

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

Theresa Ghiorzi and Alfred T. Ghiorzi

v.

PJM Interconnection, L.L.C.

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Docket No. EL25-72-000

MOTION TO DISMISS AND ANSWER OF PJM INTERCONNECTION, L.L.C.

Pursuant to Rules 212 and 213 of the Commission’s Rules of Practice and Procedure,¹ PJM Interconnection, L.L.C. (PJM) submits this Motion to Dismiss and Answer to the April 3, 2025 complaint of Theresa and Alfred T. Ghiorzi (Complaint). The Complaint objects to PJM’s approval of “the scope change to PJM’s 502 Junction to Woodside to Aspen 500 kV Project.”² Complainants allege that the PJM Board’s approval of the revised project scope for that segment of the MidAtlantic Reliability Link was imprudent and inconsistent with provisions of PJM’s Open Access Transmission Tariff (Tariff), Operating Agreement, and Manuals, as well as certain principles established in Order No. 1000.³ The Complaint requests that the Commission “rescind the scope changes to project baseline b3800 and direct PJM to revert the project to its initial approved project or set this matter for hearing.”⁴ The Complaint must be dismissed because it seeks relief that neither PJM nor the Commission may grant. Moreover, the Complaint is without merit. The revisions to the project were performed entirely consistently with PJM’s Governing Documents and Manual 14C.⁵

¹ 18 C.F.R. §§ 385.212 & 213 (2025).

² Complaint at 1.

³ *See id.* at 15-27, 29-30.

⁴ *Id.* at 4.

⁵ Unless otherwise defined herein, capitalized terms used herein have the meaning specified in the Tariff and Operating Agreement (collectively, Governing Documents) and PJM Manuals.

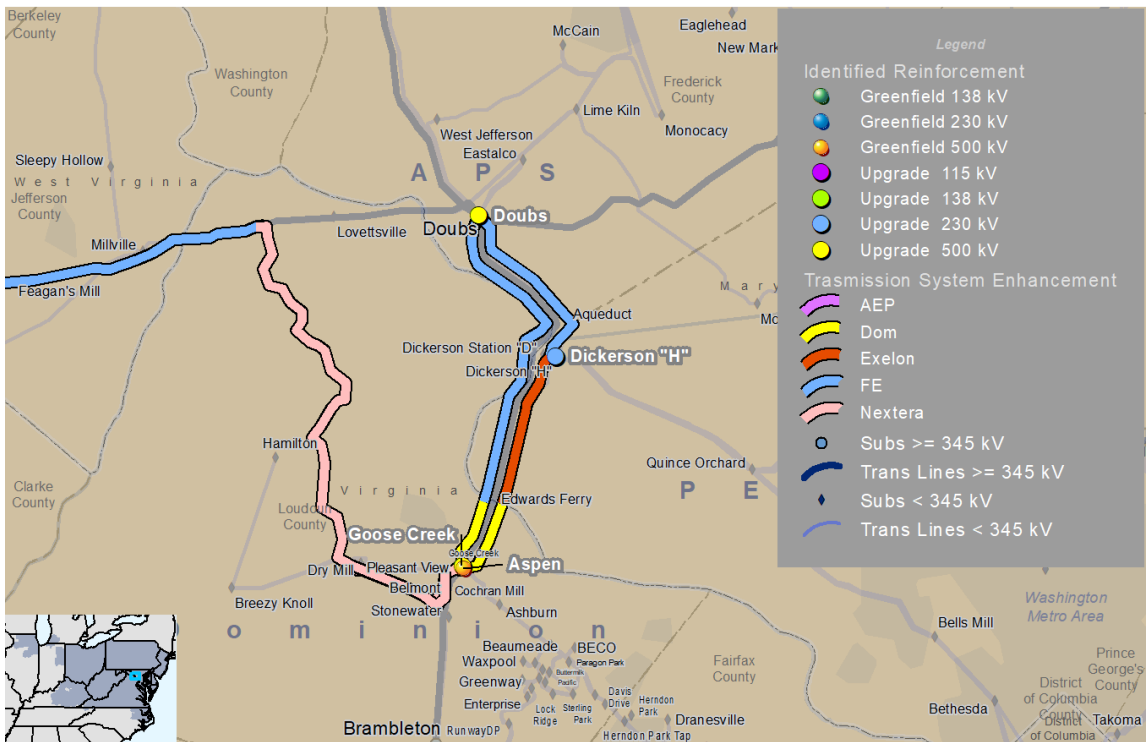
I. BACKGROUND

The PJM Board of Managers (PJM Board) approved a set of projects as part of the 2022 Window 3 competitive window process that are collectively referred to as the MidAtlantic Reliability Link. As relevant to the Complaint, the MidAtlantic Reliability Link initially included baseline project b3800.119, a greenfield segment of a new 500 kV line from a proposed new Woodside substation in Virginia to the planned Aspen substation (close to the existing Goose Creek substation) in Virginia (the Initial Project) which was designated to NextEra Energy Transmission MidAtlantic, Inc. (NEET). The PJM Board ultimately approved a revised scope of the MidAtlantic Reliability Link, which included, among other things, the cancellation of the Initial Project and the replacement of components of the MidAtlantic Reliability Link aligning with the existing rights-of-way of incumbent Transmission Owners.⁶

As originally planned, the Initial Project consisted of a greenfield segment of a new 500 kV line that would traverse Loudoun County, Virginia and connect substations on opposite sides of that county, as shown below in Figure 1.

⁶ See PJM Staff White Paper, Transmission Expansion Advisory Committee (TEAC) Recommendations to the PJM Board at 10-11 (Aug. 2024), 20240806-pjm-board-whitepaper-august-2024.pdf.

Figure 1: Initial Project

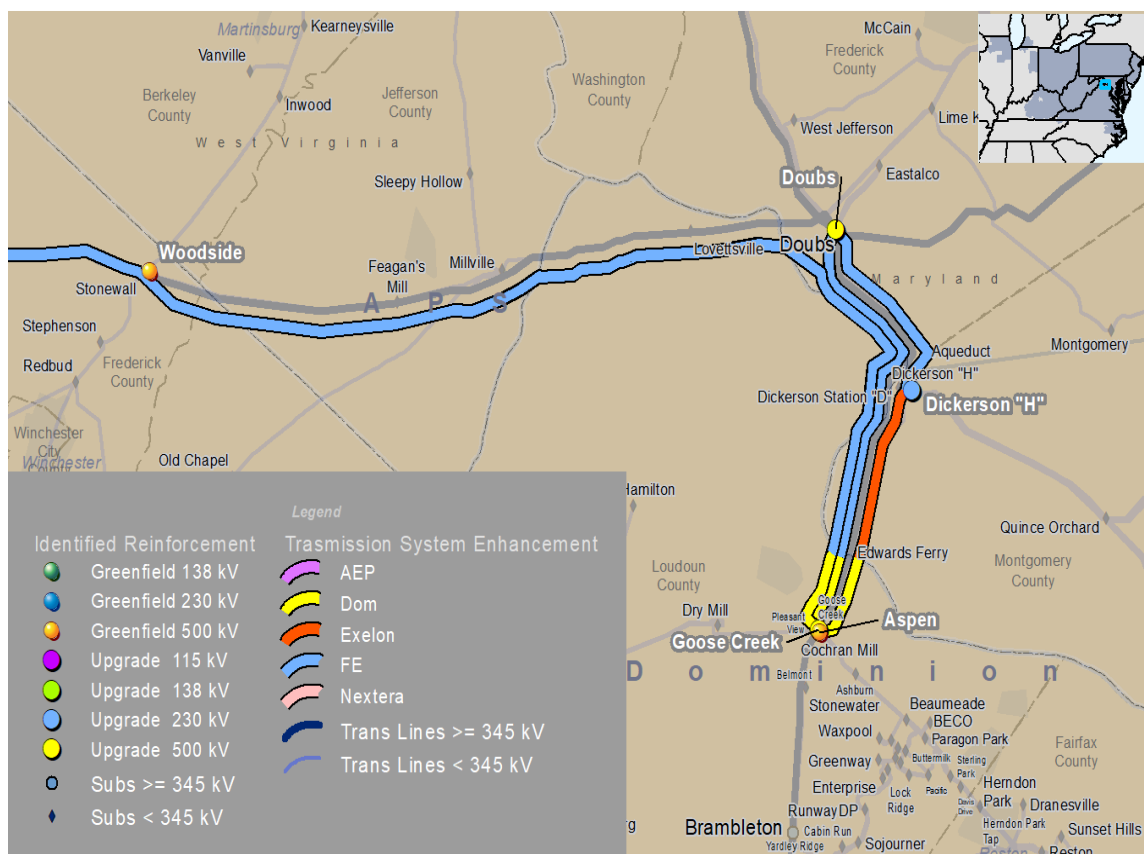


As part of its acceptance of construction responsibility in December 2023, NEET sought to assure PJM and the PJM Board that the proposed route for the Initial Project was preliminary, and that it would continue to develop a detailed routing study to evaluate route alternatives, including routes that are more closely aligned with existing infrastructure corridors.⁷ NEET encountered intense opposition to certain components of the originally-proposed greenfield route. In response to this feedback, NEET began to work collaboratively with incumbent Transmission

⁷ See Letter from Matt Valle, President, NextEra Energy Transmission (Dec. 8, 2023), <https://www.pjm.com/-/media/about-pjm/who-we-are/public-disclosures/20231208-nextera-letter-re-neetma-marl.ashx> (“We have reviewed all stakeholder feedback in detail, and we want to assure the PJM Staff and Board of Managers that the route is preliminary. Subject to Board approval, we look forward to engaging with local stakeholders starting in January 2024. We are in the process of developing a detailed routing study to evaluate route alternatives, including routes that are more closely aligned with existing infrastructure corridors, all of which will be shaped by stakeholder input. Our goal is full transparency and collaboration with those communities and stakeholders that may be impacted, and we look forward to working with them to develop and execute on this project to ensure the critical electric reliability needs of the region are met.”).

Owners along the proposed route (FirstEnergy, Dominion and Exelon) to investigate options to reduce the overall impacts of the MidAtlantic Reliability Link and enhance utilization of existing rights-of-way owned by the incumbent Transmission Owners. The scope of the MidAtlantic Reliability Link was revised after this consultation with PJM and the incumbent Transmission Owners, who agreed to use their own rights-of-way and expand their existing transmission corridor(s) to accommodate the revised proposed route from the point of interconnection of the Initial Project about 10 miles west of Doubs along the Millville – Doubs Corridor, through the Doubs – Goose Creek Corridor (Revised Project), as shown below in Figure 2.

Figure 2: Revised Project



The scope change was reviewed with the TEAC on July 9, 2024 and was approved by the PJM Board at its August 2024 meeting.⁸

A. Description of PJM’s Competitive Proposal Window Process

In developing the Regional Transmission Expansion Plan (RTEP), PJM identifies system violations to reliability criteria and standards and determines the potential to improve the market efficiency and operational performance of the PJM transmission system. PJM incorporates federal and state public policy initiatives into these analyses to determine reliability and market efficiency needs. PJM posts on its website reliability violations, system conditions, economic constraints, and Public Policy Requirements, and it provides entities an opportunity to submit proposed enhancements or expansions to address the posted violations, system conditions, economic constraints and Public Policy Requirements. Subject to certain exceptions,⁹ PJM conducts competitive proposal windows to determine which proposed transmission enhancement or expansion projects provide the more efficient or cost-effective solution to reliability or market efficiency transmission needs of the transmission system that are then recommended for inclusion in the RTEP.¹⁰

Operating Agreement, Schedule 6, section 1.5.8 describes PJM’s competitive proposal window process. Operating Agreement, Schedule 6, section 1.5.8(c)(1) requires that proposals submitted in competitive proposal windows contain certain information including, among other things, relevant engineering studies, a proposed initial construction schedule, cost estimates and

⁸ See Sami Abdulsalam, *Reliability Analysis Update*, PJM Interconnection, L.L.C. (July 9, 2024), <https://www.pjm.com/-/media/DotCom/committees-groups/committees/teac/2024/20240709/20240709-item-10---reliability-analysis-update.pdf>.

⁹ See Operating Agreement, Sched. 6, §§ 1.5.8(m)(1), (n), (p).

¹⁰ See *id.* § 1.5.6(f).

analyses that provide sufficient detail for PJM to review the project proposal. In addition, Operating Agreement, Schedule 6, section 1.5.8(c)(2) permits transmission developers, whether they are existing Transmission Owners or non-incumbent transmission developers, to submit further information, including among other factors, “a demonstration of other advantages the entity may have to construct, operate, and maintain the proposed project, including any binding cost commitment proposal the entity may wish to submit.”¹¹

After a proposal window closes, PJM reviews the submitted proposals, while considering the criteria in Operating Agreement, Schedule 6, sections 1.5.8(e) and 1.5.8(f), and presents to the TEAC the proposals that merit further consideration for inclusion in the RTEP as the more efficient or cost-effective transmission solution. As relevant here, in evaluating which proposal is the more efficient or cost-effective solution to address system reliability needs that should therefore be included in the RTEP, PJM considers several factors, including:

- the extent to which a proposed project would address and solve the posted violation or system condition (*i.e.*, the relevant need);
- the extent to which the proposed project would have secondary benefits, such as addressing additional or other system reliability, operational performance, economic efficiency issues or federal Public Policy Requirements or state Public Policy Requirements identified by the states in the PJM Region;
- the ability to timely complete the project, and project development feasibility; and
- other factors such as cost-effectiveness, including the quality and effectiveness of any voluntarily-submitted binding cost commitment proposal related to a proposed project

¹¹ *Id.* § 1.5.8(c)(2). This section further provides: “To the extent that an entity submits a cost containment proposal the entity shall submit sufficient information for the Office of Interconnection to determine the binding nature of the proposal with respect to critical elements of project development. PJM may not alter the requirements for proposal submission to require the submission of a binding cost containment proposal, in whole or in part, or [otherwise] mandate or unilaterally alter the terms of any such proposal or the requirements for proposal submission, the submission of any such proposals at all times remaining voluntary.” *Id.*

which caps project construction costs (either in whole or in part), project total Return on Equity (ROE) inclusive of incentive adders, or capital structure.¹²

PJM also conducts a high-level analysis of proposed projects utilizing available public sector data, aerial imaging and internet-sourced real estate records to determine if the project is feasible and to identify potential regulatory permitting risks. To be clear, however, PJM's constructability review is not as extensive as the detailed analysis the transmission developer conducts to determine the proposed project route. Rather, project developers designated by PJM are obligated to follow all local and state permitting processes to develop their projects, including to determine the appropriate project route. Those local and state siting processes will weigh the impacts of a proposed route, such as local environmental impacts and preserved open spaces and may lead to further revisions and adjustments to an initial proposal to further minimize its impact.

Operating Agreement, Schedule 6, section 1.5.8(f) further specifies entity-specific criteria that PJM considers in determining the designated transmission developer for a project, including whether the entity is prequalified, evidence of an entity's ability to secure a financial commitment to finance the project, and the technical and engineering experience of the entity, among other things.

In short, PJM engages in a holistic review of several factors when it selects the more efficient or cost-effective solution submitted via a competitive window to address reliability needs, as well as when it selects the appropriate designated entity for the project.

B. Selection of the MidAtlantic Resiliency Link in 2022 Window 3

In February 2023, PJM opened "2022 Window 3" after it identified numerous reliability criteria violations for the 2027 study year (later modified to include needs identified in the 2028

¹² See *id.* § 1.5.8(e).

study year as well).¹³ Specifically, PJM identified and posted a number of reliability drivers requiring the need for Transmission System reinforcements, including primarily: (i) local constraints resulting from serving data center loads in the APS and Dominion zones through their current 230 kV networks; (ii) regional constraints resulting from imports into load center areas; (iii) reactive power needs of the system; (iv) the cumulative impact of 11,100 MW of announced deactivations and the operational characteristics of replacement generation; and (v) adherence to all applicable North American Electric Reliability Corporation, SERC Reliability Corporation, ReliabilityFirst Corporation, PJM, and local Transmission Owner FERC Form No. 715 criteria.¹⁴

PJM opened 2022 Window 3 on February 24, 2023 and closed 90 days later on May 31, 2023, after which PJM staff worked with developers and consultants to analyze the 72 proposals received to address the posted reliability violations. PJM staff updated the TEAC regarding the window process and its subsequent analysis at seven TEAC meetings¹⁵ before PJM summarized

¹³ See PJM, *Competitive Planning Process*, <https://www.pjm.com/planning/competitive-planning-process.aspx>.

¹⁴ See PJM, *Reliability Analysis Report: 2022 RTEP Window 3* at 4-7 (Dec. 8, 2023), <https://www.pjm.com/-/media/committees-groups/committees/teac/2023/20231205/20231205-2022-rtep-window-3-reliability-analysis-report.ashx>; accord Nebiat Tesfa, *PJM Regional Transmission Expansion Planning (RTEP) Process*, at 12 (Dec. 8, 2023), <https://www.pjm.com/-/media/DotCom/committees-groups/state-commissions/isac/2023/20231218/20231218-rtep-window-3-2022.ashx>.

¹⁵ See PJM, TEAC slides (Feb. 7, 2023), <https://pjm.com/-/media/committees-groups/committees/teac/2023/20230207/20230207-item-09---2022-window-3-update.ashx>; PJM, TEAC slides (Mar. 7, 2023), <https://pjm.com/-/media/committees-groups/committees/teac/2023/20230307/20230307-item-08---reliability-analysis-update.ashx>; PJM, TEAC slides at 2, 13 (Apr. 27, 2023), <https://pjm.com/-/media/committees-groups/committees/teac/2023/20230427-special/item-1---2023-rtep-2028-preliminary-violation-summary.ashx>; PJM, TEAC slides (June 6, 2023), <https://pjm.com/-/media/committees-groups/committees/teac/2023/20230606/20230606-item-11---reliability-analysis-update.ashx>; PJM, TEAC slides (July 11, 2023), <https://pjm.com/-/media/committees-groups/committees/teac/2023/20230711/20230711-item-09---reliability-analysis-update.ashx>; PJM, TEAC slides (Aug. 8, 2023), <https://pjm.com/-/media/committees-groups/committees/teac/2023/20230808/20230808-item-07---reliability-analysis-update.ashx>;

the 2022 Window 3 reliability evaluations, and walked through a shortlist of development scenarios from which a set of proposals would be selected by PJM for recommendation for inclusion in the RTEP at the October 3, 2023 TEAC meeting.¹⁶ On October 31, 2023¹⁷ and December 5, 2023,¹⁸ PJM presented to the TEAC first and second reads of the proposed solutions to the 2022 Window 3 Reliability violations, respectively. The solution that PJM ultimately recommended included 215 components of proposals submitted by seven developers (Window 3 Projects), including the MidAtlantic Reliability Link, which projects PJM recommended in aggregate as the more efficient or cost-effective solution to the identified reliability needs.

In addition to substantive discussions with stakeholders and ratepayers during the TEAC meetings described above, PJM responded to numerous stakeholder and ratepayer emails regarding the 2022 Window 3 proposals from as early as August 2023 and until the end of November 2023. Stakeholders and members of the public sent approximately 400 letters to the PJM Board primarily focused on routing and siting impacts of the Woodside to Aspen 500 kV line segment development in northern Virginia.¹⁹ The PJM Board considered all of this public

PJM, TEAC slides (Sept. 5, 2023), <https://pjm.com/-/media/committees-groups/committees/teac/2023/20230905/20230905-item-08---reliability-analysis-update.ashx>.

¹⁶ See Sami Abdulsalam, *Reliability Analysis Update*, PJM Interconnection, L.L.C. (Oct. 3, 2023), <https://www.pjm.com/-/media/committees-groups/committees/teac/2023/20231003/20231003-item-11---reliability-analysis-update.ashx>.

¹⁷ See Sami Abdulsalam, *Reliability Analysis Update*, PJM Interconnection, L.L.C. (Oct. 31, 2023), <https://www.pjm.com/-/media/committees-groups/committees/teac/2023/20231031/20231031-item-15---reliability-analysis-update.ashx>.

¹⁸ See Sami Abdulsalam, *Reliability Analysis Update*, PJM Interconnection, L.L.C. (Dec. 5, 2023), <https://www.pjm.com/-/media/committees-groups/committees/teac/2023/20231205/20231205-item-15---reliability-analysis-update-2022-window-3.ashx>.

¹⁹ PJM posted all of the letters received in advance of the December 5, 2023 TEAC meeting on its website. Some of the letters also raised concerns regarding the stakeholder engagement process as it relates to the 2022 Window 3 process. PJM grouped the numerous responses into four groups for ease of accessibility. See <https://www.pjm.com/-/media/about-pjm/who-we-are/public-disclosures/20231201-letters-re-proposed-transmission-upgrades-advance-of-20231205-teac>.

feedback, in addition to the recommendations of the PJM staff and the TEAC, when it ultimately decided to approve the 2022 Window 3 Projects for inclusion in the RTEP.²⁰ As relevant here, portions of the MidAtlantic Reliability Link, including the Initial Project (b3800.119) and nine other baseline projects, were designated to NEET.²¹ On December 11, 2023, the PJM Board approved the Window 3 Projects, including the Initial Project, for inclusion in the RTEP for cost allocation purposes.²²

PJM notified NEET that it satisfied the requirements of Schedule 6, section 1.5.8 to be the Designated Entity responsible for the MidAtlantic Resiliency Link. By letter dated January 18, 2024, NEET accepted such designation and, consistent with Operating Agreement, Schedule 6, section 1.5.8(j), submitted a development schedule providing milestones and milestone dates for

ashx, <https://www.pjm.com/-/media/about-pjm/who-we-are/public-disclosures/20231203-letters-re-proposed-transmission-upgrades-advance-of-20231205-teac.ashx>, <https://www.pjm.com/-/media/about-pjm/who-we-are/public-disclosures/20231204-letters-re-proposed-transmission-upgrades-advance-of-20231205-teac.ashx>, and <https://www.pjm.com/-/media/about-pjm/who-we-are/public-disclosures/20231205-additional-letters-received-regarding-proposed-transmission-upgrades-in-advance-of-teac.ashx>.

²⁰ As stated above, NEET also submitted a letter to PJM ensuring further route refinements throughout the detailed engineering and public engagement stage of the state commission process taking into consideration public feedback received. *See supra* note 7.

²¹ The other projects were baseline upgrade numbers b3800.102, b3800.106 to b3800.110, b3800.113, b3800.115, and b3800.117. NEET is a subsidiary of NextEra Energy Transmission, LLC which in turn is a subsidiary of NextEra Energy, Inc. NEET operates and maintains its transmission facilities under the direction of PJM, and transmission service over NEET's transmission facilities is provided by PJM under its Tariff. NEET was pre-qualified under Operating Agreement, Schedule 6, section 1.5.8(a) as eligible to be designated rights to a proposed project should its project proposal be selected for inclusion in the RTEP for cost allocation purposes.

²² *See* PJM Staff, *Transmission Expansion Advisory Committee (TEAC) Recommendations to the PJM Board*, PJM Interconnection, L.L.C. (Dec. 2023), <https://www.pjm.com/-/media/committees-groups/committees/teac/2023/20231205/20231205-pjm-teac-board-whitepaper-december-2023.ashx>.

each of its segments, including the Initial Project, in preparation for the anticipated execution of a Designated Entity Agreement (DEA) pursuant to Tariff, Attachment KK.²³

C. PJM Has Broad Discretion to Modify Elements of a Previously Approved RTEP when Necessary

Once PJM staff has completed the TEAC process with its stakeholders, the Office of the Interconnection presents the proposed RTEP for PJM Board review and approval.²⁴ If the RTEP is approved, entities identified as Designated Entities are notified within 15 business days.²⁵ Companies must advise PJM that they accept the designation within 30 days.²⁶ They must also submit milestone dates for development and construction to meet the required in-service date for the approved project, including milestone dates for obtaining all necessary authorizations and approvals.²⁷ After reviewing these schedules, PJM will tender a DEA to the Designated Entity for execution.²⁸ PJM and NEET were in the process of negotiating a DEA for the Initial Project when NEET concluded that the project's scope would need to be revised.

The *pro forma* DEA is found in Attachment KK of the Tariff.²⁹ The *pro forma* DEA obligates the Designated Entity to develop and construct the transmission project it was awarded.³⁰

²³ See NEET MidAtlantic DEA, Service Agreement No. 7601, Docket No. ER25-1736, Transmittal Letter at 8 (Mar. 21, 2025) (NEET DEA).

²⁴ See Operating Agreement, Sched. 6, § 1.6 (“Based on the studies and analyses performed by the Office of the Interconnection under Operating Agreement, Schedule 6, the PJM Board shall approve the Regional Transmission Expansion Plan in accordance with the requirements of Operating Agreement, Schedule 6.”).

²⁵ *Id.* § 1.5.8(i).

²⁶ *Id.* § 1.5.8(j).

²⁷ *Id.*

²⁸ *Id.*

²⁹ Tariff, Attach. KK; see Manual 14C, § 6.1.1.1 (discussing elements of DEA). The relevant terms of the *pro forma* DEA and the DEA between NEET and PJM are identical.

³⁰ Tariff, Attach. KK § 4.0.

The executed DEA must include specified milestone dates for the completion of activities³¹ and must specify a Required Project In-Service Date.³² PJM may extend milestone dates if the Designated Entity cannot remedy delays through the exercise of due diligence or if granting an extension will not affect the Required Project In-Service Date.³³

When, as here, it becomes necessary to modify a project, PJM has broad discretion to do so under its Governing Documents and Manual 14C. The *pro forma* DEA includes a project modification process detailed in Manual 14C that permits changes in the Scope of Work and Development Schedule.³⁴ The *pro forma* DEA also authorizes PJM to “otherwise” modify the Scope of Work and Development Schedule if the revisions are made “in writing.”³⁵ The project modification process in Manual 14C permits both PJM and the Designated Entity to initiate modifications to the Scope of Work and Development Schedule.³⁶ Manual 14C describes the process of modification when there is a “[s]ignificant routing change from what has been proposed.”³⁷ If the proposed change is made by the developer, PJM must provide its written consent, which “shall not be unreasonably withheld, conditioned, or delayed” including when “necessary to obtain siting approval or necessary permits.”³⁸

³¹ *Id.* § 4.1.0 & Sched. C.

³² *Id.* § 1.10 & Sched. C.

³³ *Id.* § 4.1.0.

³⁴ *See id.* § 4.3.0 (“The Scope of Work and Development Schedule, including the milestones therein, may be revised, as required, in accordance with Transmission Provider’s project modification process set forth in the PJM Manuals, or otherwise by Transmission Provider in writing.”).

³⁵ *Id.*

³⁶ Manual 14C, § 6.1.3.3.

³⁷ *Id.*

³⁸ Tariff, Attach. KK § 4.3.1; *PJM Interconnection, L.L.C.*, 148 FERC ¶ 61,187, at P 58 (2014).

The Commission has stated that PJM “must be able to approve all proposed modifications to projects that are selected in the RTEP in order to ensure efficient and effective transmission planning as well as to protect the reliable operation of the transmission system.”³⁹ The Commission has also required PJM to “revise and the Designated Entity Agreement to clarify that in every instance where consent is required from PJM to modify a project, such consent will not be unreasonably withheld, conditioned, or delayed.”⁴⁰ The project modification process described in Manual 14C also specifies that “[i]f the revisions captured by the scope change process are deemed material to the project, the DEA will be amended and refiled.”⁴¹

The flexibility the Commission has granted PJM to modify previously awarded projects is further reflected in Operating Agreement Schedule 6, section 1.5.8(k).⁴² Although PJM did not rely upon this provision of the Operating Agreement to re-scope the Initial Project, PJM may reevaluate a project if the Designated Entity is in breach of the DEA or if the DEA is terminated due to an event of Force Majeure, resulting in a “fail[ure] to meet a milestone in the development schedule . . . that causes a delay of the project’s in-service date.”⁴³ Based on this re-evaluation, PJM may (i) retain the original project in the RTEP, (ii) remove the project from the RTEP, or (iii) include an “alternative project” in the RTEP.⁴⁴ Even if the original project is retained, PJM has

³⁹ *PJM Interconnection*, 148 FERC ¶ 61,187 at P 58.

⁴⁰ *Id.*

⁴¹ *Id.*

⁴² See Operating Agreement, Sched. 6, § 1.5.8(k). Further, because the Operating Agreement is incorporated by reference into the *pro forma* DEA, the rights conferred under this provision are also enforceable contractually under an executed DEA. See Tariff, Attach. KK § 19.11 (“The Tariff, the Operating Agreement, and the Reliability Assurance Agreement, as they may be amended from time to time, are hereby incorporated herein and made a part hereof.”).

⁴³ Operating Agreement, Sched. 6, § 1.5.8(k); see Tariff, Attach. KK § 7.4 (specifying re-evaluation pursuant to § 1.5.8(k) in case of uncured breach of DEA); Manual 14F § 6.1.3.4 (same).

⁴⁴ *Id.*

the ability to take the project away from the original Designated Entity and to designate the incumbent Transmission Owner as the new Designated Entity.⁴⁵

Following its acceptance of the designation of construction responsibility described above, NEET continued to conduct a detailed routing study to evaluate route alternatives, including routes that are more closely aligned with existing infrastructure corridors. Following discussions with affected stakeholders, NEET advised PJM that in response to feedback, which included significant opposition to the originally-proposed greenfield route, it had initiated collaborative discussions with FirstEnergy, Dominion, and Exelon, *i.e.*, representatives of the incumbent Transmission Owners along the existing Millville – Doubs and Doubs – Goose Creek Corridors, to investigate a more feasible route. Following those discussions, and consistent with PJM’s established practices for initiating scope changes to existing RTEP projects,⁴⁶ NEET, FirstEnergy and Dominion proposed the Revised Project to offer a revised route that utilized existing rights-of-way in order to minimize local, environmental, and land use concerns by making use of the existing transmission line rights-of-way along the Millville – Doubs, and Doubs – Goose Creek Corridors.

NEET and the incumbent Transmission Owners each concluded that the Revised Project proposed a viable alternative despite potentially requiring additional engineering review to confirm feasibility. Consistent with Operating Agreement Schedule 6, section 1.5.8(j), PJM extended the deadline to finalize the DEA so that the incumbent Transmission Owners could conduct their

⁴⁵ See Manual 14F § 6.1.3.4. Any modifications made pursuant to this process also must be presented to the TEAC for review and comment. Operating Agreement, Sched. 6 § 1.5.8(k). The PJM Board must approve modifications to the RTEP through the process described in Operating Agreement Schedule 6, or through the processes in the DEA and Manual 14C. *Id.* (referring to § 1.5.8 procedure).

⁴⁶ See Operating Agreement, Sched. 6; Tariff, Attach. KK § 4.3; *PJM Manual 14C: Interconnection Facilities, and Network Upgrade Construction*, PJM Interconnection, L.L.C. (rev. 16, July 26, 2023), <https://www.pjm.com/-/media/DotCom/documents/manuals/m14c.pdf>.

feasibility review. Ultimately, PJM, NEET and the incumbent Transmission Owners determined that the Woodside to Aspen 500 kV line segment should be rerouted from the originally-proposed greenfield line route to an alternate route within the existing rights-of-way along the Millville – Doubs and Doubs – Goose Creek Corridors containing the Doubs – Millville 138 kV, the rebuilt Doubs – Goose Creek 500 kV and the new Doubs – Aspen 500 kV lines.

PJM staff presented the Revised Project at the TEAC meeting on July 9, 2024, recommending the Revised Project, including the cancellation of b3800.119 (the Woodside to Aspen 500 kV line segment) as the more efficient or cost-effective solution to resolve the reliability violations underlying the Initial Project.⁴⁷ In August 2024, PJM staff recommended that the PJM Board approve the Revised Project. The Board approved the scope change on August 7, 2024.⁴⁸ It is important to note that, notwithstanding the revised scope of the MidAtlantic Reliability Link project, NextEra retained a significant portion of its competitively-bid project, and the MidAtlantic Reliability Link project is electrically equivalent to the Initial Project that was approved by the PJM Board following the 2022 Window 3 process, with a scope modification permitted by PJM's RTEP process as described below.

Following the PJM Board's August 2024 approval of the above-described scope change, PJM and NEET continued to refine the NEET DEA to include the Revised Project and the revised in-service date of December 31, 2031. The parties executed the DEA in February 2025.⁴⁹

⁴⁷ PJM, *Reliability Analysis Update*, at slides 43-44, presented at Transmission Expansion Advisory Committee Meeting (July 9, 2024), <https://www.pjm.com/-/media/committees-groups/committees/teac/2024/20240709/20240709-item-10---reliability-analysis-update.ashx>. PJM is only required to present a scope change to the TEAC once.

⁴⁸ Revisions to Incorporate Cost Responsibility Assignments for Regional Transmission Expansion Plan Baseline Upgrades, Docket No. ER24-2990 at n.3 (Sept. 6, 2024) (September 6 Filing).

⁴⁹ See NEET DEA.

D. RTEP Update Filing to Reflect Changes to the RTEP Approved by the PJM Board in August 2024

On September 6, 2024, consistent with its obligations under Tariff Schedule 12,⁵⁰ PJM filed cost responsibility assignments for all RTEP additions and changes approved by the PJM Board at its August 2024 meeting, which included the scope change to the Initial Project.⁵¹ Protestors in that proceeding, including Theresa Ghiorzi, contested the scope change and related cost allocation.⁵² PJM answered that the Revised Project continued to address the same underlying reliability needs as before, thus remaining a Reliability Project under the Tariff and subject to PJM's hybrid cost allocation method.⁵³ PJM further explained that its scope change approval process was transparent, well-documented, and consistent with the Tariff and Operating Agreement.⁵⁴ The Commission accepted PJM's cost allocation on December 4, 2024 and found

⁵⁰ See *PJM Interconnection, L.L.C.*, 142 FERC ¶ 61,214, PP 411, 448 (2013) (accepting revisions to Tariff, Schedule 12 modifying the cost allocation methodologies for transmission projects included in the RTEP, effective February 1, 2013); see also Operating Agreement, Sched. 6, § 1.6(b) ("Within 30 days after each occasion when the PJM Board approves a Regional Transmission Expansion Plan, or an addition to such a plan, that designates one or more Transmission Owner(s) or Designated Entity(ies) to construct such expansion or enhancement, the Office of the Interconnection shall file with FERC a report identifying the expansion or enhancement, its estimated cost, the entity or entities that will be responsible for constructing and owning or financing the project, and the market participants designated under Operating Agreement, Schedule 6, section 1.5.6(l) to bear responsibility for the costs of the project.").

⁵¹ See September 6 Filing.

⁵² See *PJM Interconnection, L.L.C.*, Docket No. ER24-2990, Motion to Intervene and Limited Protest of Theresa Ghiorzi, at 6-7 (Oct. 5, 2024).

⁵³ See *PJM Interconnection, L.L.C.*, Docket No. ER24-2990, Motion for Leave to Answer and Answer of PJM Interconnection, L.L.C., at 6-10 (Oct. 23, 2024) (PJM Answer). The Revised Project is considered a "Regional Facility," and as such, PJM allocates its costs according to a hybrid methodology in which 50% of costs are allocated on a region-wide postage stamp basis and 50% are allocated to specifically-identified beneficiaries. *PJM Interconnection, L.L.C.*, Docket No. ER24-2990, Revisions to Incorporate Cost Responsibility Assignments for Regional Transmission Expansion Plan Baseline Upgrades, at 3 (Sept. 6, 2024); Tariff, Sched. 12 § (b)(i)(A).

⁵⁴ See PJM Answer at 7-8.

that the issues raised in Ms. Ghiorzi’s protest were beyond the scope of the Commission’s cost responsibility assignment review.⁵⁵

II. MOTION TO DISMISS

The Complaint requests that the Commission “rescind the scope changes to project baseline b3800 and direct PJM to revert the project to the Initial Project or set this matter for hearing.”⁵⁶ The Commission should dismiss the Complaint because the Complainants’ request is not redressable in this proceeding under FPA section 206. Neither the Commission nor PJM can ultimately compel NEET or any other transmission developer to construct the Initial Project, regardless of whether the Commission holds a hearing. Even if the Commission were to direct PJM “to revert the project to the Initial Project,” that directive would have no practical effect for two reasons: the Commission cannot order Virginia to site specific projects that do not meet the threshold requirements under FPA section 216,⁵⁷ and PJM cannot compel NEET to construct the Initial Project that it is unable or unwilling to complete as initially proposed.

States retain primary responsibility for siting interstate transmission facilities under the FPA. Complainants correctly concede that the Virginia State Corporation Commission (SCC) is the “relevant entity with siting authority” for the Initial Project,⁵⁸ but no developer has sought authorization from the Virginia SCC to construct the cancelled route across Loudon County that was previously listed as baseline project b3800.119. FPA section 216 does not permit the Commission to preempt state siting authority by directing “the construction or modification of electric transmission facilities” unless those facilities are located “in a national interest electric

⁵⁵ See *PJM Interconnection, L.L.C.*, 189 FERC ¶ 61,160, PP 17-18 (2024).

⁵⁶ Complaint at 34; *see id.* at 4, 30, 38.

⁵⁷ 16 U.S.C. § 824p(b)(1).

⁵⁸ Complaint at 16-17.

transmission corridor designated by the Secretary” of the Department of Energy (DOE).⁵⁹ However, Complainants correctly concede that the transmission projects at issue here are not located within a national interest electric transmission corridor (NIETC),⁶⁰ because the DOE Secretary considered and rejected a proposed Mid-Atlantic NIETC.⁶¹ Therefore, the Commission lacks “backstop” siting authority under FPA section 216 to force Virginia to site the Initial Project according to its original scope.

III. ANSWER

A. PJM Has Broad Discretion to Approve RTEP Modifications in Response to Changed Circumstances

As explained above, PJM has broad discretion under its Governing Documents and Manual 14C to respond to interruptions, obstacles, and other economic realities that often disrupt projects. Complainants ignore that discretion when they assert that “it appears that NextERA has milestones which have slipped and was in breach of its designated entity agreement.”⁶² However, that argument cannot be correct because the DEA between PJM and NEET had not yet been executed at the time of the scope change. Complainants nonetheless argue that PJM’s approval of the Revised Project violates Articles 4 of, presumably the *pro forma* DEA, by authorizing NEET to miss the Initial Project’s original milestone dates, constituting an event of default under Article 7.

⁵⁹ 16 U.S.C. § 824p(b)(1).

⁶⁰ Complaint at 9.

⁶¹ See DOE, *National Interest Electric Transmission Corridor Designation Process* (Dec.16, 2024), <https://www.energy.gov/gdo/national-interest-electric-transmission-corridor-designation-process> (announcing that the DOE was only proceeding with three proposed NIETCs to Phase 3 and declined to include a proposed Mid-Atlantic NIETC).

⁶² See Complaint at 10-11. In Complainants view, “[f]ailure to meet a Required In-Service Date constitutes a breach of provisions under Article 7 Breach and Default, 7.3 Cure of Breach.” Although Complainants stipulate that they do not have access to the DEA in this proceeding, the NEET DEA was filed in FERC Docket No. ER25-1736 on March 21, 2025.

Complainants ignore that PJM's Governing Documents, and Manual 14C provide clear means to change a project's scope.

The *pro forma* DEA permits PJM broad flexibility to revise a project's scope. First, PJM may extend milestone dates under DEA section 4.1.0 in writing if the Designated Entity cannot remedy delays through the exercise of due diligence or if granting an extension will not affect the Required Project In-Service Date.⁶³ Second, DEA section 4.3.0 permits changes to the Scope of Work and Development Schedule for previously awarded projects "as required, in accordance with Transmission Provider's project modification process set forth in the PJM Manuals."⁶⁴ Manual 14C provides that modification process, stating that:

Section 4.3.0 provides for revisions to the project scope and schedule through the project modification process. It is through this process that the scope, schedule or non-standard terms and conditions within the DEA are changed to reflect the evolution of the project through the implementation phase. The project modification process provides for a clear method to document project changes, which facilitates good communication and results in all parties being informed of changes in a timely manner.

Manual 14C allows both the Designated Entity and PJM to initiate modifications to the Scope of Work and Development Schedule.⁶⁵ Manual 14C explicitly mentions "[s]ignificant routing change[s]" as acceptable changes to be made through this process.⁶⁶

In addition to, the project modification process in Manual 14C, the *pro forma* DEA provides that the developer may make changes to the Scope of Work or Development Schedule if

⁶³ See Tariff, Attach. KK § 4.1.0.

⁶⁴ *Id.* § 4.3.0.

⁶⁵ Manual 14C § 6.1.3.3.

⁶⁶ *Id.*; see *PJM Interconnection*, 148 FERC ¶ 61,187 at P 58 ("We agree with PJM that it must be able to approve all proposed modifications to projects that are selected in the RTEP in order to ensure efficient and effective transmission planning as well as to protect the reliable operation of the transmission system.").

PJM consents.⁶⁷ And PJM may “otherwise” modify the Scope of Work and Development Schedule provided that the revisions are made “in writing.”⁶⁸

These provisions show that Complainants are simply wrong that a project’s scope and deadlines are fixed and unchangeable. They have provided no basis for their claim that DEA section 4.3.0 “does not allow a multi-year change to the Required In-Service Date of an approved project.”⁶⁹ That provision contains no limit on PJM’s ability to revise milestones.

Complainants’ argument must also fail because NEET has not missed any milestones. PJM and NEET were still negotiating the DEA at the time of the project’s scope change. PJM nonetheless followed the procedures laid out in Manual 14C to amend the not-yet-finalized DEA to reflect the Revised Project’s scope and to extend the milestone deadlines. Even after the PJM Board approved the Revised Project, NEET and PJM further negotiated the terms of the DEA and only executed it at the beginning of 2025. Complainants’ arguments seem to suggest that they believe PJM and NEET should nonetheless have executed the DEA with the scope and milestones of the Initial Project.

⁶⁷ Tariff, Attach. KK § 4.3.1.

⁶⁸ *Id.* PJM’s authority to modify projects is not confined to the provisions in the *pro forma* DEA or the process described in Manual 14C. Although it was not necessary to rely on that additional authority in this instance, PJM also has flexibility to modify previously awarded projects under section 1.5.8(k) of Schedule 6 to the Operating Agreement if the Designated Entity is in breach of DEA provisions or if the DEA is terminated due to an event of Force Majeure, resulting in a “fail[ure] to meet a milestone in the development schedule . . . that causes a delay of the project’s in-service date.” Operating Agreement, Sched. 6, § 1.5.8(k); *see* Tariff, Attach. KK § 7.4; Manual 14F § 6.1.3.4. PJM may then choose to retain the original project, remove the project, or include an “alternative project” in the RTEP. Manual 14F § 6.1.3.4. PJM has the discretion to take the project away from the original Designated Entity and to designate the incumbent Transmission Owner as the new Designated Entity. *See id.*

⁶⁹ Complaint at 15.

Complainants also ignore that PJM was required under Operating Agreement Schedule 6, section 1.5.8(*l*) to amend the unexecuted DEA to designate the incumbent Transmission Owners as Designated Entities for the portions of the MidAtlantic Reliability Link that will now be sited in the incumbent Transmission Owner's existing rights-of-way.⁷⁰ NEET initiated and supported that re-designation. There is simply no basis to conclude that PJM acted inappropriately when it amended the project's scope. PJM's modifications were permitted, and given the route chosen for the Revised Project, designation of the incumbent Transmission Owners to construct the Revised Project was required under Schedule 6, section 1.5.8(*l*). If anything, PJM's action demonstrates its sensitivity and those of the Designated Entity to public feedback in response to the original proposal. Granting the requested relief would work against Designated Entities being responsive to that feedback by adjusting their submittals in response to that public feedback.

Complainants' arguments regarding alleged violations of PJM Manual 14F similarly fail.⁷¹ PJM complied with the cited provisions of Manual 14F when it adopted the Initial Project. Once PJM selected NEET's project, the *pro forma* DEA, Operating Agreement, and Manual 14C provided a Commission-accepted means to modify the Initial Project's scope and milestones without having to repeat the formal RTEP processes laid out in Manual 14F section 8.1.

⁷⁰ See Operating Agreement, Sched. 6 § 1.5.8(*l*) ("Notwithstanding anything to the contrary in this Operating Agreement, Schedule 6, section 1.5.8, in all events, the Transmission Owner(s) in whose Zone(s) a project proposed pursuant to the Operating Agreement, Schedule 6, section 1.5.8(c) is to be located will be the Designated Entity for the project, when the Short-term Project or Long-lead Project is: ... (iv) proposed to be located on a Transmission Owner's existing right of way and the project would alter the Transmission Owner's use and control of its existing right of way under state law.").

⁷¹ See Complaint at 28-29.

B. PJM's Approval of the Revised Project Does Not Violate Order No. 1000's Cost Allocation or Competition Principles

Complainants next argue that the Revised Project violates Order No. 1000's cost allocation and competition principles.⁷² Specifically, they allege that the Revised Project violates the principles that the cost of transmission facilities must be allocated to those receiving the benefit of the facility and that those who do not receive any benefit must not be allocated any of the costs of those facilities.⁷³ In Complainants' view, the scope revisions violated Order No. 1000 because the costs of the Initial Project were lower than those of the Revised Project.⁷⁴ It is not reasonable for the Complainants to compare the costs of the Initial Project, which proved untenable, with the cost of the Revised Project, which is actually feasible and, moreover, lessens environmental impacts by effectively utilizing existing rights-of-way. PJM did not violate its Governing Documents, Manuals, or Order No. 1000 by revising the scope of a project that NEET could not develop.

Complainants attempt to portray the Revised Project as resulting from favoritism of one group of ratepayers over another.⁷⁵ The Complaint lacks any evidence for this assertion. Consistent with Order No. 1000, only beneficiary ratepayers will bear the cost of the Revised Project.

⁷² See *id.* at 15, 29.

⁷³ See *id.* at 15 (citing *Transmission Planning & Cost Alloc. by Transmission Owning & Operating Pub. Utils.*, Order No. 1000, 136 FERC ¶ 61,051, at PP 622, 637 (2011)).

⁷⁴ See *id.* at 25, 28.

⁷⁵ See *id.* at 21-23; *accord, e.g.*, Motion for Leave to Answer and Answer of Theresa Ghiorzi, Docket No. ER25-1633 at 15 (Apr. 29, 2025) (Valley Link Answer) ("PJM's stakeholder engagement is a thinly veiled caste system where politicians, influence peddlers and carpet baggers are accommodated at ratepayer expense and legitimate competition, cost and impact concerns of non-politically connected individuals are ignored. 'Stakeholder engagement' is a charade PJM runs while deals are made with politicians behind closed doors.").

As a Regional Facility⁷⁶ that is a Reliability Project,⁷⁷ the Revised Project necessarily provides benefits to ratepayers.⁷⁸ The Complainants absolutely benefit from having a more reliable transmission system, as the entire point of the RTEP process is to identify reliability needs and fill any gaps as necessary. The Revised Project fills such a gap. PJM is maintaining reliability in the face of significant resource adequacy pressure. PJM has explained many times that the need for the transmission project at issue here is driven by 11,100 MW of announced generation retirements coupled simultaneously with significant increases in demand that have resulted in both local and regional transmission constraints caused by “serving the data center loads in APS and Dominion zones.”⁷⁹ The Revised Project—like the internet services it will continue to enable—

⁷⁶ Regional Facilities are defined as Required Transmission Enhancements included in the RTEP that are transmission facilities that: (a) are AC facilities that operate at or above 500 kV; (b) are double-circuit AC facilities that operate at or above 345 kV; (c) are AC or DC shunt reactive resources connected to a facility from (a) or (b); or (d) are DC facilities that meet the necessary criteria as described in Section (b)(i)(D). Tariff, Sched. 12(b)(i) (Regional Facilities and Necessary Lower Voltage Facilities) (currently effective version 15.0.0).

⁷⁷ Reliability Projects are projects that are designed to address one or more reliability violations or to address operational adequacy and performance issues. See Tariff, Sched. 12(b)(i)(A)(2).

⁷⁸ Courts and the Commission have previously found that high voltage facilities like the MidAtlantic Reliability Link create benefits for the entire PJM Region, and therefore it is appropriate to allocate the costs associated with such facilities on a regional basis. See, e.g., *Old Dominion Elec. Coop. v. FERC*, 898 F.3d 1254, 1260, *reh’g denied*, 905 F.3d 671 (D.C. Cir. 2018) (finding “high-voltage power lines produce significant regional benefits within the PJM network”); *PJM Interconnection, L.L.C.*, 142 FERC ¶ 61,214, at PP 412-14 (2013) (finding that “high-voltage transmission facilities have significant regional benefits that accrue to all members of the PJM transmission system,” and approving the currently-effective hybrid cost allocation methodology applicable to Regional Facilities that allocates 50% of such facilities on a regional load-ratio share basis based upon the finding that since “all customers in the region will share these broad regional benefits, a postage-stamp component of cost allocation is a reasonable way to allocate costs to consumers that are roughly commensurate with such benefits”).

⁷⁹ *Reliability Analysis Report: 2022 RTEP Window 3* at 7 (Dec. 8, 2023), <https://www.pjm.com/-/media/committees-groups/committees/teac/2023/20231205/20231205-2022-rtep-window-3-reliability-analysis-report.ashx>; accord, e.g., Nebiat Tesfa, *PJM Regional Transmission Expansion Planning (RTEP) Process*, at 12 (Dec. 8, 2023), <https://www.pjm.com/-/media/DotCom/committees-groups/state-commissions/isac/2023/20231218/20231218-rtep-window-3-2022.ashx>.

benefits all consumers within the affected Zones as well as consumers throughout PJM. And, by siting the Revised Project along the existing Millville – Doubs and Doubs – Goose Creek Corridors, ratepayers avoid the environmental harm and public opposition that could arise from pursuing the Initial Project, which would have traversed a region that currently lacks significant transmission infrastructure.

Complainants vaguely contend that PJM has violated the competitive bidding principles of Order No. 1000.⁸⁰ They portray the scope change as the product of “secretive, closed door meetings.”⁸¹ That is false. The Commission has found that PJM’s RTEP process exemplifies the competitive bidding principles of Order No. 1000.⁸² PJM followed the strictures of its RTEP process when it adopted the Initial Project. The Commission-approved process in PJM’s Governing Documents and Manual 14C intentionally provides a streamlined amendment process that allows PJM to adjust the scope of a proposed project when it becomes clear that it is unworkable. That is precisely what happened here. The PJM Board approved the Revised Project following the public proceeding in the TEAC in which the Complainants themselves participated.⁸³ Moreover, the Commission has granted PJM flexibility to revise its RTEP projects when necessary, and doing so is not anticompetitive.⁸⁴

⁸⁰ See Complaint at 29.

⁸¹ *Id.* at 21.

⁸² See *PJM Interconnection*, 142 FERC ¶ 61,214 at P 280 (conditionally accepting PJM’s revisions to Operating Agreement Schedule 6 to comply with the regional transmission planning and cost allocation requirements of Order No. 1000).

⁸³ See September 6 Filing at n.3; Complaint at 29 (noting that the scope change was read at a TEAC meeting).

⁸⁴ See *PJM Interconnection*, 148 FERC ¶ 61,187 at P 58 (“[W]e require PJM to revise and the Designated Entity Agreement to clarify that in every instance where consent is required from PJM to modify a project, such consent will not be unreasonably withheld, conditioned, or delayed. We agree with PJM that it must be able to approve all proposed modifications to projects that are

Complainants inaccurately state that “[n]one of the proposals by the incumbent transmission owners were selected during the competitively bid RTEP Window for the 2022 W[indow] 3 Projects.”⁸⁵ While PJM determined that the NEET-proposed components of the MidAtlantic Reliability Link project were superior in comparison to other incumbent Transmission Owner submissions, components of the Initial Project were designated to NEET, FirstEnergy, and Dominion from the beginning.⁸⁶ And NEET is only coordinating with those entities on the Revised Project.

Complainants also suggest that the incumbent Transmission Owners who will complete the Revised Project should be held to the cost commitment in NEET’s initial proposal.⁸⁷ That is wrong. PJM has no authority to force developers to agree to cost commitments. The Operating Agreement, Manuals, and Commission precedent confirm that.⁸⁸

selected in the RTEP in order to ensure efficient and effective transmission planning as well as to protect the reliable operation of the transmission system.”).

⁸⁵ Complaint at 30.

⁸⁶ See PJM, *Transmission Expansion Advisory Committee White Paper* (Dec. 2023), <https://pjm.com/-/media/committees-groups/committees/teac/2023/20231205/20231205-pjm-teac-board-whitepaperdecember-2023.ashx>.

⁸⁷ See Complaint at 29-30 (“About six months later, PJM’s determination and approval of the Alternate Route resulted in the creation of additional route segments which were also assigned to incumbent transmission owners, none of which were held to the cost caps of the Initial Project. The only portion of this project that has retained its cost cap is the portion retained by NextERA, the entity that was awarded the project based on its competitive bid.”).

⁸⁸ See *PJM Interconnection, L.L.C.*, 170 FERC ¶ 61,243, at P 43 (“March 2020 Order”), *order on reh’g*, 173 FERC ¶ 61,090 (2020) (“October 2020 Order”) (“Under the proposed language, PJM cannot require that a transmission developer submit a binding cost containment provision as part of its proposal, but, rather, the developer may voluntarily determine whether to include such a provision in its proposal and even further may determine the binding characteristics of its proposal”); Operating Agreement, Sched. 6, § 1.5.8(c)(2) (“PJM may not alter the requirements for proposal submission to require the submission of a binding cost containment proposal, in whole or in part, or [otherwise] mandate or unilaterally alter the terms of any such proposal or the requirements for proposal submission, the submission of any such proposals at all times remaining voluntary”); PJM Manual 14F § 8.1.5.

C. PJM Was Not Obligated to Compel Specific Performance from a Non-Incumbent Transmission Developer Such as NEET

Contrary to Complainants' claims, PJM is not obligated to compel NEET to "revert the project to the Initial Project."⁸⁹ Complainants' request that the Commission direct PJM to compel specific performance of the Initial Project must fail because, as described above, neither PJM nor the Commission have the authority to compel returning the project to its original scope. The Operating Agreement, Manual 14C, and the *pro forma* DEA are specifically designed to avoid such extreme measures by permitting revisions to a project's scope when necessary. PJM followed the procedures laid out in its Commission-accepted Operating Agreement and DEA when it authorized NEET's revisions. Complainants' contrary claims are simply wrong.

1. NEET Made Clear that the Route it Initially Submitted for the Proposed Greenfield Woodside to Aspen 500 kV Segment Was Preliminary

The circumstances that required the Revised Project demonstrate the need for flexibility to adjust project scopes granted by the DEA, Operating Agreement, and Manuals. When NEET accepted construction responsibility for the Initial Project, it specified that its proposed route (*i.e.*, the Woodside to Aspen 500 kV segment) would be *preliminary* while it further developed a detailed routing study to evaluate route alternatives.⁹⁰ PJM approved the Initial Project based on the best information available and after weighing the risks associated with the Initial Project against the risks of accepting other competing proposals to address the identified reliability need.⁹¹

⁸⁹ Complaint at 34.

⁹⁰ See *supra* note 7 (quoting Letter from Matt Valle, President, NextEra Energy Transmission).

⁹¹ See *supra* notes 14 and 79 and accompanying text (describing the reliability drivers for the project and citing PJM analyses).

Ultimately, PJM concluded that the Initial Project presented the best option to address PJM's reliability needs notwithstanding the risks.

While resistance to new transmission lines is common, and was inspected here, the intensity of that opposition proved to be unusually strong.⁹² In response to that resistance, NEET consulted with the stakeholders and landowners of the area, as well as FirstEnergy, Dominion, and Exelon—the incumbent Transmission Owners along the Doubs-Goose Creek Corridor—to investigate an alternative route for the project that would minimize the environmental impact of the greenfield project.⁹³ That Revised Project route was ultimately determined to be “more feasible” than the route of the Initial Project, and following PJM Board approval, the DEA was amended consistent with PJM's procedures to adopt the Revised Project.⁹⁴ PJM followed all necessary protocols after it was determined that the Initial Project could not be completed along its intended route at its original estimated cost.

2. The Commission Cannot Force a Non-Incumbent Transmission Provider to Build a Project the Transmission Provider Is Unable or Unwilling to Perform in the Circumstances Presented Here

Complainants have not identified any violation of PJM's Governing Documents or RTEP process that would necessitate the Commission forcing NEET to complete the Initial Project as originally envisioned, using its originally-proposed preliminary route. The revisions to the DEA fully complied with PJM's Governing Documents and Manual 14C. Operating Agreement

⁹² See *supra* note 19.

⁹³ See PJM, TEAC Recommendations to the PJM Board, at 10 (August 2024), <https://pjm.com/-/media/committeesgroups/committees/teac/2024/20240806/20240806-pjm-board-whitepaper-august-2024.ashx>.

⁹⁴ *PJM Interconnection, L.L.C.*, Revisions to Incorporate Cost Responsibility Assignments for Regional Transmission Expansion Plan Baseline Upgrades, Docket No. ER24-2990 (Sept. 6, 2024).

Schedule 6 requires that PJM’s consent to project modifications “shall not be unreasonably, withheld, conditioned, or delayed.”⁹⁵ PJM may not demand specific performance in the absence of an event of default under the DEA, which has not occurred precisely because the need for a scope change was properly identified and managed in compliance with PJM’s Governing Documents. Moreover, PJM had no basis to reject the Revised Project because it met the identified reliability need, reduced environmental impacts by taking advantage of existing rights-of-way, and—unlike the Initial Project—can feasibly be sited as planned.

The *pro forma* DEA provides that “[u]pon the occurrence of an event of Default, the non-Defaulting Party shall be entitled to: (i) commence an action to require the Defaulting Party to remedy such Default and specifically perform its duties and obligations hereunder....”⁹⁶ That language is not a mandate that PJM must seek specific performance when a default occurs. Rather, it only states that PJM is “entitled” to pursue that remedy if it so chooses. There are four potential events of default under the DEA, only one of which Complainants have alleged here—failure to meet certain milestones.⁹⁷ However, as PJM demonstrated above,⁹⁸ no milestones have been missed because there was no DEA at the time the milestones were modified. Moreover, Article 7 of the DEA clearly states that milestones may be “extended in writing.”⁹⁹ Thus, the Commission has no basis to force specific performance of the Initial Project as Complainants request.

⁹⁵ Operating Agreement, Sched. 6 § 4.3.1.

⁹⁶ Tariff, Attach. KK § 7.5

⁹⁷ *Id.* § 7.0.

⁹⁸ *See supra* at 20.

⁹⁹ Tariff, Attach. KK § 7.0.

D. The Commission Should Disregard the Complainants' Undeveloped Imprudence Assertions

Complainants allege that the rerouting of the Initial Project was “imprudent.”¹⁰⁰ However, despite repeating that term seven times in various assertions scattered throughout the Complaint, that bald allegation is never developed. The Complaint fails to cite any standard or precedent governing a prudence claim, much less explain any failure to meet that standard here. The Commission should disregard the Complaint’s undeveloped imprudence allegation.

E. A Hearing on this Matter Is Unsupported and Unnecessary

Complainants’ requested hearing is unnecessary and unsupported.¹⁰¹ PJM has demonstrated that its approval of the Revised Project fully complied with the DEA and PJM’s Governing Documents. Complainants’ baseless arguments have been fully addressed in this Answer. A hearing on these claims would waste the time and resources of the Commission, PJM, and PJM’s stakeholders while simultaneously delaying a needed transmission solution. A hearing could reveal no new information to support the relief requested in the Complaint because the Complaint has no merit as a matter of law under PJM’s Governing Documents and neither the Commission nor PJM have the authority to compel construction of the Initial Project as originally conceived. A hearing would only provide an additional opportunity for Complainants to continue their mudslinging campaign against PJM, NEET, public officials, and others in a new forum.¹⁰²

¹⁰⁰ Complaint at 3, 25, 28, 30, 31, 38.

¹⁰¹ *See id.* at 4, 31, 34, 38.

¹⁰² *See, e.g., id.* at 8 (“NextEra may very well be on track for the ‘schmooze elected officials and incite neighbors to throw each other under the bus’ milestone.”); *id.* at 21 & n. 71 (accusing PJM of involvement in “secretive, closed door meetings” and “gas lighting” the community); *id.* at 22 (accusing certain property owners of using political connection to influence elected officials); *id.* at 28 (stating that PJM “deliberately misled not only this Commission but all participants in the PJM TEAC including representatives of the state corporation commissions”). Complainants’ irresponsible smear campaign is not limited to this proceeding. Ms. Ghiorzi makes similarly hyperbolic claims in other PJM transmission proceedings. *See, e.g., Valley Link Answer* at 15

IV. STATEMENTS PURSUANT TO 18 C.F.R. § 385.213(C)(2)

A. Admissions and Denials

Pursuant to 18 C.F.R. § 385.213(C)(2)(i), except as stated in this Answer, PJM does not admit any facts in the form and manner stated in the Complaint. PJM affirms that any allegation in the Complaint that is not specifically and expressly admitted above is denied.¹⁰³

B. Affirmative Defenses

Pursuant to 18 C.F.R. § 385.213(C)(2)(ii), PJM's affirmative defenses are set forth in this Answer.

V. COMMUNICATIONS

All correspondence and other communications regarding this proceeding should be directed to the persons listed in the signature blocks below.¹⁰⁴

VI. CONCLUSION

For the foregoing reasons, PJM respectfully requests that the Commission dismiss or deny the Complaint.

(alleging that PJM's stakeholder process is a "thinly veiled caste system where politicians, influence peddlers and carpet baggers are accommodated at ratepayer expense and legitimate competition, cost and impact concerns of non-politically connected individuals are ignored").

¹⁰³ 18 C.F.R. § 385.213(c)(2)(1).

¹⁰⁴ To the extent necessary, PJM requests a waiver of Commission Rule 203(b)(3), 18 C.F.R. § 385.203(b)(3) to permit more than two persons to be listed in the official service list for this proceeding.

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CERTIFICATE OF SERVICE

I hereby certify that I have on this day caused to be served a copy of the foregoing answer upon all parties on the service list in these proceedings in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2010 (2025).

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