

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

Appalachian Power Company	)	
Indiana Michigan Power Company	)	Docket No. ER26-444-000
Kentucky Power Company	)	
Wheeling Power Company	)	
	)	

**MOTION TO INTERVENE AND
COMMENTS OF PJM INTERCONNECTION, L.L.C.**

PJM Interconnection, L.L.C. (“PJM”), pursuant to Federal Energy Regulatory Commission (“Commission” or “FERC”) Rules 213 and 214 of Practice and Procedure,¹ moves to intervene and submits these comments in response to the Request for Limited Waiver and Expedited Consideration of American Electric Power Service Corporation (“AEP”), on behalf of its affiliates Appalachian Power Company, Indiana Michigan Power Company, Kentucky Power Company, and Wheeling Power Company (collectively, the “AEP FRR Entities”).² Specifically, PJM supports the requested prospective waiver of the Reliability Assurance Agreement (“RAA”), Schedule 8.1, section E.2, which will allow the AEP FRR Entities to sell up to 750 MW of capacity into the Third Incremental Auction associated with the 2026/2027 Delivery Year that is scheduled to commence on February 24, 2026.³

¹ 18 C.F.R. §§ 385.213, 385.214.

² *Appalachian Power Co., et al.*, Request for Limited Waiver and Expedited Consideration of AEP, Docket No. ER26-444-000 (Nov. 6, 2025) (“AEP Waiver”).

³ PJM, *Capacity Market Auction Schedule*, <https://www.pjm.com/-/media/DotCom/markets-ops/rpm/rpm-auction-info/rpm-auction-schedule.xlsx>.

I. MOTION TO INTERVENE

On November 6, 2025, the AEP FRR Entities filed a request for limited waiver of RAA, Schedule 8.1, section E.2 to waive the provision that limits the amount of capacity a Fixed Resource Requirement (“FRR”) Entity may sell into PJM’s Reliability Pricing Model (“RPM”).⁴ Specifically, RAA, Schedule 8.1, section E.2 imposes a limit on the amount of Capacity Resources that an FRR Entity may offer into the RPM Auctions equal to the “lesser of (a) 25% times the Unforced Capacity equivalent of the Installed Reserve Margin for such Delivery Year multiplied by the Preliminary Peak Load for which such FRR Entity is responsible under its FRR Capacity Plan(s) for such Delivery Year, or (b) 1300 MW.”⁵ The AEP FRR Entities explain that they collectively “have already offered and cleared 1237.3 MW of their excess capacity in the Base Residual Auction” associated with the 2026/2027 Delivery Year.⁶ As a result, absent the Commission granting the requested waiver, AEP would not be allowed to offer approximately 750 MW of additional capacity into the Third Incremental Auction for the 2026/2027 Delivery Year.

PJM is the Transmission Provider and the administrator of the RAA, including the rules governing the FRR and RPM. As the administrator of the RAA, PJM has an independent interest in this proceeding that no other party can represent adequately. Accordingly, pursuant to rule 214 of the Commission’s Practice and Procedure,⁷ PJM

⁴ For the purpose of this filing, capitalized terms not defined herein shall have the meaning as contained in the PJM Open Access Transmission Tariff, Amended and Restated Operating Agreement, and the RAA in the PJM Region.

⁵ RAA, Schedule 8.1, section E.2

⁶ AEP Waiver at 4.

⁷ 18 C.F.R. § 385.214.

respectfully requests the Commission grant this Motion to Intervene and that PJM be afforded all the rights of a party to this proceeding.

II. COMMENTS

A. Granting the AEP FRR Entities' Waiver Request Will Help to Alleviate Resource Adequacy Concerns for the 2026/2027 Delivery Year.

RAA, Schedule 8.1, section E.2 imposes a limit on the amount of Capacity Resources that an FRR Entity may offer into the RPM Auctions equal to the “lesser of (a) 25% times the Unforced Capacity equivalent of the Installed Reserve Margin for such Delivery Year multiplied by the Preliminary Peak Load for which such FRR Entity is responsible under its FRR Capacity Plan(s) for such Delivery Year, or (b) 1300 MW.” The origin of the FRR sales cap stems from a holistic settlement agreement when the Reliability Pricing Model was first adopted in 2006.⁸ As the Commission previously explained, “the FRR sales cap was agreed to in a settlement to strike a balance between the needs of FRR entities and participants in the RPM capacity auctions.”⁹

Notwithstanding the foregoing, to alleviate the risk of not meeting the Reliability Requirement for the 2026/2027 Delivery Year that could be caused by an updated load forecast or potential replacement of capacity in the Third Incremental Auction, PJM supports the AEP FRR Entities' request for a limited waiver of the FRR sales cap for the 2026/2027 Third Incremental Auction and allow up to 750 MW of available capacity from the AEP FRR Entities to be offered in such auction. The results of the Base Residual Auction (“BRA”) associated with the 2026/2027 Delivery Year demonstrate the tightening supply and demand conditions. Specifically, in the most recent BRA, the entire PJM

⁸ *PJM Interconnection, L.L.C.*, 117 FERC ¶ 61,331 (2006)

⁹ *Illinois Mun. Elec. Agency*, 151 FERC ¶ 61,019, at P 24 (2015).

Region cleared at the price collar cap of \$329.17/MW-day (“UCAP”)¹⁰ and the total capacity procured for the 2026/2027 Delivery Year exceeded the projected reliability requirement by only 139 MW UCAP.¹¹ Based on the results of the last BRA, there is a reasonable risk that PJM may not procure up to the Reliability Requirement in the upcoming Third Incremental Auction for the 2026/2027 Delivery Year in the event the updated load forecast increases the Reliability Requirement or previously committed resources seek replacement capacity in the Third Incremental Auction. Therefore, the Commission should facilitate efforts, by granting the AEP FRR Entities’ request for limited waiver, to enable additional available supply to be offered into the Third Incremental Auction for the 2026/2027 Delivery Year.

B. The AEP FRR Entities’ Request for Limited Waiver Satisfies the Commission’s Waiver Standard.

The AEP FRR Entities’ requested waiver is consistent with Commission standard for granting waivers where, as here, “(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.”¹²

First, the AEP FRR entities acted in good faith by seeking this prospective waiver to allow up to 750 MW of Capacity Resources to be offered into the Third Incremental Auction for the 2026/2027 Delivery Year. As noted above, the addition of up to 750 MW

¹⁰ See PJM, News Press Release: *PJM Auction Procures 134,311 MW of Generation Resources; Supply Responds to Price Signal* (Jul. 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>.

¹¹ *Id.*

¹² *Rush Solar Project II, LLC*, 187 FERC ¶ 61,013, at P 26 (2024) (footnote omitted). See also, e.g., *Lee Cnty. Generating Station, LLC*, 186 FERC ¶ 61,089, at P 20 (2024); *LS Power Dev., LLC*, 186 FERC ¶ 61,145, at P 14 (2024); *Am. Elec. Power Serv. Corp.*, 186 FERC ¶ 61,086, at P 21 (2024); *Dunkirk Power LLC*, 147 FERC ¶ 61,146, at P 13 (2014).

of available capacity in the Third Incremental Auction for the 2026/2027 Delivery Year could provide some liquidity into the upcoming auction. Second, the AEP FRR Entities' request is limited in scope as it only seeks a waiver of the FRR sales cap for the 2026/2027 Third Incremental Auction with a finite amount of capacity not to exceed 750 MW that could be offered into such auction.¹³ Third, the requested waiver addresses a concrete problem because absent a waiver of the FRR sales cap, the AEP FRR Entities would not be allowed to offer significant additional quantities of available capacity into the 2026/2027 Third Incremental Auction. Fourth, granting this waiver will not create any undesirable consequences as the additional capacity would only help to alleviate the risk of not procuring sufficient capacity up to the Reliability Requirement in the upcoming 2026/2027 Third Incremental Auction. Finally, in previously granting a waiver of the FRR sales cap, the Commission explained that a strict application of the FRR sales cap was not "necessary to protect competitive investment."¹⁴

III. CONCLUSION

Granting this limited prospective waiver will help mitigate some of PJM's resource adequacy challenges due to rapid tightening of supply and demand by allowing the AEP FRR Entities to offer up to 750 MW of available supply into the upcoming Third Incremental Auction associated with the 2026/2027 Delivery Year. Based on the foregoing, PJM respectfully requests that the Commission expeditiously grant the AEP FRR Entities' request for limited waiver as it is consistent with the Commission's

¹³ AEP Waiver at 2.

¹⁴ *Illinois Mun. Elec. Agency*, 151 FERC ¶ 61,019, P 24 (2015).

precedent for granting waivers and will help to alleviate the risk of not meeting the Reliability Requirement in the 2026/2027 Third Incremental Auction.

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Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document on each person designated on the service list compiled by the Secretary in these proceedings.

Dated at Audubon, PA on this 21st day of November 2025.

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