

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

Industrial Energy Consumers of America, <i>et al.</i>	)	
	)	
	)	
Complainants	)	Docket No. EL25-44-000
v.	)	
	)	
Avista Corporation, <i>et al.</i>	)	
Respondents	)	

**MOTION FOR LEAVE TO ANSWER AND  
LIMITED ANSWER OF PJM INTERCONNECTION, L.L.C.**

Pursuant to Rules 212 and 213 of the Federal Energy Regulatory Commission’s (“Commission” or “FERC”) Rules of Practice and Procedure,<sup>1</sup> PJM Interconnection, L.L.C. (“PJM”) respectfully submits this leave to answer and limited answer in response to intervenor American Municipal Power, Inc.’s (“AMP”) April 24, 2025 answer (“AMP Answer”)<sup>2</sup> to PJM and the PJM Transmission Owners’ motions to dismiss<sup>3</sup> the underlying complaint (“Complaint”).<sup>4</sup>

AMP has requested—based on new, broad, and unsubstantiated allegations—that the Commission establish a show cause proceeding against PJM, pursuant to section 206

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<sup>1</sup> 18 C.F.R. §§ 385.212, 385.213(a)(3).

<sup>2</sup> *Indus. Energy Consumers of Am. v. Avista Corp.*, Answer to Motions to Dismiss of American Municipal Power, Inc., Docket No. EL25-44-000 (Apr. 24, 2025).

<sup>3</sup> *Indus. Energy Consumers of Am. v. Avista Corp.*, Motion to Dismiss, Conditional Motion to Intervene, and Answer of PJM Interconnection, L.L.C., Docket No. EL25-44-000 (Mar. 20, 2025) (“PJM Motion to Dismiss and Answer”); *Indus. Energy Consumers of Am. v. Avista Corp.*, Indicated PJM Transmission Owners’ Motion to Dismiss, Docket No. EL25-44-000 (Mar. 20, 2025).

<sup>4</sup> *Indus. Energy Consumers of Am. v. Avista Corp.*, Complaint of Consumers for Independent Regional Transmission Planning for All FERC-Jurisdictional Transmission Facilities at 100 KV and Above, Docket No. EL25-44-000 (Dec 19, 2024) (“Complaint”).

of the Federal Power Act (“FPA”)<sup>5</sup> to investigate whether PJM has violated “the Operating Agreement provisions that require PJM to identify regional transmission projects that would be more efficient than local projects.”<sup>6</sup> AMP alleges that PJM has “failed to meaningfully” implement<sup>7</sup> the regional planning provision that “[t]he Regional Transmission Expansion Plan shall [] avoid unnecessary duplication of facilities.”<sup>8</sup> AMP’s request rests solely on two facts in the Declaration of PJM’s Executive Vice President of Operations, Planning, and Security, Aftab Khan, appended to PJM’s Motion to Dismiss and Answer to the Complaint: (i) between 2021 and 2024, 1,373 local projects were accounted for in PJM’s annual Regional Transmission Expansion Plan (“RTEP”);<sup>9</sup> and (ii) PJM’s RTEP displaced at least three local projects.<sup>10</sup>

As discussed below,<sup>11</sup> AMP’s claim suffers from fatal procedural and substantive deficiencies. Specifically, AMP draws illogical inferences from these two facts and wholly

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<sup>5</sup> 16 U.S.C. § 824e.

<sup>6</sup> AMP Answer at 15.

<sup>7</sup> *Id.* at 9.

<sup>8</sup> Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. (“Operating Agreement”), Schedule 6, section 1.4(d).

<sup>9</sup> Mr. Khan explained that there were 1,373 local projects included in the RTEP between 2021 and 2024. *See* PJM Motion to Dismiss, Attachment A (Declaration of Aftab Khan on Behalf of PJM Interconnection, L.L.C.) ¶ 17 (“Khan Declaration”). In PJM, local projects are integrated into the RTEP approved by the PJM Board of Managers (“PJM Board”) for informational purposes, but are not included for cost allocation purposes. *See* Operating Agreement, Schedule 6, section 1.6(a).

<sup>10</sup> AMP Answer at 9-10 (citing Khan Declaration at 10, 15-16).

<sup>11</sup> PJM respectfully requests leave to respond to AMP’s answer in order to address AMP’s expanded requests for relief and to aid the Commission’s decision-making process. The Commission regularly permits answers for good cause shown, and the Commission has held that answers are permitted when they ensure a more accurate and complete record, clarify the issues, or provide useful and relevant information that will assist the Commission in its deliberative process. *See, e.g., Midcontinent Indep. Sys. Operator, Inc.*, 189 FERC ¶ 61,108, at P 57 (2024) (accepting SPP and MISO’s answers “because they have provided information that assisted us in our decision-making process”), *reh’g denied*, 190 FERC ¶ 62,015 (2025); *Morgan Stanley Cap. Grp., Inc. v. N.Y. Indep. Sys. Operator, Inc.*, 93 FERC ¶ 61,017, at 61,036 (2000) (accepting an answer as “helpful in the development of the record”). PJM’s silence on statements contained in answers or motions should not be considered agreement or acquiescence to any unaddressed conclusions or statements.

ignores that Mr. Khan also testified that “[t]hese are not the only instances where regional solutions have replaced local projects.”<sup>12</sup> As such, the Commission should reject AMP’s request for relief.

## **I. ANSWER**

### **A. AMP’s Request for Separate Relief Is Procedurally Defective.**

- 1. AMP’s request for a show cause proceeding improperly seeks to expand the scope of this proceeding and should be rejected*

Despite characterizing its filing as an answer to motions to dismiss, AMP, an intervenor in this docket, essentially seeks to expand the Complaint and obtain additional relief by requesting that the Commission initiate a show cause proceeding against PJM. AMP’s request is based on *new* allegations, seeking *new* forms of relief, targeted at *just one* of the dozens of respondents in this complaint proceeding. Such request for new, additional relief, if granted, would improperly expand the scope of this proceeding and should therefore be rejected.

The Commission has regularly rejected new claims raised in ongoing complaint proceedings, particularly when such claims exceed the scope of the underlying complaint.<sup>13</sup>

The Commission has found that intervenors are barred from proffering wholly “different,

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<sup>12</sup> Khan Declaration ¶ 33.

<sup>13</sup> See, e.g., *Cal. ex rel. Lockyer v. British Columbia Power Exchange Corp.*, 100 FERC ¶ 61,295, at P 26 (2002) (“*Cal. ex rel. Lockyer*”) (holding, in a complaint case alleging non-compliance with certain reporting requirements connected to market-based transactions, that the complainant impermissibly sought “relief for different, unproven claims, namely that sellers charged unjust and unreasonable rates and engaged in ‘prohibited schemes’”); *Elec. Power Supply Ass’n v. AEP Generation Res., Inc.*, 155 FERC ¶ 61,102, at PP 21, 49, 68 (2016) (dismissing as beyond scope of complaint any claims of potential adverse effects in the PJM markets; agreeing with respondents that “PJM bidding behavior is not relevant to the affiliate abuse claim that is the sole basis for this complaint[;]” and noting respondents’ argument that “Complainants should not be permitted to expand this proceeding into an evaluation of the fairness of PJM’s existing market rules”); see also *Green Dev., LLC v. New Eng. Power Co.*, 176 FERC ¶ 61,193, at P 66 (2021) (not addressing allegations against the rate that Narragansett [Electric Company] charges Green Development[, LLC] or the pass through of charges at the retail level, finding that allegations are beyond the scope of the complaint and outside the Commission’s jurisdiction), *order on reh’g*, 178 FERC ¶ 61,036 (2022).

unproven claims,”<sup>14</sup> as seeking relief based on such claims amounts to no more than “a non-sequitur.”<sup>15</sup> Relevant here, the Commission has specifically denied requests, submitted in ongoing proceedings, to institute a new show cause proceeding against a particular party<sup>16</sup> or to otherwise open or reopen other proceedings,<sup>17</sup> and noted that such requests give rise to violations of the due process rights of a potential respondent.<sup>18</sup>

In this Complaint proceeding, which concerns local transmission planning processes in the regions of dozens of respondents, including the PJM Region, and in which Complainants propose that regional transmission planning extend to all FERC-jurisdictional facilities at 100 kV and above,<sup>19</sup> AMP now requests that the Commission establish a *separate* show cause proceeding concerning PJM’s compliance with certain provisions of the PJM Operating Agreement and Manuals that govern PJM’s regional transmission planning process. AMP’s novel allegations and request for discrete and separate relief improperly seek to expand the scope of this proceeding.

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<sup>14</sup> *Cal. ex rel. Lockyer*, 100 FERC ¶ 61,295 at P 26.

<sup>15</sup> *Id.* (holding that complainant’s “attempt to seek recovery for these high prices based on sellers’ non-compliance with reporting requirements is simply a non-sequitur”).

<sup>16</sup> *See, e.g., Columbia Gulf Transmission, LLC*, 177 FERC ¶ 61,145, at PP 12, 13, 15 (2021) (denying on the merits request by protesting parties to a Natural Gas Act (“NGA”) section 4, 15 U.S.C. § 717c, proceeding to establish proceeding pursuant to NGA section 5, 15 U.S.C. § 717d, requiring Columbia Gulf “to show cause as to whether its reservation charge crediting procedures comply with Commission policy, and if not, to propose tariff provisions that bring the pipeline in compliance with Commission policy”).

<sup>17</sup> *See, e.g., Mountaineer Gas Co. v. Columbia Natural Res., Inc.*, 84 FERC ¶ 61,172, at 61,903 (1998) (denying the complaint and also denying Mountaineer’s request to reopen a related abandonment proceeding on grounds that Mountaineer’s request constitutes “an untimely collateral attack on the final abandonment order . . . [in] which no party sought rehearing”).

<sup>18</sup> *Californians for Renewable Energy, Inc. v. Pac. Gas & Elec. Co.*, 134 FERC ¶ 61,207, at P 12 (2011).

<sup>19</sup> Complaint at 6.

2. *AMP's attempt to raise new, out-of-scope allegations against PJM improperly seeks to shift the Complainants' evidentiary burden on to PJM*

AMP improperly raises new allegations against PJM based on representations in PJM's motion to dismiss the underlying Complaint. That Complaint—and therefore PJM's motion to dismiss the Complaint—address claims that differ from those AMP now raises against PJM. In other words, AMP takes PJM's motion to dismiss the underlying Complaint, which is responsive specifically to the issues raised in the Complaint, and repurposes it to support AMP's arguments that PJM has failed to demonstrate “compliance with the filed rate”<sup>20</sup> or, more broadly, that PJM's governing documents may no longer be just and reasonable and not unduly discriminatory or preferential.<sup>21</sup>

AMP's Answer distorts the burden of proof. It is incumbent on the complainant in an FPA section 206 proceeding to clearly identify, with sufficient specificity, the laws that may have been violated and the actions or inactions giving rise to the alleged violation.<sup>22</sup> Pursuant to FPA section 206, it is, therefore, the *complainants* in this proceeding who bear the burden of proof. Thus, PJM's motion to dismiss is focused, narrowly and appropriately, on demonstrating that Complainants have not met *their* burden. As PJM explains in its motion to dismiss, the three examples PJM has proffered, on which AMP has now relied as evidence of PJM's potential violations, are intended to demonstrate that “contrary to Complainants' assertions, regional planning facilities have been shown to effectively replace local planning facilities in PJM,”<sup>23</sup> and that Complaints “fail to provide full context

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<sup>20</sup> AMP Answer at 14.

<sup>21</sup> *Id.* at 15.

<sup>22</sup> 16 U.S.C. § 824e; 18 C.F.R. § 385.206.

<sup>23</sup> PJM Motion to Dismiss and Answer at 38.

for local and regional transmission planning in PJM when they claim there has been excess local planning or insufficient regional planning.”<sup>24</sup> The examples further demonstrate that, contrary to the relief requested in the Complaint, “the regional and local planning division in the PJM region is focused on specific drivers rather than voltages.”<sup>25</sup>

AMP, however, would inappropriately rely on these three examples as evidence that PJM has somehow failed to provide sufficient “documentation of compliance” with the Operating Agreement.<sup>26</sup> AMP appears to suggest that PJM, as a respondent seeking to dismiss the underlying Complaint, somehow bears the burden of proof. AMP effectively turns the burden of proof on its head. Thus, granting AMP’s request would be contrary to the development of a clear and orderly record based on the actual issues in this Complaint proceeding, in a manner that respects the due process rights of the parties. AMP’s request, in other words, is no more than a procedurally deficient distraction.

**B. On Substance, AMP’s Claim that PJM May Have Violated the Operating Agreement Is Without Merit.**

1. *AMP’s claim that PJM is not in compliance with its governing documents rests on a misunderstanding of the requirements of the relevant Operating Agreement and PJM Manual provisions*

PJM has a relatively limited role with respect to local planning.<sup>27</sup> However, within its limited role, PJM “analyz[es] whether a PJM-identified regional need would overlap

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<sup>24</sup> Khan Declaration ¶¶ 30, 33.

<sup>25</sup> *Id.* ¶ 33.

<sup>26</sup> AMP Answer at 10.

<sup>27</sup> See PJM Motion to Dismiss and Answer at 5 (“PJM: (i) does not evaluate the merits or need for local planning facilities, but does evaluates them to ensure they “do no harm” to the regional grid from a reliability perspective; (ii) analyzes whether a PJM-identified regional planning need would overlap with a PJM [Transmission Owner]-identified local planning need, such that PJM could recommend a baseline project that would address both needs thereby avoiding duplication of transmission facilities; and (iii) incorporates the PJM [Transmission Owners’] local planning facilities that have been brought through the Attachment M-3 process into the RTEP.”).

with a PJM Transmission Owner-identified local need, such that PJM could recommend a baseline (regional) project that may address both needs, avoiding duplication of transmission facilities.”<sup>28</sup> In this proceeding, Mr. Khan provided three non-exhaustive examples of when PJM has followed this process and displaced local projects with baseline (regional) solutions.<sup>29</sup>

Here, AMP attempts to contort the scope of PJM’s role and the non-exhaustive examples of PJM’s implementation to support the initiation of a show cause proceeding. AMP focuses on the Operating Agreement and PJM Manual provisions cited by PJM, as well as the three examples provided by Mr. Khan, to inaccurately allege that: (i) PJM has only sought to identify potential baseline solutions to replace local projects to avoid duplicate facilities in “approximately two-tenths of one percent of cases”<sup>30</sup> and (ii) PJM is *required* to document that it follows this process with respect to *every* local project that is ultimately included for informational purposes in the RTEP.<sup>31</sup> But no such requirements exist. AMP fundamentally misunderstands the requirements of and rationale for the relevant Operating Agreement and PJM Manual provisions.

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<sup>28</sup> PJM Motion to Dismiss and Answer at 12 (citing Operating Agreement, Schedule 6, section 1.4(d); Transmission Planning Department, *PJM Manual 14B: PJM Region Transmission Planning Process*, PJM Interconnection, L.L.C., section 1.4.2.2 (Rev. 57, Sept. 25, 2024), <https://www.pjm.com/-/media/DotCom/documents/manuals/m14b.pdf> (“PJM Manual 14B”)).

<sup>29</sup> Khan Declaration ¶¶ 30-33 (describing three examples of regional projects that have displaced local projects and confirming that “[t]hese are not the only instances where regional solutions have replaced local projects”).

<sup>30</sup> See AMP Answer at 9-10 (noting that PJM included 1,373 Supplemental Projects in the RTEP over a three year period, and speculating that because PJM only identified three instances of a local project being replaced by a baseline project, that means “PJM has successfully implemented these Operating Agreement regional planning provisions in approximately two-tenths of one percent of cases identified in the record” (citation omitted)).

<sup>31</sup> See *id.* at 10.

First, AMP suggests that to comply with Operating Agreement, Schedule 6, section 1.4(d)<sup>32</sup> and PJM Manual 14B, section 1.4.2.2,<sup>33</sup> PJM must independently verify that each local project cannot be replaced by a baseline (regional) project.<sup>34</sup> But that is not what those provisions require. PJM's purpose in conducting its regional transmission planning obligations is to focus on regional needs, and in the course of doing so, to determine whether solving a regional need could make a local need or project redundant. PJM does not seek to replace or duplicate the "local planning effort" of, or the "local facilities" and upgrades proposed by, the Local Transmission Planning entities. Rather, as plainly stated in PJM Manual 14B, section 1.4.2.2, PJM's focus is, first and foremost, on examining "whether a possible baseline upgrade would *more efficiently and cost-effectively address the identified regional need*["]<sup>35</sup> In furtherance of this objective, PJM identifies opportunities where a regional need could, in addition to addressing the regional need, also be more efficient or cost effective in addressing an overlapping local planning (supplemental) need earlier proposed by a local planning authority. Thus, to the extent that

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<sup>32</sup> Operating Agreement, Schedule 6, section 1.4(d) states simply, in relevant part, that PJM shall "avoid unnecessary duplication of facilities."

<sup>33</sup> PJM Manual 14B, section 1.4.2.2, which provides implementation details for section 1.4(d)(i) (and other planning requirements, including PJM Open Access Transmission Tariff, Attachment M-3) details the steps that PJM and the PJM Transmission Owners must take if a regional transmission project is found to potentially interact with a pending local need within the same RTEP planning cycle. *See* PJM Manual 14B, section 1.4.2.2 ("In the development of the RTEP, PJM shall examine whether a possible baseline upgrade would more efficiently and cost-effectively address the identified regional need, as well as a supplemental need addressed by a proposed Supplemental Project.").

<sup>34</sup> *See* AMP Answer at 10.

<sup>35</sup> PJM Manual 14B, section 1.4.2.2 (emphasis added) ("In the development of the RTEP, PJM shall examine whether a possible baseline upgrade would more efficiently and cost-effectively address the identified regional need, as well as a supplemental need addressed by a proposed Supplemental Project. If PJM identifies that a possible baseline upgrade would more efficiently and cost-effectively address the identified regional need, as well as a supplemental need, PJM will discuss with the relevant Transmission Owner and other stakeholders at the next appropriate Subregional RTEP or [Transmission Expansion Advisory Committee ("TEAC")] meeting. PJM shall submit the proposed baseline upgrade to the PJM Board for inclusion in the RTEP.").



a baseline project that meets identified regional needs may also address “a supplemental need addressed by a proposed Supplemental Project[,]”<sup>36</sup> PJM’s regional planning process will take steps to optimize such a baseline project to address both and to displace the need for an incremental and possibly duplicative local project.

However, because local drivers are inherently different from regional drivers, instances of regional and local needs overlapping are generally limited. Regional transmission needs are driven by regional planning perspectives and inputs including, for example, forward-looking assessments considering overall regional load forecasts and resource mix evolution (e.g. deactivations) to assure compliance with the North American Electric Reliability Corporation reliability standards and PJM planning requirements.<sup>37</sup> PJM conducts power flow studies to identify regional transmission needs to assess thermal overloads, voltage violations, excessive short-circuit current, generator stability and congestion on the grid, and the results of these studies drive the need for regional projects.<sup>38</sup>

By comparison, locally planned facilities are driven by needs of a local nature, in many cases related to upgrades within an existing facility to enhance service quality (acknowledging regional, geographic, and weather merits) as well as addressing existing facilities condition, equipment condition, risk or technology obsolescence.<sup>39</sup> These types of local needs rarely overlap with the regional planning focus of PJM.

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<sup>36</sup> PJM Manual 14B, section 1.4.2.2.

<sup>37</sup> *Id.* section 2.2.

<sup>38</sup> See, e.g., *Regional Transmission Expansion Planning: Meeting the Grid’s Future Needs*, PJM Interconnection, L.L.C. (June 3, 2024), <https://www.pjm.com/-/media/DotCom/library/reports-notices/2023-rtep/rtep-meeting-the-grids-future-needs.pdf>.

<sup>39</sup> See PJM Motion to Dismiss and Answer at 23-26; Khan Declaration ¶¶ 12-17.

Second, AMP wrongfully asserts that because “PJM’s Manual 14B, section 1.4.2.2 requires PJM Transmission Owners to document and report to PJM and stakeholders any decision not to implement any of these cost-saving measures identified by PJM that the Transmission Owner elects not to implement” that PJM should therefore “have data documenting its own determinations.”<sup>40</sup> AMP again misreads the relevant provisions and the limited circumstances in which the documentation requirements apply.

PJM Manual 14B, section 1.4.2.2 provides that, in the course of developing the RTEP, it may become apparent to PJM that a local project that has been proposed for inclusion in a Transmission Owner’s Local Plan, but that has not yet been included in the RTEP base case, could potentially interact with an identified regional transmission need that has been posted in an open proposal window. Under such circumstances, PJM will examine if a baseline (regional) project would more efficiently or cost-effectively address both the identified regional need and the local need that would be otherwise addressed by such proposed local project.<sup>41</sup> Should the Transmission Owner agree with PJM’s assessment that the local need is met by the regional baseline project, the Transmission Owner will withdraw the local project from inclusion in the Local Plan.<sup>42</sup> However, if the

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<sup>40</sup> AMP Answer at 10.

<sup>41</sup> PJM Manual 14B, section 1.4.2.2 (“In the development of the RTEP, PJM shall examine whether a possible baseline upgrade would more efficiently and cost-effectively address the identified regional need, as well as a supplemental need addressed by a proposed Supplemental Project. If PJM identifies that a possible baseline upgrade would more efficiently and cost-effectively address the identified regional need, as well as a supplemental need, PJM will discuss with the relevant Transmission Owner and other stakeholders at the next appropriate Subregional RTEP or TEAC meeting. PJM shall submit the proposed baseline upgrade to the PJM Board for inclusion in the RTEP.”).

<sup>42</sup> *Id.* (“The Transmission Owner shall determine whether the baseline upgrade meets the supplemental need addressed by the proposed Supplemental Project and, if so, the Transmission Owner will withdraw the project from inclusion in the Local Plan. The Transmission Owner will inform PJM and the stakeholders at the next appropriate Subregional RTEP or TEAC meeting that the Supplemental Project will not be submitted for inclusion in the Local Plan.”).

Transmission Owner disagrees with PJM’s assessment that a baseline project will address the local need, the Transmission Owner will provide documentation to PJM and stakeholders,<sup>43</sup> PJM will inform the relevant regulatory siting authority, and disputes may be resolved through dispute resolution procedures.<sup>44</sup>

The documentation provisions of PJM Manual 14B, section 1.4.2.2 are thus *only* triggered when a PJM Transmission Owner’s assessment is not aligned with PJM’s assessment that a regional solution may also address a pending local need, and the Transmission Owner elects to proceed with its planned local project. PJM is not aware of any instance in which a Transmission Owner elected to proceed with a local project notwithstanding PJM’s identification of a baseline project that would address the underlying local need. As such, AMP’s “concern[.]” that PJM did not document whether each of the 1,373 total local projects that were included in the RTEP for informational purposes between 2021 and 2024 could have been addressed by a regional project<sup>45</sup> is entirely misplaced.

Third, AMP implies that Operating Agreement, Schedule 6, section 1.4(d)(i) and PJM Manual 14B, section 1.4.2.2 require PJM to meet certain metrics to demonstrate

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<sup>43</sup> See PJM Manual 14B, section 1.4.2.2.

<sup>44</sup> *Id.* (“If the Transmission Owner subsequently determines that the supplemental need is not met, the [Transmission Owner] at the next appropriate Subregional RTEP or TEAC meeting will: (1) provide documentation to PJM and the stakeholders on the rationale supporting its determination; and, (2) inform PJM and the stakeholders that the Supplemental Project will be submitted for inclusion in the Local Plan. Accordingly, PJM will include the proposed Supplemental Project in the next RTEP base case. After discussion with the relevant Transmission Owner, PJM will notify the relevant regulatory siting authority, if applicable, when a Supplemental Project is being reviewed that PJM has identified a baseline violation for which the baseline solution may impact the supplemental need for the Supplemental Project. Any disputes arising under Tariff, Attachment M-3, including any substantive and procedural disputes arising from the transmission planning process, may be resolved in accordance with the dispute resolution procedures in Schedule 5 of the Operating Agreement.”)

<sup>45</sup> AMP Answer at 10.

compliance with the provisions. There is nothing in these provisions that sets forth any such metric requirement. Yet, AMP would impose one on PJM on the basis of three examples of PJM acting in accordance with the provision.

2. *AMP presents no evidence of any alleged non-compliance*

AMP incorrectly contends that, because PJM listed only three examples of avoiding duplicative facilities, PJM somehow is not complying with its obligations.<sup>46</sup>

First, AMP has proffered not one example of PJM failing to “avoid unnecessary duplication of facilities.”<sup>47</sup> That is, AMP presents no evidence of a baseline project that, when planned, could have displaced a local need to be addressed by a proposed local project. Instead, AMP attempts to inappropriately conflate the fact that PJM provided only three examples in which regional projects replaced local ones with its assertion that PJM’s examples of *compliance* with Operating Agreement, Schedule 6, section 1.4(d) in fact amount to evidence of PJM’s *failure to comply* with the Operating Agreement. But AMP has proffered *no evidence*—not even a single example—in which PJM can be said to have failed to identify an instance where a driver of a local planning project would have more appropriately been addressed through a regional planning solution. As explained above, based on the drivers of local planning projects—drivers focused on addressing *local* needs identified by PJM Transmission Owners<sup>48</sup>—it makes sense that a small percentage of local planning needs may be met more efficiently or cost effectively by optimizing a regional project that is driven by regional drivers.

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<sup>46</sup> See AMP Answer at 9-11.

<sup>47</sup> Operating Agreement, Schedule 6, section 1.4(d)(i).

<sup>48</sup> See PJM Motion to Dismiss and Answer at 23.

Second, even on the facts, AMP contradicts itself. Notably, after conceding that PJM’s witness Mr. Khan expressly states in a declaration appended to PJM’s motion to dismiss that the three examples of regional solutions replacing local ones that he has provided are “not the only instances where regional solutions have replaced local projects,”<sup>49</sup> AMP proceeds to nevertheless assume that the three examples are, in fact, the only instances where regional solutions have replaced local ones. Specifically, AMP derives an implementation “success rate” based on this very assumption by dividing the three example projects referenced in PJM’s brief by the 1,373 total local projects between 2021 and 2024 and multiplying by 100 to yield a “success rate” of 0.2185%.<sup>50</sup>

Even if true, this is simply not relevant. Nothing in the express language of the Operating Agreement (or PJM Manual 14B) unequivocally requires, or even suggests, that PJM must identify a certain number or percentage of regional projects to have taken the place of duplicative local projects in order to maintain compliance. Nor do any provisions in the Operating Agreement suggest that PJM will have, as AMP contends, “materially failed” to implement RTEP<sup>51</sup> if PJM’s review does not meet certain metrics.

Moreover, regardless of the number of regional projects that have replaced local ones, by transforming that number into a measure of successful implementation of PJM’s RTEP, AMP vastly over-simplifies the multi-step, collaborative, and iterative process that PJM undertakes in the course of identifying potentially duplicative regional and local projects. Indeed, AMP appears to suggest that PJM’s supposed “very limited success . . .

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<sup>49</sup> AMP Answer at 9-10 (quoting Khan Declaration ¶ 33).

<sup>50</sup> *Id.* at 10.

<sup>51</sup> *Id.*

in identifying economies of scale”<sup>52</sup> reflects “neglect of PJM’s responsibilities to customers”<sup>53</sup> and thus can only be interpreted to mean that “PJM has failed to meaningfully implement”<sup>54</sup> RTEP in accordance with the provisions of the Operating Agreement.<sup>55</sup> But, as discussed above, the process set forth in PJM Manual 14B, section 1.4.2.2 is collaborative, flexible, and not—as AMP would suggest—focused on producing documentation of all local projects that have been avoided because a regional project was optimized.

**C. AMP’s Request that the Commission Require PJM to Show Cause Why PJM’s “Governing Documents” Remain Just and Reasonable and Not Unduly Discriminatory or Preferential Is Substantively Deficient.**

The PJM RTEP process, as set forth in Operating Agreement, Schedule 6, was accepted by the Commission as just and reasonable and in compliance with the requirements of Order No. 1000<sup>56</sup> on June 22, 2015.<sup>57</sup> AMP alleges that “without revisions providing for more effective regional transmission planning,” PJM’s “governing documents” may no longer be just and reasonable and not unduly discriminatory.<sup>58</sup> But, AMP fails to support its request that the Commission revisit PJM’s Commission-accepted “governing documents” to examine whether they are now unjust, unreasonable, unduly

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<sup>52</sup> AMP Answer at 14.

<sup>53</sup> *Id.* at 15.

<sup>54</sup> *Id.* at 9.

<sup>55</sup> *Id.* at 10.

<sup>56</sup> *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, 136 FERC ¶ 61,051 (2011), *order on reh’g & clarification*, Order No. 1000-A, 139 FERC ¶ 61,132, *order on reh’g & clarification*, Order No. 1000-B, 141 FERC ¶ 61,044 (2012), *aff’d sub nom. S.C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41 (D.C. Cir. 2014).

<sup>57</sup> *PJM Interconnection, L.L.C.*, 151 FERC ¶ 61,250 (2015).

<sup>58</sup> AMP Answer at 15.

discriminatory or preferential.<sup>59</sup> First, AMP never clearly identifies, with specificity, which “governing documents” (or which provisions within those “governing documents”) AMP is alleging may no longer be just and reasonable and not unduly discriminatory or preferential. Second, other than stating generally the need “for more effective regional transmission planning,”<sup>60</sup> AMP never clearly states the basis for its allegation that PJM’s “governing documents” may no longer be just and reasonable and not unduly discriminatory or preferential or, for that matter, why there is any reason to institute a show cause proceeding pursuant to FPA section 206, as AMP has requested.

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<sup>59</sup> See e.g., *Linden VFT, LLC v. PJM Interconnection, L.L.C.*, 155 FERC ¶ 61,089, at P 54 (2016) (finding complainant failed to satisfy burden under FPA section 206 to demonstrate Commission-accepted solution-based distribution factor method as part of PJM’s Order No. 1000 compliance was no longer just and reasonable).

<sup>60</sup> AMP Answer at 15.

## II. CONCLUSION

For the reasons stated above, PJM respectfully requests that the Commission deny AMP's request to establish a show cause proceeding against PJM.

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May 21, 2025



### **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, D.C., this 21st day of May 2025.

/s/ Vivian W. Chum

**Attorney for PJM Interconnection, L.L.C.**