UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

PJM Interconnection, L.L.C.) **Docket No. ER26-313-000**

REQUEST OF PJM INTERCONNECTION, L.L.C. FOR LIMITED, PROSPECTIVE WAIVER OF TARIFF PROVISION OR, IN THE ALTERNATIVE, RELIEF PURSUANT TO FEDERAL POWER ACT, SECTION 309, SHORTENED COMMENT PERIOD, AND EXPEDITED ACTION

PJM Interconnection, L.L.C. ("PJM") respectfully requests[1] that the Federal Energy Regulatory Commission ("Commission") issue an order no later than December 2, 2025 granting a limited and prospective waiver ("Waiver Request") of PJM's Open Access Transmission Tariff ("Tariff"), Part VIII, Subpart A, section 401(C),[2] and any other necessary waivers, for Susquehanna Nuclear, LLC's ("Susquehanna") Unit 1 to restore 148 MW of Capacity Interconnection Rights ("CIRs") effective June 1, 2026.

The Commission previously permitted Susquehanna Unit 1 to use these 148 MW to serve a co-located load.[3] However, for reasons including the continued regulatory uncertainty relating

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[1] PJM submits this Waiver Request pursuant to Rules 207 and 212 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("Commission"). 18 C.F.R. §§ 385.207 and 385.212 (2024).

[2] This provision provides, "A Project Developer that proposes to: (i) interconnect a Generating Facility to the Transmission System in the PJM Region; (ii) increase the capability of a Generating Facility in the PJM Region; (iii) interconnect Merchant Transmission Facilities with the Transmission System; (iv) increase the capability of existing Merchant Transmission Facilities interconnected to the Transmission System; or (v) interconnect a Generating Facility to distribution facilities located in the PJM Region that are used for transmission of power in interstate commerce, and to make wholesale sales using the output of the Generating Facility, shall request interconnection with the Transmission System pursuant to, and shall comply with, the terms, conditions, and procedures set forth in Tariff, Part VIII and related portions of the PJM Manuals."

In the event the Commission finds that Tariff, Part IV, section 36.1.01 should also be waived, PJM also requests waiver of this provision.

[3] *PJM Interconnection, L.L.C.*, Amendment to ISA, SA No. 1442; Queue No. NQ-123, Docket No. ER23-1043-000 (Feb. 3, 2023); *PJM Interconnection, L.L.C.*, Letter Order, Docket No. ER23-1043-000 (Mar. 17, 2023); *PJM Interconnection, L.L.C.*, Amendment to ISA, SA No. 1442; Queue No. NQ-123 (amended), Docket No. ER24-1215-000 (Feb. 8, 2024), accepted; *PJM Interconnection, L.L.C.*, Letter Order, Docket No. ER24-1215-001 (May 10, 2024).

to the permissibility of co-located load configurations,[4] PJM understands that this 148 MW of load will become Network Load effective June 1, 2026, essentially mooting the need to shed these CIRs and depriving the PJM Region of capacity already connected and dispatchable. For the benefit of ratepayers and reliability given tightening system conditions,[5] granting the Waiver Request will confirm that these 148 MW of CIRs can be restored and made available to participate in the Base Residual Auction ("BRA") for the 2027/2028 Delivery Year scheduled for December 2025 and in the Third Incremental Auction for the 2026/2027 Delivery Year scheduled for February 2026 (and other subsequent auctions). Granting the relief requested will allow for a more accurate reflection of available system capacity to serve the increased Network Load. Due to the timing and the structure of the case build process, the 148 MW of CIR reductions have not yet been realized in the planning models.

As is demonstrated herein, the Waiver Request advances critical federal energy policy objectives and directives and satisfies the Commission's standard for granting waivers.[6] Further,

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[4] *PJM Interconnection, L.L.C.*, Order Instituting Proceeding Under Section 206 of the Federal Power Act and Consolidating with Other Proceedings, Docket Nos. EL25-49-000, et al. (Feb. 20, 2025).

[5] A more fulsome description of the events facing the PJM Region are recounted in other dockets and elsewhere. *See* PJM Interconnection, L.L.C., PJM Auction Procures 134,311 MW of Generation Resources; Supply Responds to Price Signal (July 22, 2025), https://www.pjm.com/-/media/DotCom/about-pjm/newsroom/2025-releases/20250722-pjm-auction-procures-134311-mw-of-generation-resources-supply-responds-to-price-signal.pdf ("This auction's cleared volume was just over (by 139 MW UCAP) the projected reliability requirement, underscoring the region's tightening supply-demand balance."); PJM Interconnection, L.L.C., 2026/2027 Base Residual Auction Report (July 22, 2025), https://www.pjm.com/-/media/DotCom/markets-ops/rpm/rpm-auction-info/2026-2027/2026-2027-bra-report.pdf ("total procured capacity in the RTO of 146,243.8 MW UCAP or 139 MW UCAP above the RTO Reliability Requirement"); *PJM Interconnection, L.L.C.*, Motion to Intervene and Comments of PJM Interconnection, L.L.C., Docket No. ER25-2190-000 (May 13, 2025) ("Given the tightening of supply and demand in PJM's capacity market, excluding Morgantown from being offered as capacity—even though it is now expected to be available for upcoming Delivery Years—could adversely impact resource adequacy for the State of Maryland."); *PJM Interconnection, L.L.C.*, Proposal for Revised Price Cap and Price Floor for the 2026/2027 and 2027/2028 Delivery Years, and Request for a Waiver of the 60-Days' Notice Requirement, Docket No. ER25-1357-000 (Feb. 20, 2025).

[6] The Commission has granted tariff waivers in circumstances where: (i) the applicant acted in good faith; (ii) the requested relief is of limited scope; (iii) the waiver addresses a concrete problem; and (iv) the waiver does not have undesirable consequences, such as harm to third parties. *See, e.g., Citizens Sunrise Transmission LLC*, 171 FERC ¶ 61,106, at P 10 (2020) (granting a waiver request that was limited in scope for a single deadline to coincide with future tariff amendments to go into effect with the least amount of disruption); *Midcontinent Indep. Sys. Operator, Inc.*, 154

granting the relief requested here is consistent with PJM's existing tariff authority "to direct or coordinate corrective action, whether or not specified in the PJM Manuals, as necessary to alleviate unusual conditions that threaten the integrity or reliability of the PJM Region, or the regional power system."[7]

In the alternative, the Commission could also grant the requested relief pursuant to Federal Power Act ("FPA") Section 309, which provides that "[t]he Commission shall have power to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this chapter" of the FPA.[8] The remedial discretion conferred by Section 309 "authorize[s] [the Commission] to use means of regulation not spelled out in" the FPA, "provided the agency's action conforms with the purposes and policies of Congress and does not contravene any terms of the Act."[9] The Commission may, therefore, also alternatively use its Section 309 authority to restore these CIRs to Susquehanna.[10]

Accordingly, the Commission should grant PJM's requested relief and grant expedited treatment of this Waiver Request, including a shortened comment period of 10 days from the date of this filing, so that the status of the Susquehanna CIRs can be clarified sufficiently in advance of the 2027/2028 BRA in December 2025.

FERC ¶ 61,059, at P 13 (2016) (citing waiver standards and allowing tariff waiver to implement equitable relief in light of certain tariff provisions); *see also Waiver of Tariff Requirements*, 171 FERC ¶ 61,156, at P 18 (2020) (listing the Commission's current waiver standards).

[7] Operating Agreement, Section 11.3.1(e); Tariff, Attachment K-Appendix, section 1.7.15.

[8] 16 U.S.C. § 825h.

[9] *Niagara Mohawk Power Corp. v. FPC*, 379 F.2d 153, 158 (D.C. Cir. 1967); *accord, e.g., TNA Merch. Projects, Inc. v. FERC*, 857 F.3d 354, 359 (D.C. Cir. 2017).

[10] *See Verso Corp. v. FERC*, 898 F.3d 1 (D.C. Cir. 2018) ("FERC's remedial authority allows for rate reallocation").

I. BACKGROUND

The President and the Secretary of Energy have declared that an "emergency" exists that poses a threat to the reliability and the ability to serve load, including emergent data centers needed to help fuel the United States's advancements in artificial intelligence ("AI"), due to a projected shortage of electric energy and a shortage of facilities for the generation of electric energy.[11] This energy emergency threatens national security and has put pressure on consumers.[12] The Executive Branch has made it national policy to "utilize all available power generation resources . . . "[13] to preserve the reliability of the bulk electric power system. Executive Order No. 14262 provides that the Secretary of Energy shall "prevent" consistent with applicable law "an identified generation resource in excess of 50 megawatts of nameplate capacity from leaving the bulk-power system."[14]

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[11] *See, e.g.*, DOE Order 202-25-4, Emergency Order (May 30, 2025), https://www.energy.gov/sites/default/files/2025-05/Federal%20Power%20Act%20Section%20202%28c%29%20PJM%20Interconnection.pdf; DOE Order 202-25-8, Emergency Order (Aug. 28, 2025), https://www.energy.gov/sites/default/files/2025-08/202c%20Order%20No.%20202-25-8.pdf.

[12] Exec. Order No. 14156, 90 Fed. Reg. 8433 (Jan. 29, 2025) ("EO 14156") (discussing the national security interest in "a reliable, diversified, and affordable supply of energy" and stating that "our Nation's inadequate energy supply and infrastructure causes and makes worse the high energy prices that devastate Americans, particularly those living on low- and fixed-incomes."). *See also* Exec. Order No. 14262, 90 Fed. Reg. 15521 (Apr. 14, 2025) ("EO 14262") ("The United States is experiencing an unprecedented surge in electricity demand driven by rapid technological advancements, including the expansion of artificial intelligence data centers and an increase in domestic manufacturing. This increase in demand, coupled with existing capacity challenges, places a significant strain on our Nation's electric grid. Lack of reliability in the electric grid puts the national and economic security of the American people at risk. The United States' ability to remain at the forefront of technological innovation depends on a reliable supply of energy from all available electric generation sources and the integrity of our Nation's electric grid.").

[13] *See* EO 14262, 90 Fed. Reg. 15521 ("It is the policy of the United States to ensure the reliability, resilience, and security of the electric power grid. It is further the policy of the United States that in order to ensure adequate and reliable electric generation in America, to meet growing electricity demand, and to address the national emergency declared pursuant to [EO 14156], our electric grid must utilize all available power generation resources, particularly those secure, redundant fuel supplies that are capable of extended operations.").

[14] Id. at 15522 (stating that the Secretary of Energy should "prevent," as he "deems appropriate and consistent with applicable law . . . an identified generation resource in excess of 50 megawatts of nameplate capacity from leaving the bulk-power system or converting the source of fuel of such generation resource if such conversion would result in a net reduction in accredited generating capacity").

The Executive Branch has also articulated principles the industry should be exploring to support grid reliability by, among other things: (1) "safeguard[ing] existing assets and ensur[ing] an uninterrupted and affordable supply of power,"; (2) offering "innovative ways to harness existing capacity"; (3) promoting resource adequacy; (4) "[o]ptimiz[ing] existing grid resources as much as possible" to deliver capacity to the system; and (5) supporting the procurement of capacity from "dispatchable power sources as quickly as possible."[15]

II. WAIVER REQUEST

This Waiver Request satisfies all four of the Commission's waiver criteria. The Commission has previously granted limited waivers of tariff provisions upon a showing that (i) the applicant is acting in good faith; (ii) the waiver is of limited scope; (iii) a concrete problem needs to be remedied; and (iv) the waiver does not have undesirable consequences, such as harming third parties.[16] PJM's request satisfies these criteria. Good cause exists to grant the Waiver Request.

First, the Waiver Request is submitted in good faith. The Waiver Request is consistent with and in advancement of critical federal energy policy objectives and directives (including the facilitation of data center load growth by leveraging existing and dispatchable resources already on the system) because, among other things, it would make available in future BRAs and Delivery Years nearly 150 MW of capacity from an existing, dispatchable resource to offset a growth in data center Network Load. The potential for this capacity will exist at Susquehanna at the start of the 2026/2027 Delivery Year, and the waiver would unlock this capacity at a time of tightening system conditions.

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[15] *See* The White House, Winning the Race: America's AI Action Plan, at 15-16 (July 2025), https://www.whitehouse.gov/wp-content/uploads/2025/07/Americas-AI-Action-Plan.pdf.

[16] *See, e.g., Midcontinent Independent System Operator, Inc.*, 154 FERC ¶ 61,059, P 13 (2016).

Second, the Waiver Request is limited in scope. The Waiver Request is prospective. This Waiver Request is filed in advance of the BRA for the 2027/2028 Delivery Year scheduled for December 2025 and requests to restore the 148 MW of CIRs effective June 1, 2026. The waiver is limited in scope because it will apply to a single market participant. PJM is seeking a one-time waiver of its Tariff based on the unique circumstances described herein. It applies only to restore 148 MW of CIRs still available on the system to a single generating unit that previously surrendered these rights in furtherance of a novel interconnection configuration that remains the subject of ongoing regulatory uncertainty and federal litigation.[17] This Waiver Request merely restores Susquehanna to the place it was in prior to the non-precedential letter orders accepting the co-located load configurations at the plant.

Third, the waiver addresses a concrete problem. As noted elsewhere in this filing, PJM's 2026/2027 Reliability Pricing Model BRA cleared 139 MW Unforced Capacity ("UCAP") above the Regional Transmission Organization ("RTO") Reliability Requirement. PJM (and others) continue to predict tightening system conditions. Restoration of 148 MW of capacity to the markets supports efforts to meet the RTO Reliability Requirement and benefits consumers by ensuring that Susquehanna Unit 1's capacity can be used to meet the needs of the PJM Region, including all Network Loads. As such, the Waiver Request is consistent with Commission precedent granting waivers to allow for available capacity to participate in the BRA and to maintain reliability in PJM.[18] The waiver would also essentially return Susquehanna to a pre-co-

[17] *See Susquehanna Nuclear, LLC v. Federal Energy Regulatory Commission,* No. 25-60019 (5th Cir. 2025).

[18] *LS Power Development, LLC,* 186 FERC ¶61,145 at P 15 (2024) (granting waiver and finding request addresses a concrete problem to avoid situation where the applicants "will be unable to sell capacity that is expected to be available"); *Clean Energy Future – Lordstown, LLC,* 152 FERC ¶61,076 at P 11 (2015) (granting waiver to permit the applicant to offer the capacity into the BRA); *Calpine Corp.,* 147 FERC ¶61,205 at P 14 (2014) (granting waiver to "enable energy and capacity from the [generation facility] to continue to be deliverable to maintain reliability in PJM").

located load configuration and operational regime, whereby the unit and a load would function as a capacity market resource and a Network Load, respectively – meaning that the unit would no longer operate under a configuration that remains the subject of ongoing regulatory uncertainty and federal litigation.

Finally, PJM is unaware of any undesirable consequences from granting the Waiver Request and, in fact, desirable consequences will result instead. The restoration of these 148 CIRs to Susquehanna Unit 1 commensurate with the transition of load to Network Load status will not change CIR allocations to other projects nor will existing Network Upgrade requirements change. Due to the timing and the structure of the case build process, the 148 MW of CIR reductions have not yet been realized in the planning models. Furthermore, as noted above, if this Waiver Request is granted before the December 2025 auction commences, this available capacity from a dispatchable resource will be accounted for and considered to offset a projected Network Load increase which will work to the benefit of consumers and PJM system reliability.

III. ALTERNATIVELY, THE REQUESTED RELIEF IS AVAILABLE PURSUANT TO SECTION 309 OF THE FEDERAL POWER ACT

The Commission could, in the alternative, grant the relief requested herein pursuant to FPA Section 309, which provides that "[t]he Commission shall have power to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this chapter" of the FPA.[19] The remedial discretion conferred by Section 309 "authorize[s] [FERC] to use means of regulation not spelled out in" the FPA, "provided the agency's action conforms with the purposes and policies of

[19] 16 U.S.C. § 825h.

Congress and does not contravene any terms of the Act."[20] For the same reasons set forth above, the Commission may, therefore, also alternatively use its Section 309 authority to restore these CIRs to Susquehanna.[21]

IV. REQUEST FOR EXPEDITED CONSIDERATION AND SHORTENED COMMENT PERIOD

As discussed above, PJM requests that the Commission issue an order granting the Waiver Request as soon as possible, and in any event by December 2, 2025, with the waiver taking effect that same day. The Commission has granted expeditious consideration of requests for waiver in similar instances in which the need for a waiver was acute and time sensitive.[22] There is good cause for the Commission to act on an expedited timeline to clarify the status of the Susquehanna CIRs sufficiently in advance of the 2027/2028 BRA in December 2025. Moreover, the requested waiver will benefit ratepayers and support PJM system reliability, as discussed above.

PJM also requests that the Commission shorten the comment period on this Waiver Request to 10 days (*i.e.*, November 10, 2025), to facilitate expedited action by the Commission. The Commission has previously granted similar requests to shorten the comment period on waiver requests stemming from similar circumstances.[23]

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[20] *Niagara Mohawk Power Corp. v. FPC*, 379 F.2d 153, 158 (D.C. Cir. 1967); accord, e.g., *TNA Merch. Projects, Inc. v. FERC*, 857 F.3d 354, 359 (D.C. Cir. 2017).

[21] *See Verso Corp. v. FERC*, 898 F.3d 1 (D.C. Cir. 2018) ("FERC's remedial authority allows for rate reallocation").

[22] *See, e.g., AES WR Limited Partnership,* 191 FERC ¶ 61,175 (2025) (granting waiver request 21 days after filing to extend the date by which generating units' CIRs would otherwise be deemed terminated); *Morgantown Power, LLC,* 191 FERC ¶ 61,179 (2025) (granting waiver request 23 days after filing to extend the date by which generating units' CIRs would otherwise be deemed terminated); *Sayreville Power, LLC*, 191 FERC ¶ 61,178 (2025) (granting waiver request 24 days after filing to extend the date by which generating units' CIRs would otherwise be deemed terminated); *Lee Cty. Generating Station, LLC v. PJM Interconnection, L.L.C.,* 184 FERC ¶ 61,029 (2023) (granting waiver request 15 days after filing); *SWN Energy Serv. Co., LLC and GEP Haynesville*, LLC, 177 FERC ¶ 61,208 (2021); *California Indep. Sys. Operator Corp.*, 176 FERC ¶ 61,054 (2021) (acting on requests for waiver in approximately 30 days or less of the filing date).

[23] *See AES WR Limited Partnership,* 191 FERC ¶ 61,175, at P 10 (2025); *Morgantown Power, LLC,* 191 FERC ¶ 61,179, at P 10 (2025); *Sayreville Power, LLC*, 191 FERC ¶ 61,178, at P 10 (2025).

V. SERVICE

PJM has served a copy of this filing on all PJM Members and on all state utility regulatory commissions in the PJM Region by posting this filing electronically. In accordance with the Commission's regulations,[24] PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: https://www.pjm.com/library/filing-order with a specific link to the newly-filed document, and will send an e-mail on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region[25] alerting them that this filing has been made by PJM and is available by following such link. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within 24 hours of the filing.

Also, a copy of this filing will be available on the FERC's eLibrary website located at the following link: http://www.ferc.gov/docsfiling/elibrary.asp in accordance with the Commission's regulations and Order No. 714.

[24] *See* 18 C.F.R. §§ 35.2(e) and 385.2010(f)(3).

[25] PJM already maintains, updates and regularly uses e-mail lists for all PJM Members and affected state commissions.

VI. CONCLUSION

WHEREFORE, for the reasons set forth above, PJM respectfully requests that the Commission grant the relief sought in this Waiver Request.

Respectfully submitted,

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