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

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| Gaston Green Acres Solar, LLC | ) | |
| Bethel NC Hwy 11 Solar, LLC | ) | |
| Complainants, | ) | |
| | ) | Docket No. EL26-39-000 |
| v. | ) | |
| | ) | |
| PJM Interconnection, L.L.C., | ) | |
| Respondent. | ) | |

**ANSWER OF PJM INTERCONNECTION, L.L.C.**

PJM Interconnection, L.L.C. ("PJM"), pursuant to Rule 213 of the Federal Energy Regulatory Commission's ("Commission" or "FERC") Rules of Practice and Procedure[1] and the Commission's January 9, 2026 Notice of Filing,[2] hereby answers the January 8, 2026 complaint of Gaston Green Acres Solar, LLC, ("Gaston") and Bethel NC Hwy 11 Solar, LLC ("Bethel") (together, "Complainants").[3] The Complaint lacks adequate support, does not meet the burden of proof required under section 206 of the Federal Power Act ("FPA"), 16 U.S.C. § 824e, and seeks unduly discriminatory relief that would violate the filed rate doctrine with respect to the PJM Open Access Transmission Tariff ("Tariff").[4] Accordingly, PJM urges the Commission to deny the Complaint.

## I. EXECUTIVE SUMMARY

After expiration of the Tariff-specified opportunities for Complainants to exit PJM's interconnection process without forfeiting Readiness Deposits, PJM allocated to

[1] 18 C.F.R. § 385.213.

[2] Combined Notice of Filings #1, Docket Nos. EL26-39-000, et al. (Jan. 9, 2026).

[3] *Gaston Green Acres Solar, LLC v. PJM Interconnection, L.L.C.*, Complaint of Gaston Green Acres Solar, LLC et al. v. PJM Interconnection, LLC, Request for Shortened Comment Period and Fast Track Processing and Request for Alternative Relief, Docket No. EL26-39-000 (Jan. 8, 2026) ("Complaint").

[4] Capitalized terms not otherwise defined herein have the meaning given to them in the Tariff.

Complainants additional costs pursuant to a retool study of Transition Cycle No. 1 ("TC1"). Complainants (1) object to these additional cost allocations, (2) argue that the Tariff is unjust and unreasonable, and (3) want PJM to return the Readiness Deposits. The Commission should reject Complainants' attempts to reverse their forfeiture of Readiness Deposits after withdrawing from TC1 at a very late stage. Granting the Complaint would set an unfortunate precedent that withdrawal at the last stage of the process, after all Tariff-permitted opportunities to withdraw without penalty, can be accomplished without repercussions. Penalty-free withdrawal at such a late stage also would shift the costs of underfunded Network Upgrades to other viable projects in the same Cycle, risking disruption of the entire clustered Cycle process via never ending withdrawals and restudies. Moreover, granting the Complaint would undermine Commission precedent, the Commission's orders approving PJM's reformed interconnection process, and the foundational findings of Order Nos. 2023 and 2023-A.[5] The Commission has found that a clustered interconnection study approach is superior to a serial approach and that stringent penalties for late withdrawals—which in PJM means increasing amounts of Readiness Deposits as the interconnection cycle advances to be forfeited upon withdrawal—will discourage speculative projects and promote viable projects. The Complaint would undercut these findings, and therefore the Commission should reject it.

Complainants allege that PJM's Tariff is unjust and unreasonable because it does not provide adequate penalty-free opportunities to withdraw from the interconnection process. Complainants argue that PJM should return their Readiness Deposits, because the

[5] *Improvements to Generator Interconnection Procedures and Agreements,* 184 FERC ¶ 61,054 (2022) ("Order No. 2023"); 185 FERC ¶ 61,063 (2023), *order on reh'g, Order No. 2023-A,* 186 FERC ¶61,199 (2024) ("Order No. 2023-A").

Network Upgrade costs allocated to Complainants during the TC1 Final Agreement Negotiation Phase increased by more than 50%. Notably, the Complaint does not assert any PJM error or violation of the Tariff, nor does it demonstrate that the Tariff's Readiness Deposit construct or purpose is unjust and unreasonable.

Complainants seek (1) the return of their Readiness Deposits, despite not meeting the Tariff conditions for refund of Readiness Deposits, and (2) Tariff revisions that provide additional exceptions to the forfeiture of Readiness Deposits at the last stage of the cycle process. However, the requested relief is unjust and unreasonable because requiring return of Complainants' forfeited Readiness Deposits would constitute preferential treatment compared to other similarly situated applicants for Interconnection Service. Further, Complainants' requested relief is barred by the filed rate doctrine. Lastly, revising PJM's Tariff to allow late-stage withdrawals with no financial consequences would undermine the penalty structure designed to encourage the early withdrawal of speculative and nonviable projects, promote viable projects, and minimize late-stage withdrawals that disrupt the interconnection process for everyone, effectively reverting PJM's interconnection process back to a serial process, given the potential for additional restudies and cascading withdrawals.

Complainants' alternative request for relief, asking the Commission to direct PJM to issue a separate nonconforming Generation Interconnection Agreement ("GIA") for a Generating Facility expansion, when the "uprate" Interconnection Request does not qualify for a separate GIA and was withdrawn, also should be rejected. Accordingly, the Commission should deny the Complaint as it does not meet the burden of proof under FPA section 206.

## II. BACKGROUND

The three projects involved in the Complaint—Gaston's previously owned project, assigned Project Identifier AG1-106 ("Gaston Project"); the Bethel uprate assigned Project Identifier AF2-080 ("Bethel Uprate") (Gaston and Bethel are wholly owned subsidiaries of SE1 DevCo, LLC); and Pitt Solar, LLC's project assigned Project Identifier AC1-189 ("Pitt Solar Project")—are solar projects.[6] After moving forward in the interconnection process following the close of Decision Point III (which occurred on October 21, 2025), the Gaston Project and the Bethel Uprate entered the Final Agreement Negotiation Phase of TC1.

### *A. PJM's TC1 Process and Readiness Deposits*

Pursuant to PJM's Tariff, a Cycle such as TC1 consists of four phases: Phase I, Phase II, Phase III, and Final Agreement Negotiation Phase.[7] At the end of each of the first three phases, PJM publishes the corresponding study,[8] and the project arrives at a Decision Point.[9] At each Decision Point, a Project Developer may choose to continue through the process or withdraw its project based on the information it has been provided in the phase's study, such as Network Upgrade cost allocations.[10] If the Project Developer chooses to continue, it pays Readiness Deposits that are based on the phase's study results, to move to the next phase.

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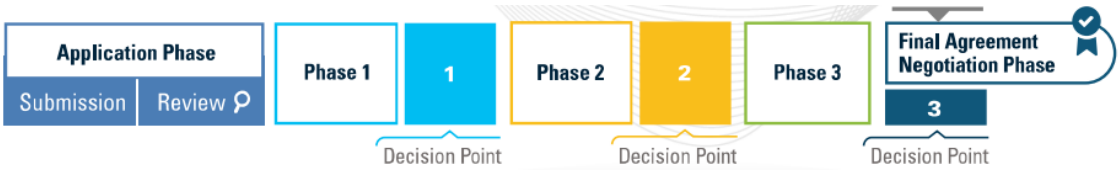
[6] Complaint at 8-9.

[7] *See generally* Tariff, Part VII, Subpart D.

[8] For example, at the end of Phase I, PJM releases the Phase I System Impact Study. Tariff, Part VII, Subpart D, sections 307(A), 308(A)(1), 310(A), and 312(A).

[9] Tariff, Part VII, Subpart D, sections 307(A)(1), 309(A), 311(A). and 313.

[10] Tariff, Part VII, Subpart D, sections 307-314.




***Final Agreement Negotiation Phase and Decision Point III Requirements, PJM's Interconnection Process Subcommittee (July 2025) ("IPS July 2025 Presentation")***

**REFUNDS**

- Projects that elect to withdraw or do not satisfy the DP3 requirements will be removed from the Cycle.
- All Readiness Deposits are 100% at risk.
- PJM initiates the refund process as follows:
  - Study Deposit: Refund up to 90 percent of the Study Deposit submitted during the Application Phase, less any actual costs.
  - Readiness Deposits: Refunds of Readiness Deposits will be initiated when all Cycle New Service Requests have either: 1) entered into final agreements and met the Decision Point III Site Control requirements or 2) withdrawn.
  - Treatment of Readiness Deposits due to Adverse Study Results: refund cumulative Readiness Deposit amounts, if Network Upgrade costs from Phase II to Phase III:
    - i. increases overall by 35 percent or more; and
    - ii. increased by more than $25,000 per MW.

    Network Upgrade costs shall include costs identified in Affected System studies in their respective phases.

    Breakdown of Network Upgrade cost: Physical interconnection (excluding TOIF), reliability driven Network Upgrade, Affected system cost

    Note: This is the last time PJM would be doing adverse study for TC1. PJM will not be doing adverse study after DP3.
- Refer to PJM Manual 14H section 6.2.3 For Forfeited Readiness Deposit.
- Future IPS topics: Underfunded network upgrade and Phase III cost allocation.

***IPS July 2025 Presentation at 8.***

**Note:**
Notwithstanding the diagram below, for Project Developers and Eligible Customers in Transition Cycle No. 1 only:

1. Readiness Deposit No. 1 is not at risk prior to the close of Decision Point I.

2. Readiness Deposit No. 1 is 100% at risk after the close of Decision Point I.

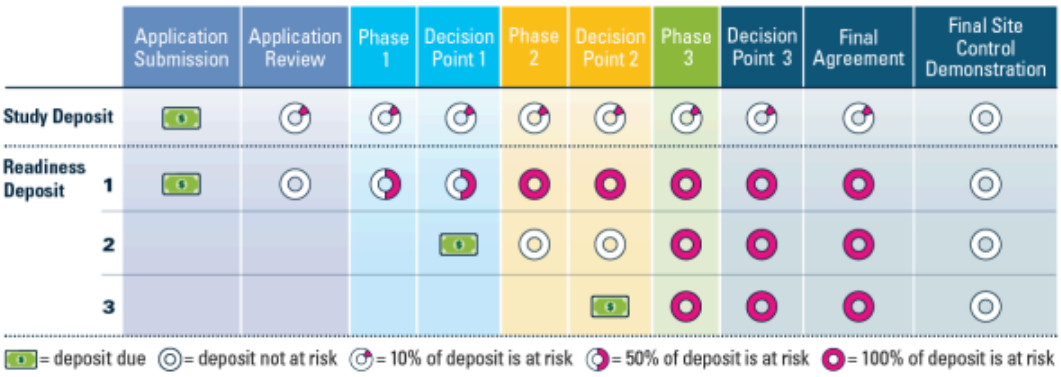



*Exhibit 20: Deposit Timeline*

***Manual 14H*: New Service Requests Cycle Process, Rev. 03 at 79, Exhibit 20, PJM Interconnection, L.L.C. (Sept. 25, 2025)**

PJM's Tariff provides that PJM will return, upon request, a Project Developer's Readiness Deposits at Decision Point II and Decision Point III if the adverse impact criteria are met, as Complainants acknowledge.[11] At Decision Point II, following the end of Phase II and the release of the Phase II System Impact Study, PJM will return Readiness Deposit Nos. 1 and 2 for a withdrawn project "if the Project Developer's Network Upgrade cost from Phase I to Phase II: i. increases overall by 25 percent or more; and ii. increases by more than $10,000 per [megawatts ("MW")]."[12] At Decision Point III, following the end

[11] Complaint at 1-2, 4-7, 10-13, and 16.

[12] Tariff, Part VII, Subpart D, section 311(B)(3)(c).

of Phase III and the release of the Phase III System Impact Study, PJM will return to a Project Developer the cumulative Readiness Deposits (i.e., Readiness Deposit Nos. 1, 2, and 3) paid over the course of Phases I, II, and III, "if the Project Developer's Network Upgrade or Eligible Customer's cost from Phase II to Phase III: i. increases overall by 35 percent or more; and ii. increased by more than $25,000 per MW."[13]

If a Project Developer chose to remain in TC1 following Phase III, the Project Developer enters the Final Agreement Negotiation Phase. During this final phase, PJM updates study results based on a retooled study that accounts for any projects that were withdrawn at Decision Point III and the underfunded Network Upgrades resulting from those withdrawals.[14]

### *B. The Gaston Project (AG1-106)*

The Gaston Project is a proposed 23 MW solar project uprate located in Northampton County, North Carolina, which would interconnect with Virginia Electric and Power Company d/b/a Dominion Energy Virginia.[15] The Gaston Project is associated with Project Identifier AG1-106 and was submitted on August 28, 2020.[16] The Gaston Project, Project Identifier No. AG1-106, is an uprate of the Oak Solar Project, Project Identifier No. AB1-132. Gaston assigned the Oak Solar Project (with the Project Identifier No. AG1-106 uprate) to Oak Lessee, LLC, d/b/a Oak Solar, LLC.

PJM issued the Phase I Study Report for the Gaston Project dated May 16, 2024, assigning $34,599,456 in cost allocations and requiring a Readiness Deposit No. 2 of

[13] Tariff, Part VII, Subpart D, section 313(B)(5)(d).

[14] Tariff, Part VII, Subpart D, section 314(B)(1)(a).

[15] Complaint at 7.

[16] Complaint at 7.

$3,259,946.[17] PJM released the Phase II Study Report for the Gaston Project dated December 18, 2024, assigning $51,645,899 in cost allocations, which required $6,869,234 as Readiness Deposit No. 3.[18] The amount of Network Upgrade costs allocated at the end of Phase II, as compared to the amount allocated at the end of Phase I, triggered the adverse study impact calculation, providing Gaston with an opportunity to withdraw its project and be refunded Readiness Deposit Nos. 1 and 2.[19] Gaston nevertheless chose to accept this risk and remain in the process, paid Readiness Deposit No. 3, and the Gaston Project moved to Phase III.

On September 19, 2025, PJM issued the Phase III Study Report for the Gaston Project, assigning $9,145,122 in cost allocations and requiring Security of $8,127,122.[20] These amounts did not trigger the adverse study impact provisions, as provided for in the Tariff. Gaston accepted this risk by moving forward at Decision Point III. On December 10, 2025, PJM issued the Final System Impact Study (Retool 1) Report for the Gaston Project, assigning $16,030,381 in cost allocations and requiring $6,685,259 in additional security.[21]

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[17] Readiness Deposit #2 is ten percent of the cost allocation for Phase I Network Upgrades (i.e., $3,459,946 for the Gaston Project) minus the amount already provided for Readiness Deposit #1. The Gaston Project's Readiness Deposit #1, provided with its Application for the service request, was $200,000. *See AG1-106 Phase I Study*, PJM Interconnection, L.L.C. (May 16, 2024), https://www.pjm.com/pjmfiles/pub/planning/project-queues/TC1/PHASE_1/AG1-106/AG1-106_imp_PHASE_1.htm ("AG1-106 Phase I Study").

[18] *AG1-106 Phase II Study*, PJM Interconnection, L.L.C. (Dec. 18, 2024) https://www.pjm.com/pjmfiles/pub/planning/project-queues/TC1/PHASE_2/AG1-106/AG1-106_imp_PHASE_2.htm ("AG1-106 Phase II Study").

[19] Tariff, Part VII, Subpart D, sections 311(B)(3)(c), 313(B)(5)(d).

[20] *AG1-106 Phase III Study*, PJM Interconnection, L.L.C. (Sept. 19, 2025), https://www.pjm.com/pjmfiles/pub/planning/project-queues/TC1/PHASE_3/AG1-106/AG1-106_imp_PHASE_3.htm ("AG1-106 Phase III Study").

[21] *AG1-106 Final System Impact Study*, PJM Interconnection, L.L.C. (Dec. 8, 2025), https://www.pjm.com/pjmfiles/pub/planning/project-queues/TC1/FINAL/AG1-106/AG1-106_imp_FINAL.htm ("AG1-106 Final Phase Retool Study").

**Table 1. Cost Allocations at Each Phase**

| | | Cost Allocation Assigned | | | Readiness Deposits Due | |
|---|---|---|---|---|---|---|
| Phase Study | Date Study Issued | Gaston (AG1-106) | Bethel (AF2-080) | Total | Gaston (AG1-106) | Bethel (AF2-080) |
| Application | | | | | $200,000 | $280,000 |
| I | May 16, 2024 | $34,599,456 | $12,882,229 | $47,481,685 | $3,259,946 | $1,008,223 |
| II | Dec. 18, 2024 | $51,645,899 | $20,549,683 | $72,195,582 | $ 6,869,234 | $2,821,714 |
| III | Sept. 25, 2025 | $9,145,122 | $24,649,633 | $33,794,755 | | |
| Final | Dec. 8, 2025 | $16,030,381 | $38,874,396 | $54,178,777 | | |

### *C. Bethel Uprate (AF2-080) and Pitt Solar Project (AC1-189)*

The Pitt Solar Project is a proposed 80 MW solar project located in Pitt County, North Carolina, which is the "base" project for the Bethel Uprate. The Bethel Uprate is a proposed 70 MW solar project. The two projects would interconnect with Virginia Electric and Power Company.[22] The Bethel Uprate, submitted on January 31, 2020, was studied and will share a Point of Interconnection ("POI") with the Pitt Solar Project.[23] Since PJM's earliest studies of the Bethel Uprate in 2020 and 2021, the Bethel Uprate has been studied as an uprate to the Pitt Solar Project.[24]

[22] Complaint at 8.

[23] Complaint at 8.

[24] *See Generation Interconnection Feasibility Study Report for Queue Project AF2-080*, PJM Interconnection, L.L.C., § 3 (July 2020), https://www.pjm.com/pjmfiles/pub/planning/project-queues/feas_docs/af2080_fea.pdf ("The Interconnection Customer (IC) has *proposed an uprate* to a planned/existing Solar generating facility located in Pitt, North Carolina." (emphasis added)); *id.* sections 3, 4, and 11; *Generation Interconnection System Impact Study Report for Queue Position AF2-080*, PJM Interconnection, L.L.C., § 3 (Feb. 2021), https://www.pjm.com/pjmfiles/pub/planning/project-queues/impact_studies/af2080_imp.pdf.

PJM issued the Phase I Study Report for the Bethel Uprate dated May 16, 2024, assigning $12,882,229 in cost allocations and requiring a Readiness Deposit No. 2 of $1,008,223.[25] PJM issued the Phase II Study Report for the Bethel Uprate dated December 18, 2024, assigning $20,549,683 in cost allocations, which required $2,821,714 as Readiness Deposit No. 3.[26] The amount of Network Upgrade costs allocated at the end of Phase II, as compared to the amount allocated at the end of Phase I, triggered the adverse study impact calculation, providing an opportunity to withdraw the project and be refunded Readiness Deposit Nos. 1 and 2.[27] The Readiness Deposit was paid and the Bethel Uprate moved to Phase III, foregoing the opportunity to withdraw penalty-free.

On September 19, 2025, PJM issued the Phase III Study Report for the Bethel Uprate, assigning $24,649,633 in cost allocations and requiring Security of $21,100,445.[28] These amounts did not trigger the adverse study impact provisions. The Bethel Uprate moved forward again following Decision Point III. On December 10, 2025, PJM issued the Final System Impact Study (Retool 1) Report for the Bethel Uprate, assigning $38,874,396 in cost allocations and requiring $14,052,085 in additional security.[29] These

[25] Readiness Deposit #2 is ten percent of the cost allocation for Phase I Network Upgrades (i.e., $1,288,223 for the Bethel Uprate) minus the amount already provided for Readiness Deposit #1. The Bethel Uprate's Readiness Deposit #1 provided with its Application of its service request, was $280,000. AF2-080 Phase I Study, PJM Interconnection, L.L.C. (May 16, 2024), https://www.pjm.com/pjmfiles/pub/planning/project-queues/TC1/PHASE_1/AF2-080/AF2-080_imp_PHASE_1.htm ("AF2-080 Phase I Study").

[26] *AF2-080 Phase II Study*, PJM Interconnection, L.L.C. (Dec. 18, 2024), https://www.pjm.com/pjmfiles/pub/planning/project-queues/TC1/PHASE_2/AF2-080/AF2-080_imp_PHASE_2.htm ("AF2-080 Phase II Study").

[27] Tariff, Part VII, Subpart D, sections 311(B)(3)(c), 313(B)(5)(d).

[28] *AF2-080 Phase III Study*, PJM Interconnection, L.L.C. (Sept. 18, 2025) https://www.pjm.com/pjmfiles/pub/planning/project-queues/TC1/PHASE_3/AF2-080/AF2-080_imp_PHASE_3.htm ("AF2-080 Phase III Study").

[29] *AF2-080 Final System Impact Study*, PJM Interconnection, L.L.C. (Dec. 8, 2025) https://www.pjm.com/pjmfiles/pub/planning/project-queues/TC1/FINAL/AF2-080/AF2-080_imp_FINAL.htm ("AF2-080 Final Phase Retool Study").

increased cost allocations result from the withdrawal of other projects at Decision Point III and the costs of their Network Upgrades being reallocated to the remaining projects.

## III. ARGUMENT

### *A. Complainants Do Not Demonstrate that PJM's Tariff Is Unjust and Unreasonable*

Under section 206 of the FPA, 16 U.S.C. § 824e, the Complainants bear "the burden of proof to show that any charge or practice is unjust or unreasonable."[30] Here, Complainants must demonstrate that the provisions of the Tariff, "which the Commission has previously accepted as just and reasonable and not unduly discriminatory or preferential, have become unjust, unreasonable, or unduly discriminatory or preferential."[31] To meet this burden, the Complainants must "establish the facts needed to support the claims in its section 206 complaint."[32] Complainants do not do so.

#### *1. Complainants' arguments are collateral attacks on the Commission's approval of PJM's interconnection reforms*

As a threshold issue, the Commission should reject the Complaint as an untimely collateral attack on its orders. Complainants argue that PJM's Tariff is unjust and unreasonable because it does not offer penalty-free late-stage withdrawals from the interconnection Cycle.[33] However, the Commission accepted PJM's penalty withdrawal framework as just and reasonable as part of PJM's interconnection process reforms in

[30] *Black Oak Energy, LLC v. N.Y. Indep. Sys. Operator, Inc*., 122 FERC ¶ 61,261, at P 31 (2008) (citing 16 U.S.C. § 824e); *Emera Me. v. FERC*, 854 F.3d 9, 25 ("[A] finding that an existing rate is unjust and unreasonable is the 'condition precedent' to FERC's exercise of its section 206 authority to change that rate. Section 206 therefore imposes a 'dual burden' on FERC. Without a showing that the existing rate is unlawful, [the Commission] has no authority to impose a new rate." (citations omitted)).

[31] *CXA La Paloma, LLC v. Cal. Indep. Sys. Operator Corp*., 165 FERC ¶ 61,148, at P 69 (2018).

[32] *330 Fund I, L.P. v. N.Y. Indep. Sys. Operator*, 126 FERC ¶ 61,151, at P 12 (2009).

[33] Complaint at 1, 2, 4-7, & 14-19.

2022.[34] Thus, Complainants' claim that the process accepted by the Commission as just and reasonable is now unjust and unreasonable is a collateral attack on the Commission's order. Commission precedent is clear that "[p]roviding new arguments on an issue as to which the Commission has previously ruled, based on previously submitted evidence, is a collateral attack"[35] and should be rejected. No party protested this aspect of PJM's interconnection reform proposal in that proceeding. Further, the Commission's 2025 order on PJM's compliance with Order No. 2023, which provided PJM an independent entity variation to maintain its at-risk Readiness Deposit regime, finding it just and reasonable,[36] demonstrates that no relevant changed circumstances exist to distinguish the status quo from the circumstances when the Commission approved PJM's withdrawal penalty structure in 2022.[37] Again, no party requested rehearing of the Commission's acceptance of the at-risk Readiness Deposit regime as retained on compliance with Order Nos. 2023

[34] *PJM Interconnection, L.L.C.*, 181 FERC ¶ 61,162, at P 33 (2022), *order on reh'g*, 184 FERC ¶ 61,006 (2023).

[35] *ISO New Eng. Inc*., 178 FERC ¶ 61,115, at P 66, *order on reh'g*, 179 FERC ¶ 61,186 (2022); *see, e.g.*, *Oregon v. Guzek*, 546 U.S. 517, 526 (2006) ("The law typically discourages collateral attacks . . . " (citing *Allen v. McCurry*, 449 U.S. 90, 94 (1980) ("As this Court and other courts have often recognized, res judicata and collateral estoppel relieve parties of the cost and vexation of multiple lawsuits, conserve judicial resources, and, by preventing inconsistent decisions, encourage reliance on adjudication."))); *ISO New Eng. Inc*., 138 FERC ¶ 61,238, at P 17 (2012) ("[A] collateral attack is [a]n attack on a judgment in a proceeding other than a direct appeal, and is generally prohibited." (second alteration in original) (internal quotation marks omitted) (quoting *New Eng. Conf. of Pub. Utils. Comm'rs, Inc. v. Bangor Hydro-Elec. Co.*, 135 FERC ¶ 61,140, at P 27 (2011))); *NSTAR Elec. Co. v. ISO New Eng., Inc.*, 120 FERC ¶ 61,261, at P 33 (2007) (dismissing complaint as a collateral attack on the prior Commission order where the party had the opportunity to raise its concern in its prior filing); *Cal. Indep. Sys. Operator Corp.*, 119 FERC ¶ 61,240, at P 13 (2007) (dismissing protests that could have been raised in an earlier proceeding as an untimely collateral attack).

[36] *See PJM Interconnection, L.L.C.,* 192 FERC ¶ 61,077, at P 182 ("PJM requests an independent entity variation from the pro forma [Large Generator Interconnection Procedures] and pro forma LGIA Large Generator Interconnection Agreement] requirements for withdrawal penalties to retain its existing Tariff provisions."), *order on reh'g*, 194 FERC ¶ 61,053 (2026); *id.* at P 191 ("We accept PJM's proposed withdrawal penalty structure because we find that the proposal is just, reasonable, not unduly discriminatory or preferential, and accomplishes the purposes of Order Nos. 2023 and 2023-A.").

[37] Complainants' arguments that the industry is dramatically different due to recent federal legislation and executive actions are unsupported by evidence. *See infra* at section III.A.4.

and 2023-A.[38] Because Complainants' foundational arguments are improper collateral attacks on a Commission order and circumstances have not changed, the Commission should reject the Complaint.

*2. Complainants do not justify their claims that PJM's Tariff is unfair, does not comply with Order Nos. 2023 and 2023-A, or must adhere to the withdrawal penalty framework of other regional transmissions organizations ("RTOs")*

Complainants claim that PJM's Tariff is unjust and unreasonable because of a "lack of a penalty free off-ramp following an extreme increase in allocated Network Upgrade costs[,]"[39] which they claim is "patently unfair," "directly contrary" to directives in Order No. 2023, and "wholly unlike" other RTOs' tariffs.[40] However, PJM's Readiness Deposit framework was specifically designed to prevent the very behavior Complainants are now exhibiting, i.e., late-stage withdrawal from a clustered Cycle, and for which Complainants argue there should be no financial consequences.

PJM's Readiness Deposit is just and reasonable because it supports long-standing Commission policies, including several that are integral to Order No. 2023, and satisfies the Commission's independent entity variation standard that permits flexibility for regional differences between RTOs. Complainants do not demonstrate that the lack of an option for penalty-free withdrawal from PJM's Cycle process in the final phase of the process is unjust and unreasonable.

[38] *PJM Interconnection*, 194 FERC ¶ 61,053, at PP 19-23 (discussing the only issue raised on rehearing related to withdrawals, which was PJM's proposal not to apply a materiality test).

[39] Complaint at 5.

[40] Complaint at 16.

Complainants argue that PJM's Tariff is "patently unfair"[41] for not providing them with *another* penalty-free withdrawal opportunity in the final study phase. To the contrary, the Commission has found that PJM's interconnection process, and its Readiness Deposit regime specifically, is just and reasonable because the final retool studies and resulting allocation of costs provide certainty for the viable projects in a Cycle after other projects drop out. PJM's process provides projects with "penalty-free" (i.e., withdrawal without forfeiting Readiness Deposits) off-ramps at specific points between Phases II and III, but past that point (i.e., in the Final Agreement Negotiation Phase) the late stage of the process requires more stringent financial commitments. Extending penalty-free withdrawal opportunities to the final phase of the process, as Complainants demand, risks creating a never-ending cycle of restudies and cascading withdrawals, in which projects would drop out of the Cycle with no financial consequences, leaving the remaining projects to bear all the Network Upgrade costs, thereby forcing some of those projects to withdraw, and destroying the certainty Project Developers need and further delaying the process for viable projects.

Even before the Commission's Order No. 2023 reforms, the Commission found that the kind of penalty-free withdrawal Complainants seek is not just and reasonable. In 2012, for example, the Commission reasoned that due to "the interrelated nature of projects in a group study" in Midcontinent Independent System Operator ("MISO"), a project in a group has "a responsibility to fund its share of common facilities required for the reliable interconnection of the group[,]" and "[t]hat the common facilities required have changed

[41] Complaint at 16.

as the composition of the group has changed is unfortunate but not surprising[.]"[42] The Commission also recognized that "greater financial obligations" for customers that proceed through the cycle "better protect viable projects from the impact of the withdrawal of speculative projects[.]"[43] The same logic and findings apply to PJM's Readiness Deposit regime in 2026, and require the Commission to reject the Complaint.

Complainants also rely on language from Order No. 2023 to argue that the lack of continual penalty-free withdrawal options in the Tariff does not strike a proper balance.[44] This argument is flawed because the Commission has accepted PJM's Readiness Deposit regime twice now, first when it was proposed as part of PJM's 2022 interconnection process reform effort[45] and second when PJM sought an independent entity variation from Order No. 2023's withdrawal penalty structure for its Readiness Deposit regime as just and reasonable and accomplishing the purposes of Order Nos. 2023 and 2023-A.[46] PJM's Order No. 2023 compliance filing highlighted that "direct financial consequences of automatic penalties provide a strong incentive for developers to carefully evaluate their readiness before entering the queue."[47] The Commission found that PJM's approach of "appl[ying] readiness deposits from withdrawn projects on a pro-rata basis to cover missing funds and refund[ing] any remaining readiness deposits once those underfunded network upgrades are fully funded," instead of adopting Order No. 2023's withdrawal penalties,

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[42] *Midwest Indep. Transmission Sys. Operator, Inc.*, 141 FERC ¶ 61,068, at P 47 (2012).

[43] *Id.*

[44] Complaint at 15 (quoting Order No. 2023 at P 784).

[45] *PJM Interconnection, L.L.C.*, 181 FERC ¶ 61,162 (2022), *order on reh'g*, 184 FERC ¶ 61,006 (2023).

[46] *See PJM Interconnection*,192 FERC ¶ 61,077, at P 191 (accepting PJM's withdrawal penalty structure as just and reasonable, not unduly discriminatory, or preferential and accomplishing the purposes of Order Nos. 2023 and 2023-A).

[47] *See PJM Interconnection*, 192 FERC ¶ 61,077, at P 189.

was just and reasonable and compliant with the requirements in Order Nos. 2023 and 2023-A.[48] Nothing in the Complaint counters these Commission findings.

In Order Nos. 2023 and 2023-A, the Commission highlighted the significant risk of undermining the entire cluster study paradigm posed by late-stage withdrawals without consequence.[49] These findings still apply, and necessitate a finding that the Tariff is just and reasonable, and therefore, the Commission must reject the Complaint.

Complainants also argue that the Tariff is unjust and unreasonable because it is "wholly unlike" other RTO-regional processes.[50] This argument does not consider the Commission's longstanding policy of providing RTOs with independent entity variations from Commission rulemakings, providing an RTO with "greater flexibility to customize its interconnection procedures and agreements to fit regional needs."[51] The Commission's

[48] *PJM Interconnection, LLC,* 192 FERC ¶ 61,077 at PP 191-92. Distinct from Order No. 2023's process, PJM's process does not use "withdrawal penalties," but rather a structure of increased Readiness Deposits and forfeiture of those Readiness Deposits in certain conditions, akin to withdrawal penalties.

[49] *See* Order No. 2023 at P 49 ("Late-stage withdrawals present a significant problem, as they can trigger restudies for other interconnection customers that can result in significant increases to the interconnection costs attributed to those customers and the timeline for completion of interconnection studies, which can result in further late-stage withdrawals, thus exacerbating the interconnection queue backlogs and delays."); *id.* at P 691 ("[T]he commercial readiness deposits we require will . . . reduce the submission of speculative, commercially non-viable interconnection requests into interconnection queues [] because the interconnection customer's total commercial readiness deposit held by the transmission provider increases as the interconnection process proceeds . . . encourag[ing] interconnection customers not ready to proceed through the interconnection process--or whose projects become commercially non-viable during the interconnection process--to withdraw earlier in the process, thereby lessening the incidence of late-stage withdrawals that result in delays and restudies." (footnote omitted)); *id.* at P 799 ("We believe that using withdrawal penalty funds to reduce network upgrade cost shifts caused by withdrawals will reduce the risk that the shifted costs are so large as to cause cascading withdrawals, thus ensuring that interconnection customers are able to interconnect in a reliable, efficient, transparent, and timely manner."); Order No. 2023-A at P 230 (finding that continuing to retain the penalty withdrawal mechanism "will decrease the risk that very large cost shifts due to withdrawals result in cascading withdrawals, which in turn create substantial uncertainty, cost, and inefficiency for the interconnection study process" (footnote omitted)); *id.* at P 232 ("We acknowledge that the thresholds for penalty-free withdrawal are higher at later stages of the interconnection study process, but continue to find that this structure is reasonable, given the greater harms of late-stage withdrawals and the importance of incentivizing earlier withdrawal of non-viable interconnection requests.").

[50] Complaint at 16.

[51] *ISO New England Inc*., 170 FERC ¶ 61,218, at P 26 (2020).

standard for allowing independent entity variations requires an RTO to demonstrate that the proposed variation "(1) is just and reasonable, and not unduly discriminatory or preferential; and (2) accomplishes the purposes of the order."[52] As noted above, the Commission has already found that PJM's Readiness Deposit structure meets these requirements,[53] which means not only that the Commission permits PJM to vary from the withdrawal penalty scheme prescribed in Orders No. 2023 and 2023-A, but also that PJM may diverge from other RTOs' withdrawal penalty arrangements.[54] To argue otherwise is a collateral attack on those orders. For all these reasons, the Commission should find that Complainants do not demonstrate the Tariff is unjust and unreasonable and thus have not met their burden under FPA section 206 to show that the existing rate is unjust and unreasonable.

[52] *Id.*

[53] *See PJM Interconnection, L.L.C.,* 192 FERC ¶ 61,077, at P 191 (accepting PJM's withdrawal penalty structure as just and reasonable, not unduly discriminatory, or preferential and accomplishing the purposes of Order Nos. 2023 and 2023-A).

[54] *See supra* at note 36.

*3. Complainants are sophisticated Project Developers that made calculated decisions to remain in the Cycle, even when allowed penalty free exit options*

Complainants' fundamental argument is that the Network Upgrades allocated to the Bethel and Gaston Projects are unfairly large and increased by an unfair amount in the final phase of TC1 and, therefore, the Tariff is unjust and unreasonable. However, the costs increased due to projects withdrawing at Decision Point III, which caused those projects' Network Upgrade cost responsibilities to be reallocated to remaining projects. Complainants were on notice throughout the process of the risks of such potential cost increases due to underfunded network upgrades.[55] Complainants' choice to withdraw after all penalty-free exit ramps had passed, and the resulting forfeiture of their Readiness Deposits is akin to liquidated damages (i.e., a contractually agreed upon mechanism).

The Commission's stance regarding similar complaints against RTO tariffs from project developers seeking to avoid cost increases from restudies has been that parties know the risks of potential cost increases due to withdrawal of higher-queued projects in the case of serial study processes and of other projects in the cluster in the case of clustered studies. In the absence of a demonstration that the RTO implemented its tariff in an inconsistent

[55] Interconnection Projects Department, *PJM Manual 14H: New Service Requests Cycle Process*, PJM Interconnection, L.L.C., section 6.2.3 (Rev. 03, Sept. 25, 2025) ("**Late-stage withdrawals** those that occur after Phase III studies are complete. Withdrawals at the end of the study process provide a small window for those projects remaining to adjust, and significant costs shifts may make remaining projects less viable. Once all projects in the Cycle have made their decisions, PJM will perform a retool study, incorporating projects that were withdrawn prior to executing their final agreement, to determine what system Network Upgrades remain necessary. **Underfunded Network Upgrades** will be identified, and forfeited Readiness Deposits will be used to help fund these upgrades. It is possible that there will not be enough funds in the forfeited Readiness Deposit pool to mitigate all underfunding or there could be a surplus. *If there are not enough funds to mitigate all underfunded Network Upgrades, the cost allocation of the remaining New Service Requests in the Cycle will increase accordingly*." (emphasis added)); *see also Interconnection Process: Off Ramps to Final Agreement*, PJM Interconnection, L.L.C. (Dec. 18, 2023), https://videos.pjm.com/media/Interconnection+ProcessA+Off+Ramps+to+Final+Agreement/1_4ttc1vpb/321954392 (explaining the offramps at Decisions Points in the interconnection process).

manner, the Commission rejects such complaints.[56] A project studied in a cluster is "not an island" and "may not disclaim its responsibility simply because it objects to the results of a restudy."[57] Here, Complainants seek to disclaim their responsibilities, blaming PJM for not providing a penalty-free withdrawal opportunity at every stage of its interconnection process, including the very last stage.

Complainants' arguments now are particularly unfounded considering they faced greater Network Upgrade cost allocation increases in earlier phases of TC1 and nevertheless chose to remain in the Cycle, presumably making a calculation of their risk of cost increases and assuming that risk. The Phases I, II, and III study results for each of the Gaston Project and the Bethel Uprate reveal that Complainants faced higher cumulative cost increases prior to the late-stage retool study. In each phase's System Impact Study, PJM allocated Network Upgrade costs to Gaston and Bethel, of:

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[56] *See e.g.*, *Midwest Indep. Transmission Sys. Operator, Inc.*, 146 FERC ¶ 61,013, at P 36 (2014); *Cage Ranch Solar, LLC v. Sw. Power Pool, Inc.,* 183 FERC ¶ 61,138, at P 86 (denying waiver of milestone payments to SPP in part because FERC found SPP's Tariff "provides prior notice of the rate, terms, and conditions of SPP's open access transmission service, including its deadlines and processes under the [generator interconnection procedures]"), *order addressing arguments raised on reh'g*, 185 FERC ¶ 61,017 (2023); *see also Salt Creek Solar, LLC v. Sw. Power Pool, Inc.*, 180 FERC ¶ 61,116 at PP 7-8, and 38 (2025) (denying complaint requesting reinstatement in the queue when Project Developer's cost allocations increased from $54 million in Phase I to $184 million in Phase II and Project Developer did not pay security deposit because returning Project Developer to the queue at this stage "is retroactive in nature and is prohibited by the filed rate doctrine"); *Hexagon Energy, LLC,* 193 FERC ¶ 61,074 at PP 1, 7-8, and 44-45 (2025) (denying waiver request for a security deposit at Decision Point III when cost allocations increased from $87.3 million in Phase II to $352 million in Phase III, "find[ing] that Hexagon has not demonstrated that timely posting full financial security, consistent with the Tariff, is a concrete problem that warrants waiver of the Tariff" and "[t]he record does not demonstrate that PJM performed the Phase III Study or allocated any amount of Security in a manner that is inconsistent with the Tariff") *S. Shore Energy, LLC*, 166 FERC ¶ 61,221 at P 25 (2019) (denying waiver of MISO tariff's provisions to allow Project Developer to withdraw project with full milestone payment return past Decision Point 3 because of harm to other interconnection customers. The Commission specifically stated "part of the Commission's reasoning in requiring MISO to establish a short timeframe for interconnection customers to withdraw from the queue penalty-free if there are significant changes to cumulative network upgrade costs over the course of the [Definitive Planning Phase (""DPP")] was its concern about the potential for cascading withdrawals if customers are allowed to withdraw penalty-free at any point in the DPP" and "if Applicants are allowed to withdraw with a full return of milestone payments, those funds will not be available to mitigate the financial impact to the remaining projects in the [cluster] should Applicants' withdrawal harm other projects").

[57] *Midwest Indep. Transmission Sys. Operator*, 146 FERC ¶ 61,013, at P 36.

**Table 1. Cost Allocations at Each Phase**

| | | Cost Allocation Assigned | | | Readiness Deposits Due | |
|---|---|---|---|---|---|---|
| Phase Study | Date Study Issued | Gaston (AG1-106) | Bethel (AF2-080) | Total | Gaston (AG1-106) | Bethel (AF2-080) |
| Application | | | | | $200,000 | $280,000 |
| I | May 16, 2024 | $34,599,456 | $12,882,229 | $47,481,685 | $3,259,946 | $1,008,223 |
| II | Dec. 18, 2024 | $51,645,899 | $20,549,683 | $72,195,582 | $ 6,869,234 | $2,821,714 |
| III | Sept. 25, 2025 | $9,145,122 | $24,649,633 | $33,794,755 | | |
| Final | Dec. 8, 2025 | $16,030,381 | $38,874,396 | $54,178,777 | | |

Table 2 illustrates the fluctuations in cost allocations between the phases. As already explained,[58] the Gaston Project and Bethel Uprate moved forward in the process, foregoing opportunities to withdraw from the cycle with full Readiness Deposit refunds at Decision Point II as they triggered and met the Adverse Impact Study Criteria at that time.

**Table 2. Differences between Phase Cost Allocations**

| | **Difference in Cost Allocations** | | |
|---|---|---|---|
| Phase Study | **Gaston (AG1-106)** | **Bethel (AF2-080)** | **Total** |
| 1 to 2 | $17,046,443* | $7,667,454* | $24,713,897 |
| 2 to 3 | -$42,500,777 | $4,099,950 | -$38,400,827 |
| 3 to Final | $6,885,259 | $13,498,763 | $20,384,022 |

*This amount met the Adverse Impact Study Criteria at Decision Point II.

After Phase III, costs increased withdrawal of projects from TC1 and the resulting underfunded Network Upgrades being reallocated to the remaining projects, an outcome Complainants were aware could happen. Nevertheless, Complainants chose to withdraw

[58] *See supra* at sections II.B-C.

from TC1 at this very lates stage and in doing so chose to forfeit their Readiness Deposits. Given that Complainants are sophisticated business entities knowledgeable of PJM's Readiness Deposit regime and that Complainants were provided throughout the interconnection process with study reports that transparently detailed the Network Upgrade costs allocated to their projects, the Commission should assume Complainants understood the implications of their decision to remain in the TC1 process at each Decision Point and to enter the Final Agreement Negotiation Phase, including the potential risk of cost allocation increases after restudies. At Decision Point II, both the Gaston Project and the Bethel Uprate met the Adverse Impact Study Criteria with Gaston facing the largest cost allocation increase, $51,645,899 in costs allocated to Gaston at Decision Point II for an increase of $17,046,443, yet did not avail themselves of the opportunity at Decision Point II to exit TC1 with their Readiness Deposits returned. Now, Complainants suffer from "buyer's remorse" and plead for the Commission to allow them a special off-ramp, for them alone of the TC1 projects, for increases in Network Upgrade cost allocations of $6,885,259 and $13,498,763. Complainants also demand the Commission find PJM's existing Readiness Deposit structure unjust and unreasonable, after twice approving it as just and reasonable. The Commission should reject the requested relief as unfounded, unjust, and unreasonable.

*4. Changes in federal law or market conditions do not render PJM's Tariff unjust and unreasonable; Complainants' arguments to the contrary are unsupported by evidence*

Complainants claim that the circumstances underlying PJM's 2022 interconnection reforms and Order No. 2023 "have crumbled" due to recent legislation and executive

actions that have "upset the settled expectations" of project developers.[59] Noticeably absent from the Complaint is any evidence demonstrating that the recent legislation and executive actions have resulted in the changes Complainants describe. To date, PJM has experienced no mass exodus of projects from its interconnection process and the Cycles remain robust. PJM received 306 New Service Requests for TC1.[60] By the end of TC1, Phase III in September 2025—*after* enactment of certain legislative and executive actions identified by Complainants, including the One Big Beautiful Bill Act[61]—PJM issued agreements for 128 New Service Requests comprised of 56% solar, 25% wind, 10% storage, 5% hybrid, and 3% natural gas facilities.[62] Moreover, Complainants' argument, essentially, is that standard project development risks, such as changes to federal law or market conditions, constitute reason for the Commission to find the Tariff unjust and unreasonable. This claim makes little sense. Regardless of tax credit eligibility or executive orders, PJM is mandated to administer a well-functioning interconnection process on a non-discriminatory basis, which it does through processes in its Tariff that the Commission has found just and reasonable. Complainants provide no evidence to support their argument. The argument that the Tariff has been rendered unjust and unreasonable due to legislative changes is unsupported by evidence from Complainants that the changes affected interconnection requests, and the Commission therefore should reject it.

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[59] Complaint at 18.

[60] *Transition Cycle #1*, PJM Interconnection, L.L.C., § 3.0 (May 16, 2024), https://www.pjm.com/pjmfiles/pub/planning/project-queues/Cluster-Reports/TC1/TC1_PH1_Executive_Summary.htm.

[61] Complaint at 18-19.

[62] *PJM Completes Interconnection Reform Transition Cycle 1 Studies,* PJM Interconnection, L.L.C. (Sept. 22, 2025), https://insidelines.pjm.com/pjm-completes-interconnection-reform-transition-cycle-1-studies/.

### *B. The Complainants' Requested Relief Is Unjust and Unreasonable, and Is Unduly Discriminatory and Preferential*

As discussed above, Complainants do not meet the initial step under FPA section 206 to demonstrate that the Tariff is unjust and unreasonable. But assuming for the sake of argument they had met their initial burden under FPA section 206, the Commission still cannot put in place Complainants' requested replacement rates (the Complainants request that the Commission order PJM to return Complainants' Readiness Deposits[63] and "add a new provision to the PJM Tariff permitting such penalty free queue withdrawal"[64] based on language proposed in the Complaint[65]) because both forms of relief are unjust and unreasonable.

Return of the Complainants' Readiness Deposits would undermine the very cluster study process the Commission mandated across the industry.[66] Granting the Complainants' return of their Readiness Deposits would create preferential treatment when comparing the treatment of Complainants to all other similarly situated projects in TC1 subject to PJM's Readiness Deposit regime. Granting Complainants return of their Readiness Deposits would also set an unfortunate precedent that Project Developers that withdraw at the latest stage, after all prior penalty-free offramps have passed , may do so, and avoid repercussions. Moreover, by granting Complainants a refund of their Readiness

[63] Complaint at 14.

[64] Complaint at 14.

[65] Complaint at 29 (requesting the Commission add to PJM's Tariff a provision stating: "Notwithstanding the refund and Adverse Study Impact Calculation provisions elsewhere in Tariff, Part VII, Subpart D, Transmission Provider shall refund to Project Developer or Eligible Customer the cumulative Readiness Deposit amounts paid by Project Developer or Eligible Customer if the Project Developer's or Eligible Customer's Network Upgrade cost between any two consecutive Network Upgrade cost allocations: i. increases overall by 35 percent or more; and ii. increased by more than $25,000 per MW. Network Upgrade costs shall include costs identified in Affected System studies in their respective phases.").

[66] *See generally* Order Nos. 2023, 2023-A.

Deposits, the Commission would be shifting the costs of the underfunded Network Upgrades that result from Complainants' withdrawal to other viable projects in TC1 in an unduly discriminatory manner. The Commission should reject the requested return of Readiness Deposits given the adverse outcomes that would result.

Moreover, adopting the language provided by Complainants risks creating a never-ending cycle of project restudies and withdrawals from a Cycle because it removes the financial consequences necessary to maintain the process's integrity. Part of the reason the Commission encourages the cluster study process is that it minimizes the amount of moving targets in the interconnection process (i.e., constantly changing projects, with speculative projects withdrawing at any point).[67] Further, as discussed, the Commission's findings about withdrawal penalties for cluster studies emphasize that allowing unending exemptions from penalties for projects that withdraw from a cluster, especially at later stages after multiple studies have been performed, will undermine the integrity of the cluster study process altogether and exacerbate the existing process backlogs. Adoption of Complainants' proposed language would create that disruption.

Further, the proposed provision would be highly impractical, as it would require a re-run of all the final phase studies. The Final Agreement Negotiation Phase ended

[67] *See e.g.*, Order No. 2023 at P 49 ("Late-stage withdrawals present a significant problem, as they can trigger restudies for other interconnection customers that can result in significant increase to the interconnection costs attributed to those customers and the timeline of completion of interconnection studies, which can result in further late-stage withdrawals, thus exacerbating the interconnection queue backlogs and delays."); *id.* at P 177 ("We further expect that the cluster study process will minimize the risk of cascading restudies when an interconnection customer withdraws."); *id.* at P 691 ("By reducing the number of speculative interconnection requests submitted into the interconnection queue and the number of late-stage withdrawals of interconnection requests, we believe that the commercial readiness deposit requirements that we adopt herein will also enable commercially viable interconnection requests to progress more quickly through the interconnection process."); Order No. 2023-A at P 230 (continuing "to maintain that incorporating [withdrawal penalties] will decrease the risk that very large cost shifts due to withdrawals result in cascading withdrawals, which in turn create substantial uncertainty, cost, and inefficiency for the interconnection study process").

January 9, 2026, and on that date PJM provided GIAs to all projects remaining in the TC1 cycle. To apply Complainants' provision, PJM would have to revise or reissue GIAs, some of which may already have been executed. Further, the treatment Complainants demand would be wholly unfair to other Project Developers, who have submitted the required information, payments, and deposits in compliance with the applicable Tariff provisions.[68]

FPA section 206 requires the replacement rate that the Commission determines to replace the existing rate found to be unjust and unreasonable must be just and reasonable.[69] Complainants' replacement rate, i.e., refund of Readiness Deposits and adoption of their proposed Tariff language, does not meet the burden as it is not just and reasonable. For the foregoing reasons, the Commission should find Complainants' requested remedies, which would result in preferential treatment that is unjust, unreasonable, and unduly discriminatory, are not just and reasonable and must be rejected.

### *C. The Complainants' Requested Relief Would Violate the Filed Rate Doctrine*

Given that the Gaston Project and the Bethel Uprate were well beyond any opportunity for exemption from withdrawal penalties under PJM's Tariff-based interconnection process prior to the date of the Complaint,[70] Complainants' requested relief of refunded deposits would violate the filed rate doctrine and rule against retroactive

[68] *See Invenergy Solar Dev. N. Am. LLC v. Tri-State Generation & Transmission Ass'n, Inc.*, 174 FERC ¶ 61,184, at PP 56-57 (2021) (striking down an attempt by a non- RTO transmission provider to allow a later queued project to alter the interconnection cost responsibility of an earlier queued project).

[69] *See PJM Power Providers Grp. v. FERC*, 88 F.4th 250, 259 (3d Cir. 2023) ("Section 206 . . . provides that FERC may proactively initiate rate changes, either on its own motion or in response to a complaint, if the moving party demonstrates that the existing rate is unjust and unreasonable and the proposed alternative is just and reasonable.").

[70] The last penalty-free withdrawal exemption permitted under PJM's Tariff for these projects was up to 30 days after the close of the Phase II study, when the Adverse Impact Study Calculation provisions were triggered. PJM issued the Phase II study on December 18, 2024, meaning the projects last day to withdraw penalty-free was January 17, 2025, 30 days after that.

ratemaking. The filed rate doctrine "forbids a regulated entity to charge rates for its services other than those properly filed with the appropriate federal regulatory authority."[71] The Commission is prohibited from retroactively changing those rates.[72] Complainants seek return of the Readiness Deposits for their projects, but the final opportunity those projects had to withdraw without penalty was 30 days after the close of the Phase II study, i.e., January 21, 2025.[73] Under the Tariff, unless the withdrawal occurs at one of the specified penalty free offramps in the process, withdrawn projects are not eligible for return of their Readiness Deposits.[74] Given that Complainants' projects were withdrawn after any penalty-free exemption was available, the relief requested, if granted, would violate PJM's Tariff. Complainants do not allege that PJM violated its Tariff, i.e., violated its filed rate, and the filed rate doctrine, which ensures market stability, predictability, and preventing unlawful discrimination, limits the Commission from fashioning retroactive relief in the absence of such a violation.[75] "When it applies, the filed rate doctrine is 'a

[71] *Oxy USA v. FERC*, 64 F.3d 679, 699 (D.C. Cir. 1995) (quoting and citing, *Ark. La. Gas Co. v. Hall*, 453 U.S. 571, 577 (1981); *see also Am. Elec. Power Serv. Corp. v. Southwest Power Pool, Inc.,* 183 FERC ¶ 61,068, P 47 (2023) (highlighting "the filed rate doctrine states that 'utilities are forbidden to charge any rate other than one on file with the Commission'" (quoting *W. Deptford Energy LLC v. FERC*, 766 F.3d 10, 12 (D.C. Cir. 2014))), *order on reh'g*, 184 FERC ¶ 61,207 (2023).

[72] *Oxy USA*, 64 F.3d 679 at 699 ("[A]gencies may not alter rates retroactively. Together, these principles prevent unjust discrimination and . . . ensure predictability.") (citations omitted); *see also Okla. Gas & Elec. Co. v. FERC*, 11 F.4th 821, 824-25 (D.C. Cir. 2021) ("Once a tariff is filed, the Commission has no statutory authority to provide equitable exceptions or retroactive modifications to the tariff."); *Old Dominion Elec. Coop. v. FERC*, 892 F.3d 1223, 1230 (D.C. Cir. 2018) ("The filed rate doctrine and the rule against retroactive ratemaking leave the Commission no discretion to waive the operation of a filed rate or to retroactively change or adjust a rate for good cause or for any other equitable considerations." (citation omitted)).

[73] *See infra* at note 92 at 3 (chart of the Cycle Timeline showing actual end dates of Phases and Decision Points).

[74] *See supra* at section II.A.

[75] *See Okla. Gas & Elec. Co.*, 11 F.4th 821 at 832-33 ("The Commission may craft a variety of remedies under Section 309 of the Federal Power Act. The filed rate doctrine, however, limits that remedial authority. . . . The filed rate requirements are a formidable obstacle for entities regulated by FERC that wish to obtain retroactive relief from the terms of their tariff."); *Pub. Utils. Comm'n of Cal. v. FERC*, 988 F.2d 154, 168 n.12 (D.C. Cir. 1993) (explaining that if the Commission's actions "violated the filed rate doctrine

nearly impenetrable shield' and does not yield, 'no matter how compelling the equities.'"[76] Accordingly, Complainants' requested relief, return of their Readiness Deposits, is unavailable.

### *D. Complainants' Alternative Relief Also Violates the Filed Rate Doctrine, Provides No Just and Reasonable Replacement Rate, Does Not Involve PJM's Tariff Language Allegedly At Issue, Is Wholly Unfair to Similarly Situated Parties, and Would Be Disruptive to PJM's Interconnection Process*

Complainants alternatively request that the Commission order PJM to (1) reinstate the withdrawn Bethel Uprate in TC1 and (2) issue a separate GIA for the Bethel Uprate (Project Identifier AF2-080) from its base project, the Pitt Solar Project (Project Identifier AC1-189).[77] The Commission should readily reject this proposed "alternative" relief as violating the filed rate doctrine and not being a just and reasonable replacement rate because (1) it has nothing to do with the primary FPA section 206 argument the Complaint is based on, i.e., that PJM's withdrawal penalties are unjust and unreasonable;[78] (2) it provides special treatment to Complainants, while holding other parties to a different standard; and (3) it would be disruptive to other parties in the PJM interconnection process.

As with Complainants' request for return of their Readiness Deposits, Complainants' request that PJM reinstate the Bethel Uprate to TC1 violates the filed rate

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or the rule against retroactive ratemaking, we would not then invoke the Commission's assessment of the equities to overcome those violations").

[76] *Okla. Gas & Elec. Co.,* 11 F.4th 821 at 829-30 (quoting *Old Dominion*, 892 F.3d at 1230)); *see also id.* at 830 (describing how the FPA "prohibits changes, not just to a rate, but also to 'any such rate, charge, classification, or service, or in any rule, regulation, or contract relating thereto'" (quoting 16 U.S.C. § 824d(d))).

[77] Complaint at 2-3.

[78] While Complainants argue that PJM's treatment of the Pitt Solar Project is unjust and unreasonable, the Complaint does not state or demonstrate with specificity a separate claim of unjust and unreasonableness required by FPA section 206 for the Commission to consider the alternative relief. Complaint at 24-25.

doctrine.[79] Reinstating an interconnection request for any reason other than one provided in the Tariff contravenes the filed rate.[80] The Complaint never alleges that PJM violated its Tariff[81] by treating the Bethel Uprate as an "uprate" (as, in fact, Bethel requested)[82] Without such an allegation, the Commission is limited in fashioning remedies,[83] particularly with respect to restoring the Bethel Uprate to TC1 after Bethel unilaterally withdrew it.

Second, the Complaint's central argument under FPA section 206 is that PJM's Tariff is unjust and unreasonable because it fails to offer continual exemptions to PJM's Readiness Deposit regime[84] (an argument Complainants do not prove). Should the Commission consider this alternative relief (which it should not), the Commission must reject it expeditiously, finding that Complainants' requested alternative relief in no way relates to their primary argument. If the Commission first found PJM's Tariff unjust and unreasonable because it did not provide endless opportunities to withdraw from the interconnection process without forfeiting Readiness Deposits, a replacement rate that requires PJM to issue two separate GIAs for a base project and its uprate would in no way address the first finding. Complainants' requested alternative relief is a non sequitur the

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[79] *Supra* at notes 71-72.

[80] *See, e.g., Okla. Gas & Elec. Co.*, 11 F.4th 821 at 832-33 (highlighting that the filed rate doctrine limits available remedies).

[81] The Complainants claim that the Bethel Uprate cannot be deemed an uprate under an inapplicable definition from PJM's Tariff, but does not allege PJM violated its Tariff. Complaint at 25.

[82] *See* AF2-080 Phase I Study at General ("The developer has *proposed an uprate* to a planned/existing Solar facility . . . This project is an increase to the developer's AC1-189 project(s), which will share the same Point of Interconnection. The AF2-080 project is a 70.0 MW uprate (48.5 MW Capacity uprate) to the previous project(s)." (emphasis added)); ; *see also* Generation Interconnection Feasibility Study Report for Queue Project AF2-080, at 5 (July 2020), https://www.pjm.com/pjmfiles/pub/planning/project-queues/feas_docs/af2080_fea.pdf ("The Interconnection Customer (IC) has *proposed an uprate* to a planned/existing Solar generating facility located in Pitt, North Carolina.") (emphasis added).

[83] *Supra* at note 72.

[84] Complaint at 2, 5-6, 11-13, and 14-17.

Commission must reject as invalid. Moreover, no evidence suggests that splitting the GIAs would reduce the cost allocations for Project Identifier AF2-080 that Complainants would still bear, so Complainants ask for relief that leaves them facing the same costs. This undermines their central argument that they were practically forced to withdraw because of the increased cost allocation.[85]

Third, the Commission should reject the alternative relief requested because it seeks unwarranted special treatment. The relevant Tariff provisions identify an uprate as a "project [that] relies on the Interconnection Facilities of a prior project."[86] PJM's policy is that projects that are behind a single POI are reflected in the interconnection process as a single generating facility. The Bethel Uprate and the Pitt Solar Project share a POI, as Complainants concede.[87] For PJM to deviate from its policy and treat these projects uniquely without compelling reasons warranting such treatment would undermine application of its policy to other parties and risk being unduly discriminatory. Complainants' commercial transactions subsequent to its initial New Service Requests for the projects[88] do not create a compelling reason for providing the projects special treatment.

Fourth, the Commission should reject the alternative relief because in addition to violating the filed rate doctrine as described, and contrary to Complainants claims,[89] restoration of the Bethel Uprate's service request and issuance of its own GIA will

[85] *See* Complaint at 6 ("Retool 1 study is outside the scope of the Adverse Study Impact Calculation, which therefore will not protect Gaston and Bethel against wrongful withdrawal penalties despite their being forced to withdraw from the queue due to Network Upgrade cost increases.").

[86] Tariff, Part VII, Subpart B, section 304(B) ("If a project is an uprate (project relies on the Interconnection Facilities of a prior project) whose base project does not qualify for the expedited process, the uprate also will not qualify for the expedited process, regardless of analysis results[.]").

[87] Complaint at 20.

[88] Complaint at 21.

[89] Complaint at 26.

adversely impact other Project Developers.[90] The relief Bethel seeks is antithetical to PJM's TC1 process because it singles out one project (AF2-080) for special treatment and ignores the clustered nature of PJM's new Cycle process. New Service Requests are studied in clusters and thus, reinserting Bethel into TC1 would require performing new, additional restudies and impact other projects.[91] Further, at this stage, PJM has already issued its retool studies as well as GIAs and the GIAs were required to be executed by January 9, 2026.[92] Accordingly, any adjustments to other GIAs would require agreements to amend and the consent of all parties involved.[93]

Finally, PJM received information from Complainants about the Bethel Uprate that is incongruent with Complainants' request for alternative relief. Complainants claim they only "became aware in late 2025"[94] that PJM would only allow one GIA for the two projects, but PJM studied the project as an uprate because Complainants initially represented it as such to PJM. Since the beginning of the Bethel Uprate's progress through PJM's interconnection process, the Bethel Uprate has been intertwined with and labeled as an "uprate" to the Pitt Solar Project in every single study PJM has completed for the project.[95] In the July 2020 Feasibility Study Report, PJM states that "Queue Project AF2-

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[90] *See* Initial Comments of PJM Interconnection, L.L.C., Docket No. RM22-14-000, at 5 (Oct.13, 2022) (noting that allowing project modifications at any time causes queue delays).

[91] Tariff, Part VII, Subpart D, section 314(B)(1)(a).

[92] *See Cycle Schedule Update*, Interconnection Process Subcommittee PJM Interconnection, L.L.C. at 4, https://www.pjm.com/-/media/DotCom/committees-groups/subcommittees/ips/2025/20251218/20251218-item-03---cycle-schedule-update.pdf ("Project Developers to execute GIAs by 1/9/2026.").

[93] Tariff, Part IX, Subpart B, section 16.0.

[94] Complaint at 22.

[95] *Generation Interconnection Feasibility Study Report for Queue Project AF2-080*, PJM Interconnection, L.L.C., § 3 (July 2020), https://www.pjm.com/pjmfiles/pub/planning/project-queues/feas_docs/af2080_fea.pdf ("The Interconnection Customer (IC) has *proposed an uprate* to a planned/existing Solar generating facility located in Pitt, North Carolina." (emphasis added)); *id.* sections 3, 4, 11; *Generation Interconnection System Impact Study Report for Queue Position AF2-080*, PJM Interconnection, L.L.C., § 3 (Feb. 2021), https://www.pjm.com/pjmfiles/pub/planning/project-

080 was evaluated as a 70.0 MW (Capacity 48.5 MW) ***uprate*** to AC1-189."[96] Again, in February 2021, the Generation Interconnection System Impact Study declared that Bethel, as Interconnection Customer, "has proposed an uprate to a planned Solar generating facility located in Pitt, North Carolina . . . an increase to the Interconnection Customer's AC1-189 project, which will share the same POI. The [Bethel Uprate] is a 70 MW uprate (48.5 MW Capacity uprate) to the previous project."[97] Subsequent studies during TC1 Phases I, II, and III similarly identified that Bethel proposed the Bethel Uprate (Project Identifier AF2-080) as an uprate to the Pitt Solar Project.[98]

PJM's Tariff Part VII, which governs these interconnection requests, defines a "Base Project" as a "Generating Facility . . . with an executed and effective Generation Interconnection Agreement . . . that has demonstrated commercial operation" or "a project with a valid Generation Interconnection Request that has been submitted and is subject to an interconnection study in a Cycle prior to Transition Cycle #2."[99] Contrary to

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queues/impact_studies/af2080_imp.pdf; AF2-080 Phase I Study, General & Point of Interconnection sections; AF2-080 Phase II Study, General & Point of Interconnection sections; AF2-080 Phase III Study, General & Point of Interconnection sections; AF2-080 Final Phase Retool Study, General & Point of Interconnection sections.

[96] *Generation Interconnection Feasibility Study Report for Queue Project AF2-080*, PJM Interconnection, L.L.C., § 11 (July 2020), https://www.pjm.com/pjmfiles/pub/planning/project-queues/feas_docs/af2080_fea.pdf (emphasis added).

[97] *Generation Interconnection System Impact Study Report for Queue Position AF2-080*, PJM Interconnection, L.L.C., § Section 3 (Feb. 2021), https://www.pjm.com/pjmfiles/pub/planning/project-queues/impact_studies/af2080_imp.pdf

[98] *See* AF2-080 Phase I Study at General ("The developer has proposed an uprate to a planned/existing Solar facility located in the Virginia Electric and Power Company zone — Pitt County, North Carolina. This project is an increase to the developer's AC1-189 project(s), which will share the same Point of Interconnection. The AF2-080 project is a 70.0 MW uprate (48.5 MW Capacity uprate) to the previous project(s). The total installed facilities will have a capability of 150.0 MW with 101.9 MW of this output being recognized by PJM as Capacity."); *id.* at Point of Interconnection ("AF2-080 will interconnect with the Dominion on transmission system as an uprate to AC1-189 which is tapping the Chinquapin to Everetts 230 kV line."); AF2-080 Phase II Study at General, Point of Interconnection; AF2-080 Phase III Study at General, Point of Interconnection.

[99] Tariff, Part VII, Subpart A, section 300, definitions B.

Complainants' claim that the Bethel Uprate cannot be an "uprate" because the base project, i.e., the Pitt Solar Project, is not yet in commercial operation,[100] a base project does not need to be in commercial operation for TC1. The Pitt Solar Project is a base project under the Tariff because it is "a project with a valid Generation Interconnection Request that has been submitted and is subject to an interconnection study in a Cycle prior to Transition Cycle #2."[101]

When submitting a New Service Request Application, the Project Developer must include "information about the Generating Facility project, including whether it is (1) a proposed new Generating Facility; (2) an increase in capability of a Generating Facility that already has a GIA, or (3) the replacement of an existing Generating Facility."[102] Since the start of the cycle, Bethel indicated that the Bethel Uprate was an uprate.[103] Accordingly, PJM analyzed and treated the Bethel Uprate as an uprate throughout TC1. The Commission should reject the alternative relief requested given the inconsistent claims and lack of support for Complainants' claims.

## IV. THE COMPLAINT LACKS MERIT AND SHOULD BE DENIED, HOWEVER, PJM SUPPORTS THE REQUEST FOR EXPEDITED ACTION ON THE COMPLAINT.

The Complaint lacks merit and should be rejected. However, PJM supports the Complainants' request for expedited action on the Complaint and asks the Commission to

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[100] Complaint at 25.

[101] Tariff, Part VII, Subpart A, section 300, definitions B.

[102] Tariff, Part VII, Subpart C, section 306(A)(1)(c).

[103] *See* AF2-080 Phase I Study at General ("The developer has *proposed an uprate* to a planned/existing Solar facility . . . This project is an increase to the developer's AC1-189 project(s), which will share the same Point of Interconnection. The AF2-080 project is a 70.0 MW uprate (48.5 MW Capacity uprate) to the previous project(s)." (emphasis added)); ; *see also* Generation Interconnection Feasibility Study Report for Queue Project AF2-080, at 5 (July 2020), https://www.pjm.com/pjmfiles/pub/planning/project-queues/feas_docs/af2080_fea.pdf ("The Interconnection Customer (IC) has *proposed an uprate* to a planned/existing Solar generating facility located in Pitt, North Carolina.") (emphasis added).

promptly issue an order denying the Complaint. As previously explained, the relief Gaston and Bethel seek would be extremely disruptive to and likely would cause further delays in PJM's interconnection process. The Commission should consider these disruptive effects on the interconnection process, which weigh heavily against the Complaint.

PJM recognizes that parties have a right to file complaints and waiver requests and that there always will be some inherent lag in the regulatory process. Complainants address the lag by asking for fast track processing.[104] Although PJM disagrees with Complainants on the merits of their Complaint and the relief Complainants seek, PJM supports the need for timely action by the Commission and urges the Commission to consider the effect of the regulatory process lag associated with the Complaint on TC1.[105]

## V. ADMISSIONS AND DENIALS PURSUANT TO 18 C.F.R. § 385.213(C)(2)(I)

Pursuant to Rule 213(c)(2)(i) of the Commission's Rules of Practice and Procedure,[106] PJM admits or denies the alleged material facts stated in the Complaint as follows: to the extent that any allegation set forth in the Complaint is not specifically admitted in this answer, it is denied.

## VI. AFFIRMATIVE DEFENSES PURSUANT TO 18 C.F.R. § 385.213(C)(2)(II)

PJM's affirmative defenses are set forth above in this answer, and include the following, subject to amendment and supplementation.

1. Complainants do not satisfy their burden of proof under section 206 of the FPA, 16 U.S.C. § 824e, and have not demonstrated that PJM violated any

[104] Complaint at 28.

[105] TC1 projects received the final execution versions of their service agreements on December 17, 2025. In accordance with the Tariff, Project Developers had until January 9, 2026, to sign those service agreements and the Transmission Owners have until February 2, 2026, to do so. At present, several TC1 service agreements have already been fully executed, and some have already been filed with the Commission.

[106] 18 C.F.R. § 385.213(c)(2)(i).

Commission order, Tariff, or any other Commission-jurisdictional governing document, or that PJM administered its Tariff in an unjust, unreasonable, or unduly discriminatory manner in its processing of the Project Identifiers AG1-106 and AF2-030/AC1-189 Interconnection Requests.

2. If the Commission were to reach the question of remedies in this proceeding, it cannot grant Complainants' requested relief. The requested remedies would be unjust, unreasonable, unduly discriminatory, and preferential.

3. If the Commission were to consider the alternative remedy proposed by Complainants, the Commission also cannot grant it. The alternative relief requested also would be unjust, unreasonable, unduly discriminatory, and preferential.

## VII. CONCLUSION

For the reasons set forth in this answer, the Commission should deny the Complaint.

Respectfully submitted,

*/s/ Wendy B. Warren*

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January 28, 2026

## 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 28 day of January 2026.

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