 458.

<sup>&</sup>lt;sup>11</sup> See Order No. 1920-A at P 651.

<sup>&</sup>lt;sup>12</sup> See Order No. 1920-A at P 465.

<sup>&</sup>lt;sup>13</sup> Order No. 1920-A at P 914.

extension is necessary for PJM to best accommodate the States' broader role required by Order No. 1920-A in developing Order No. 1920-compliant Long-Term Regional Transmission Planning protocols. That is, PJM believes it would be beneficial to have additional time to work with the States to develop the framework for its Order No. 1920related reforms now, to give PJM and the States the ability to work together to develop more effective processes pursuant to which PJM will implement Long-Term Regional Transmission Planning in the future. The additional six months will also allow PJM to have more meaningful discussions with other stakeholders, which will be informed by PJM's discussions with the States.

While Order No. 1920 requires that PJM must consult with the States in the development of its Long-Term Regional Transmission Planning compliance filing, Order No. 1920-A significantly expands the States' role in both development and implementation of the compliance filings regarding long-term planning and the cost allocation of facilities selected through such plans. Specifically, as described above, as part of its compliance development process, PJM is obligated to: (i) consult with and seek support from States before proposing an evaluation process and selection criteria on compliance;<sup>14</sup> and (ii) consult with and seek support from States regarding processes pursuant to which a state could voluntarily fund, partially or fully, a Long-Term Regional Transmission Facility that would otherwise not meet the selection criteria.<sup>15</sup>

<sup>&</sup>lt;sup>14</sup> See Order No. 1920-A at P 457. Further, PJM is required to document in its compliance filing that it "made good faith efforts to consult with and seek support from Relevant State Entities in their transmission planning region's footprint when developing the evaluation processes and selection criteria" in its compliance filing. Order No. 1920-A at P 452.

<sup>&</sup>lt;sup>15</sup> See Order No. 1920-A at P 751.

Additionally, once PJM's implementation of its Long-Term Regional Transmission Planning reforms set forth in its compliance filing begins, Order No. 1920-A also requires significant additional consultation and collaboration between PJM and the States, including, by way of example: (i) how PJM will account for factors related to States' laws, policies and regulations when determining the assumptions that will be used in the development of Long-Term Scenarios;<sup>16</sup> and (ii) whether and when PJM should be required to conduct additional analyses or scenarios to provide States with information they can use to inform the application of Long-Term Regional Cost Allocation Method(s) or the development of cost allocation methods through the State Agreement Process(es).<sup>17</sup> Given these future implementation obligations, PJM believes it is important to engage with the States on these issues now, so that PJM's proposed compliance approach are informed by the States' input and the resulting processes are more efficient and effective upon implementation.

To meaningfully engage with the States in developing the appropriate Order No. 1920-compliant Long-Term Regional Transmission Planning framework, PJM must have adequate time to do so. PJM believes that a six-month extension will provide sufficient time to have a compliant level of outreach with the States and stakeholders—and sufficient time to consult with these parties and consider their input in the development of PJM's compliance filing.

As indicated above, starting before Order No. 1920 even became effective, PJM initiated a robust stakeholder process and outreach with the States to inform PJM's

<sup>&</sup>lt;sup>16</sup> Order No. 1920-A at P 147 & n.430.

<sup>&</sup>lt;sup>17</sup> Order No. 1920-A at P 935.

compliance approach. Given the new directives in Order No. 1920-A, PJM intends to strengthen the outreach to the States. The additional six-month period would allow for PJM to have the benefit of the States' input at the embryonic stages of PJM's proposal development—i.e., when the States' input can have the most meaningful impact. This would allow PJM to incorporate the States' input into its currently ongoing stakeholder process<sup>18</sup> and to vet and finalize its approach.

To be clear, without a six-month extension, PJM will still conduct the required State outreach,<sup>19</sup> but PJM would need to conduct such state engagement in parallel with the ongoing stakeholder process. As can be seen from the table below, PJM currently would have, at most, four months to discuss Order No. 1920's compliance directives with the States before PJM would need to focus solely on finalizing and preparing its compliance filing by the June 12, 2025 deadline.

PJM Compliance Activities	With 6-month Extension (Compliance Filing due 12/12/25)	Without 6-month Extension (Compliance Filing due 6/12/25)
PJM to provide its high-level views regarding Order No. 1920 compliance	Q1	Q1
Work with States and stakeholder to develop compliance proposal	Q2	Q1
Finalize compliance proposal	Q3	Q1
Draft governing document changes to implement proposal and compliance filing	Q4	Q2

<sup>&</sup>lt;sup>18</sup> See, e.g, Emmanuele Bobbio, *Recap of Stakeholder Presentations in September TEAC Special Sessions on Order 1920*, PJM Interconnection, L.L.C (Oct. 28, 2024), https://www.pjm.com//media/DotCom/committees-groups/committees/teac/2024/20241028-special/item-03---review-of-stakeholder-presentations.ashx.

<sup>&</sup>lt;sup>19</sup> See Order No. 1920-A at P 275.

PJM believes that requiring the submission of PJM's compliance filing by June 12, 2025, would be insufficient to accommodate the strong desire in Order No. 1920-A for PJM to adequately consult with and consider the States' input to the development of PJM's compliance filing given the number and heterogeneity of PJM's States. Indeed, this would be an inefficient process that would lessen the ability for PJM to obtain States' input and factor those inputs into PJM's compliance approach. Further, such a timeframe would hamper the ability of the States to develop positions and refine their input to PJM's filing. To the extent States may not be able to provide meaningful input within the current timeframe, PJM's proposal may not be as reflective of the States' views and positions as it could otherwise be and result in less effective upon implementation due to the important role of the States in transmission development.<sup>20</sup> The requested extension would simply allow for greater State and stakeholder engagement and input into the development of PJM's proposal.

Accordingly, good cause exists to grant this modest six-month extension of time.<sup>21</sup>

### **III. REQUEST FOR ACTION BY FEBRUARY 6, 2025**

PJM respectfully requests that the Commission act on this request for extension of time by <u>February 6, 2025</u>. Action by that date is important so that PJM knows how best to structure and plan its stakeholder process and State outreach. If the Commission declines

<sup>&</sup>lt;sup>20</sup> PJM's ability to receive and consider States' input also is affected by the fact that the PJM Region is composed of all or part of 14 jurisdictions, which collectively have a diverse set of public policy goals and requirements that are often simultaneously overlapping and conflicting.

<sup>&</sup>lt;sup>21</sup> The Commission granted another regional transmission organization, the Midcontinent Independent System Operator, Inc., a one-year extension of time. *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation*, Notice of Extension of Time, Docket No. RM21-17-000 (Dec. 10, 2024) (granting the Midcontinent Independent System Operator, Inc.'s motion for a one-year extension of time to submit their compliance filings related to meet Order No. 1920's Long-Term Regional Transmission Planning requirements).

to grant the requested six-month extension, PJM would have less than four months to continue the outreach to the States and develop its compliance approach through the ongoing stakeholder process. PJM expects that it would need to reserve time to finalize its filing, which would include time to draft all requisite governing document language, a transmittal letter, and any accompanying affidavit or other evidentiary support. Additionally, absent the requested extension, PJM's opportunity to consider States' and other stakeholders' feedback would be limited, as would PJM's ability to effectively coordinate across stakeholder forums and between the filings by PJM on the regional planning protocols and by the PJM Transmission Owners on cost allocation.

## IV. CONCLUSION

For the reasons stated above, PJM requests the Commission issue an order no later than February 6, 2025, granting a modest six-month extension of time for PJM to submit the compliance filing to incorporate a long-term regional transmission planning process.

Respectfully submitted,

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December 20, 2024

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon each person

designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, DC, this 20th day of December 2024.

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