

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

<b>PJM Interconnection, L.L.C.</b>	)	
	)	<b>Docket No. ER25-3073-000</b>
	)	

**REQUEST FOR WAIVER OF PJM INTERCONNECTION, L.L.C. FOR AN  
EXTENSION OF TIME FOR PJM MEMBERS TO VOTE AND FOR PJM TO FILE  
THE UPCOMING PERIODIC REVIEW PROPOSAL EFFECTIVE WITH THE  
2028/2029 DELIVERY YEAR, REQUEST FOR EXPEDITED ACTION, AND REQUEST  
FOR SHORTENED SEVEN-DAY COMMENT PERIOD**

Pursuant to Rule 207(a)(5) 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 requests a prospective waiver (“Waiver Request”) of the Open Access Transmission Tariff (“Tariff”), Attachment DD, section 5.10(a)<sup>2</sup> to allow for a limited extension of time for the PJM Members to vote, and for PJM to file, potential modifications to the Variable Resource Requirement Curve shape and updates to the Cost of New Entry values to be effective with the 2027/2028 Delivery Year (“Periodic Review Filing”).<sup>3</sup>

The requested extension for PJM Members to vote on the potential modifications and for PJM to submit the forthcoming Periodic Review Filing stems from a general desire from PJM stakeholders and the Market Monitoring Unit for additional time to consider the proposed changes that may be included in the upcoming filing. Additionally, this extension will allow time for PJM’s consultants, The Brattle Group and Sargent & Lundy (“PJM’s Consultants”), to incorporate recent external factors that will impact the gross Cost of New Entry value, such as updated technical

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<sup>1</sup> 18 C.F.R. § 385.207(a)(5).

<sup>2</sup> Specifically, as further detailed below, PJM is seeking a waiver of Tariff, Attachment DD, sections 5.10(a)(iii)(C), 5.10(a)(vi)(C)(3), 5.10(a)(vi)(D)(3), 5.10(a)(iii)(D), 5.10(a)(vi)(C)(4), and 5.10(a)(vi)(D)(4).

<sup>3</sup> Capitalized terms that are otherwise not defined in this filing have the same meaning of those defined in PJM’s Tariff, Reliability Assurance Agreement, or the Amended and Restated Operating Agreement of PJM.

specifications from the equipment manufacturer and recent changes to the tax code under the recently enacted One Big Beautiful Bill<sup>4</sup> related to the bonus depreciation rate.<sup>5</sup>

Given the need for adequate stakeholder consideration of the updated Cost of New Entry value that PJM will be proposing as part of the ongoing periodic review, PJM intends to postpone the initial stakeholder vote at the Market Implementation Committee previously scheduled for August 6, 2025, and the previously scheduled Markets and Reliability Committee and Members Committee vote on August 20, 2025. Instead, PJM plans to schedule a stakeholder vote at the September 10, 2025 Market Implementation Committee and, subsequently, a Member vote at the Markets and Reliability Committee and Members Committee on September 25, 2025. Given that the PJM Board of Managers will subsequently need to consider the outcome of the Member vote before PJM can ultimately submit the upcoming Periodic Review Filing, it is unlikely that PJM will be able to submit this filing by the current Tariff-required October 1, 2025 deadline, as specified in the Tariff, Attachment DD, section 5.10(a).

As a result, PJM respectfully requests that the Commission grant a modest extension of up to two months for the Tariff prescribed August 31, 2025 deadline for PJM Members to vote on the upcoming Periodic Review Filing (*i.e.*, until October 31, 2025) and for the current Tariff-prescribed October 1, 2025 deadline for PJM to submit a section 205 filing under the Federal Power Act (*i.e.*, until December 1, 2025). To be clear, PJM expects to schedule the PJM Members' vote on the proposed changes on September 25, 2025 and for PJM to submit the next Periodic Review Filing on or around November 1, 2025. Nonetheless, to avoid having to petition the Commission for another waiver in the event of an unforeseen circumstance that requires further

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<sup>4</sup> One Big Beautiful Bill Act, Pub. L. No. 119-21, H.R. 1, 119th Cong. (2025) ("One Big Beautiful Bill").

<sup>5</sup> See 26 U.S.C. § 168.

analysis, it is prudent to seek an extension of the deadlines for PJM Members to vote on the next Periodic Review Filing, and for PJM to submit such filing, by up to two months as a contingency in the unlikely event additional unexpected developments arise that may necessitate further postponement of the PJM Members' vote beyond September 25, 2025 and/or PJM's submission of such filing after November 1, 2025. As further discussed below, this waiver request is limited to the deadline for PJM Members to vote on, and for PJM to submit, the next Periodic Review Filing. To be clear, this requested extension will not trigger any delays or changes to the Base Residual Auction timelines associated with the 2028/2029 Delivery Year. Given the need for market certainty as PJM faces tightening supply and increased demand, PJM remains committed to conducting the 2028/2029 Base Residual Auction in June of 2026, consistent with the existing Tariff-specified schedule.<sup>6</sup>

## **I. BACKGROUND**

PJM last submitted, and the Commission approved, a periodic review filing that updated the Reference Resource, Cost of New Entry, Variable Resource Requirement shape, and methodology for calculating net energy and ancillary service revenues in 2022.<sup>7</sup> That periodic review filing included updates that were effective with the 2026/2027 Delivery Year. Thus, PJM is technically not required to review and propose updates to these parameters until the Base Residual Auction associated with the 2030/2031 Delivery Year because the Tariff only requires PJM to review these parameters "no later than for every fourth Delivery Year."<sup>8</sup> However, due to several factors including the rapid load growth, supply constraints, and various changes to the capacity market that have been made since the 2022 update, PJM elected to commence the current

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<sup>6</sup> See Tariff, Attachment DD, section 5.4(a).

<sup>7</sup> *PJM Interconnection, L.L.C.*, 182 FERC ¶ 61,073 (2023).

<sup>8</sup> Tariff, Attachment DD, sections 5.10(a)(iii)(D), 5.10(a)(vi)(C)(4), 5.10(a)(vi)(D)(4).

periodic review early and will be proposing updates to the Reference Resource, Cost of New Entry, and Variable Resource Requirement shape to be effective with the Base Residual Auction associated with the 2028/2029 Delivery Year.<sup>9</sup>

To that end, PJM commenced the current periodic review process around the second quarter of 2024 by soliciting bids from potential third party consultants and ultimately selected The Brattle Group as the outside consultant for this periodic review. Thereafter, PJM first discussed the scope of periodic review with PJM stakeholders at the July 10, 2024 Market Implementation Committee meeting.<sup>10</sup> Since then, PJM has collaborated closely with PJM's Consultants and stakeholders through numerous special and regular sessions of the Market Implementation Committee. The current periodic review was initiated last year with the goal of seeking a vote on the Periodic Review Filing at the August 20, 2025 Members Committee meeting and filing a proposal for the Commission's review and approval by the October 1, 2025 deadline.

These goals were set in accordance with the existing Tariff requirements, which require PJM Members to vote on the proposed changes "by August 31, prior to the conduct of the Base Residual Auction for the first Delivery Year in which the new values would be applied,"<sup>11</sup> and requires PJM to file with the Commission proposed changes to the Reference Resource, Cost of New Entry, and Variable Resource Requirement shape "by October 1, prior to the conduct of the

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<sup>9</sup> While PJM and PJM's Consultants reviewed the methodology for calculating net energy and ancillary service revenues, no updates or changes to the existing methodology is anticipated to be proposed as part of this periodic review at this time.

<sup>10</sup> Market Implementation Committee, Quadrennial Review of the VRR Curve Parameters (July 10, 2024), <https://www.pjm.com/-/media/DotCom/committees-groups/committees/mic/2024/20240710/20240710-item-07---quadrennial-review-of-the-vrr-curve-parameters.pdf>.

<sup>11</sup> Tariff, Attachment DD, sections 5.10(a)(iii)(C), 5.10(a)(vi)(C)(3), 5.10(a)(vi)(D)(3) (specifying that "[t]he PJM Members shall vote to (i) endorse the proposed modification, (ii) propose alternate modifications or (iii) recommend no modification by August 31, prior to the conduct of the Base Residual Auction for the first Delivery Year in which the new values would be applied").

*Base Residual Auction for the first Delivery Year in which the new values would be applied.”*<sup>12</sup>

Since PJM is targeting these periodic review updates to be effective with the 2028/2029 Delivery Year, which is associated with the Base Residual Auction that is currently scheduled to commence in June of 2026,<sup>13</sup> the Tariff requires the PJM Members to vote on the proposed changes by August 31, 2025 and for PJM to submit a filing with the Commission by October 1, 2025.

## **II. REQUEST TO ALLOW PJM TO DELAY THE FILING OF THE UPCOMING PERIODIC REVIEW BY ONE MONTH**

Despite every effort and intention to provide ample stakeholder review of the proposed values prior to the PJM Members’ vote and the ultimate filing under section 205 of the Federal Power Act, PJM recently learned of external factors that could meaningfully change the previously estimated gross Cost of New Entry obtained from PJM’s Consultants. Some of these external factors include recently received technical specification data from the equipment manufacturer, General Electric, that the HA.03 engine could burn fuel at higher temperatures than previously assumed based on updated technical specifications of the turbine. Meanwhile, Congress recently passed the One Big Beautiful Bill that restores 100% bonus depreciation,<sup>14</sup> which will also have a meaningful impact on the gross Cost of New Entry. This requested extension will allow time for PJM’s Consultants to recalculate the gross Cost of New Entry while also allowing for additional stakeholder consultation on the upcoming Periodic Review Filing, which various stakeholders and the Market Monitoring Unit have already requested in the stakeholder process. Providing additional time for stakeholder deliberation will require postponing the PJM Members’ vote until the September 20, 2025 Members Committee meeting, and also mean that the filing date for the

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<sup>12</sup> Tariff, Attachment DD, sections 5.10(a)(iii)(D), 5.10(a)(vi)(C)(4), 5.10(a)(vi)(D)(4) (emphasis added).

<sup>13</sup> Tariff, Attachment DD, section 5.4(a).

<sup>14</sup> See 26 U.S.C. § 168.

current Periodic Review will need to be postponed by one month until November 1, 2025. Additionally, in the event of an unforeseen circumstance that necessitates further postponing the PJM Member vote and submission of the next Periodic Review Filing beyond September 20, 2025 and November 1, 2025, respectively, PJM is seeking an extension of these deadlines by up to two months (*i.e.*, until October 31, 2025 for the PJM Members' vote and December 1, 2025 for PJM to submit the next Periodic Review Filing). This approach promotes administrative efficiency and preserves both Commission, PJM, and stakeholder resources by avoiding the potential need to seek another waiver of this deadline, and for the Commission to expedite another order, should an unforeseen need arise to seek another extension beyond the respective deadlines. Therefore, this waiver request seeks an extension of up to two months of the (1) August 31, 2025 deadline for PJM Members to vote on the upcoming Periodic Review Filing as specified in Tariff, Attachment DD, sections 5.10(a)(iii)(C), 5.10(a)(vi)(C)(3), and 5.10(a)(vi)(D)(3); and (2) October 1, 2025 deadline for PJM to submit the upcoming Periodic Review Filing as specified in Tariff, Attachment DD, sections 5.10(a)(iii)(D), 5.10(a)(vi)(C)(4), and 5.10(a)(vi)(D)(4).

**A. The Requested Extension Meets the Commission's Four-Part Waiver Test.**

The Commission has previously granted requests for waiver of Tariff deadlines under the familiar four-part framework when “(1) the applicant acted in good faith; (2) the waiver is of limited scope; (3) the waiver addresses a concrete problem; and (4) the waiver does not have undesirable consequences, such as harming third parties.”<sup>15</sup> PJM's instant waiver request meets these requirements.

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<sup>15</sup> *PJM Interconnection, L.L.C.*, 164 FERC ¶ 61,153, at P 12 (2018) (citing *Midcontinent Indep. Sys. Operator, Inc.*, 154 FERC ¶ 61,059, at P 14 (2016); *Calpine Energy Servs., L.P.*, 154 FERC ¶ 61,082, at P 12 (2016); *N.Y. Power Auth.*, 152 FERC ¶ 61,058, at P 22 (2015)); *see also Calpine*, 173 FERC ¶ 61,061, at P 358 (2020).

First, PJM has acted, and continues to act, in good faith. As noted, PJM initiated the current periodic review over one year ago and has continued to work diligently with PJM's Consultants and stakeholders since this process was first initiated. The requested extension will provide some additional time for PJM's Consultants to incorporate the updated data (e.g., technical specifications associated with the contemplated Reference Resource and changes to bonus depreciation under recent legislation). At the same time, the requested extension will allow for additional stakeholder deliberations and consideration of updated Cost of New Entry values that various stakeholders and the Market Monitoring Unit have already requested. Thus, this limited extension is appropriate, particularly given the complex nature of the Periodic Review Filing.

Second, this requested waiver is limited in scope as it requests only an extension of up to two months for (1) PJM Members to vote on the proposed updated Cost of New Entry values and modifications to the Variable Resource Requirement Curve (i.e., from August 31, 2025 to October 31, 2025) and (2) for PJM to submit a proposal to update the Cost of New Entry value and modify shape of the Variable Resource Requirement Curve with the Commission (i.e., from October 1, 2025 to December 1, 2025). As explained, *supra*, PJM expects to schedule the PJM Member vote on the proposed updates at the September 20, 2025 Members Committee meeting and subsequently submit the upcoming Periodic Review Filing no later than November 1, 2025. However, PJM is seeking a limited one additional month extension for both of these deadlines as part of this waiver request in the event an unforeseen issue arises that may require further analysis and stakeholder consultation prior to the submission of the upcoming Periodic Review Filing. At the same time, requesting an extension of up to two months limits the scope of the extension and does not leave the requested extension open ended. Further, PJM is not requesting a delay of, and this requested extension will not impact, any auction schedules or pre-auction deadlines associated with the

2028/2029 Delivery Year. Likewise, PJM expects to commence the Base Residual Auction associated with the 2028/2029 Delivery Year in June, 2026, as currently specified in the Tariff. Moreover, this schedule will still provide the Commission with its full 60-day statutory timeline for consideration of PJM's forthcoming Periodic Review Filing.

Third, the problem is concrete given the need for a limited amount of additional time for PJM's Consultants to utilize the most recent technical specifications associated with the currently contemplated Reference Resource. At the same time, the extension of time will be provide PJM stakeholders with some time to consider and review the updated values.

Finally, the requested waiver does not harm any third parties or create any undesirable effects. In applying this standard, the Commission factors such impacts into its overall assessment of the waiver and does not require that the waiver have zero impact on third parties.<sup>16</sup> Here, the requested two months extension would only provide more time for stakeholder deliberations and would not hinder Market Participants' preparation in advance of the upcoming Base Residual Auction associated with the 2028/2029 Delivery Year. Likewise, the requested extension to file proposed updates to the Net Cost of New Entry value and modified Variable Resource Requirement Curve will not require any delays to the upcoming 2028/2029 Base Residual Auction or associated pre-auction activities. While the proposed updates will ultimately impact the planning parameters for the upcoming Base Residual Auction, the deadline to post planning parameters will not be until March of 2026 (i.e., 100 days before the June 2026 auction). With a

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<sup>16</sup> See *PJM Interconnection, L.L.C.*, 151 FERC ¶ 61,067 at P 28 (2015) (granting waiver to delay auction despite recognizing protesters arguments that that delaying the auction will harm them); *PJM Interconnection, L.L.C.*, 150 FERC ¶ 61,122, at P 47 (2015) (approving waiver of Incremental Auction capacity release rule even though the rule could have "lower[ed] capacity costs" for loads, had it not been waived); *PJM Interconnection, L.L.C.*, 146 FERC ¶ 61,078, at P 41 (2014) (granting waiver of PJM Tariff and Operating Agreement to permit submissions of cost-based offers at prices that exceed the \$1,000/MWh offer-price cap, even though it could result in temporary cost increases to load); see also *PJM Interconnection, L.L.C.*, 146 FERC ¶ 61,041, at P 5, *order on reh'g*, 149 FERC ¶ 61,059 (2014) (allowing waiver of certain make-whole payment Tariff provisions even though the waiver had the potential to increase costs).



section 205 filing submitted on or about November 1, 2025 (with PJM making adjustments to the filing date or requested action date to minimize the impact of the Periodic Review Filing on Commission staff over the intervening holidays), and providing the Commission with at least 60 days to review and take action on such filing, an order on the updated values would be expected sometime in January, 2026. Even if PJM needs to further postpone the filing and submits the 205 filing by December 1, 2025, 60 days after that filing would be January 30, 2026. Therefore, the requested filing extension will not impact the relevant pre-auction activity deadlines for the 2028/2029 Base Residual Auction or necessitate a delay of that auction itself. Lastly, PJM does not intend to ask for expedited Commission action on the Periodic Review Filing and would seek action on the filing after at least the full 60-day period upon submission of such filing.

Accordingly, for the reasons set forth below, the Commission should grant PJM's requested waiver to extend the deadline for (1) PJM Members to vote on potential updates to the Cost of New Entry values and modified Variable Resource Requirement Curve and (2) PJM to submit the next Periodic Review Filing that would be effective beginning with the Base Residual Auction associated with the 2028/2029 Delivery Year.

### **III. REQUEST FOR EXPEDITED ACTION AND REQUEST FOR SHORTENED COMMENT PERIOD**

To provide as much advanced notice and clarity to Market Participants as possible, PJM requests that the Commission expedite an order on this request so that Market Participants and PJM know whether it can allow for these additional stakeholder discussions associated with potential updates to the Cost of New Entry and modifications to the Variable Resource Requirement Curve effective with the 2028/2029 Base Residual Auction without running afoul of the tariff deadlines. Accordingly, such expedited action on this waiver request **by August 22, 2025** will help PJM and Market Participants determine whether additional stakeholder time to consider

the updated Cost of New Entry and modified Variable Resource Requirement Curve will be available in light of the recent updates. A Commission order by August 22, 2025 will provide certainty on the deadline for PJM Members to vote on, and for PJM to submit, updates to the Cost of New Entry and Variable Resource Requirement Curve sufficiently in advance of the respective deadlines. This certainty is needed by August 22, 2025 because in the event this waiver request is denied, PJM must notice a Members Committee meeting for August 29, 2025 (last business day of August) at least one week in advance (i.e., August 22, 2025). To that end, PJM requests that the Commission establish a shortened comment period of up to seven days to allow for expedited action.

#### **IV. CONCLUSION**

The requested extension of the deadline for PJM Members to vote and for PJM to submit the next Periodic Review Filing is just and reasonable to provide PJM stakeholders with some additional time to consider updated information and also provide the PJM Board of Managers some time to consider the stakeholder vote before making a final decision on the forthcoming Periodic Review Filing. Based on the foregoing, PJM requests that the Commission accept PJM's request to extend the respective deadlines as specified in this filing.

Respectfully submitted,

/s/ Chenchao Lu

Craig Glazer  
Vice President – Federal Government Policy  
PJM Interconnection, L.L.C.  
1200 G Street, NW, Suite 600  
Washington, DC 20005  
(202) 423-4743 (phone)  
(202) 393-7741 (fax)  
[craig.glazer@pjm.com](mailto:craig.glazer@pjm.com)

Chenchao Lu  
Associate General Counsel  
PJM Interconnection, L.L.C.  
2750 Monroe Boulevard  
Audubon, PA 19403  
(610) 635-3433 (phone)  
(610) 666-8211 (fax)  
[chenchao.lu@pjm.com](mailto:chenchao.lu@pjm.com)

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

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