

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

**Murphy Solar, LLC
Bells Solar, LLC**

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Docket No. ER26-1020-000

**PROTEST OF PJM INTERCONNECTION, L.L.C.
AND REQUEST FOR EXPEDITED DENIAL OF WAIVER REQUEST**

Pursuant to Rule 211 of the Federal Energy Regulatory Commission’s (“Commission” or “FERC”) Rules of Practice and Procedure,¹ PJM Interconnection, L.L.C. (“PJM”) hereby protests (“Protest”) the January 9, 2026 request for waiver by SunEnergy1, LLC (“SunEnergy1”) and SE1 Devco, LLC (“SE1 Devco,” and with SunEnergy1, the “SE1 Parties”) on behalf of their affiliates Murphy Solar, LLC (“Murphy”) and Bells Solar, LLC (“Bells”).² As demonstrated herein, the Waiver Request does not satisfy the Commission’s standards for waiver, as it would cause harm to third parties, is not of limited scope, and does not resolve a concrete problem. Granting the Waiver Request would disrupt PJM’s administration of its interconnection process and cause harm to other Project Developers³ in Transition Cycle No. 1 (“TC1”). The Commission therefore should deny the Waiver Request.

I. BACKGROUND

Murphy and Bells are two separate 126 megawatt solar facilities that were being developed by SE1 Devco in Hertford, North Carolina, that would have interconnected to

¹ 18 C.F.R. § 385.211.

² *Murphy Solar, LLC, et al.*, Request for Limited and Prospective Tariff Waiver of Murphy Solar, LLC and Bells Solar, LLC, Docket No. ER26-1020-000 (Jan. 9, 2026) (“Waiver Request”).

³ Capitalized terms not otherwise defined herein have the meanings set forth in the PJM Open Access Transmission Tariff (“Tariff”).

the Dominion Energy, Inc. transmission system.⁴ Murphy entered PJM’s interconnection queue on December 19, 2020, and was designated as Project Identifier No. AF2-046. Bells entered PJM’s interconnection queue on May 1, 2020, and was designated Project Identifier No. AG1-008. They were both included in TC1.⁵ SE1 Parties explain that Murphy and Bells have provided \$44,075,578.00 in commercial Readiness Deposits, including Readiness Deposit No. 1 (at the time of queue entry), Readiness Deposit No. 2 (Decision Point 1 – June 11, 2024), and Readiness Deposit No. 3 (Decision Point 2 – February 12, 2025).⁶ Murphy’s and Bells’ Readiness Deposits have been fully at-risk since January 21, 2025 when the deficiency review for Decision Point 2 concluded.⁷ Both projects were withdrawn by SunEnergy1 on November 3, 2025.

SE1 Parties seek waiver of Tariff Part VII, Subpart A, section 301(A)(3)(b)(iii) to allow PJM to refund the Readiness Deposits submitted by Murphy and Bells. SE1 Parties argue that waiver is necessary in this instance because the basis for the deposits and associated forfeiture has “crumbled” due to recent legislative and executive changes. Specifically, SE1 Parties state that both PJM through its Interconnection Process Reform Task Force (“IPRTF”)⁸ and the Commission through Order Nos. 2023 and 2023-A⁹ have implemented increasing Readiness Deposits and withdrawal penalties intended to address

⁴ Waiver Request at 4.

⁵ Waiver Request at 4.

⁶ Waiver Request at 5.

⁷ Waiver Request at 5.

⁸ *PJM Interconnection, L.L.C.*, 181 FERC ¶ 61,162 (2022), *order on reh’g*, 184 FERC ¶ 61,006 (2023), *aff’d sub nom. Hecate Energy LLC v. FERC*, 126 F.4th 660 (D.C. Cir. 2025).

⁹ *Improvements to Generator Interconnection Procedures and Agreements*, Order No. 2023, 184 FERC ¶ 61,054, *limited order on reh’g*, 185 FERC ¶ 61,063 (2023), *order on reh’g & clarification*, Order No. 2023-A, 186 FERC ¶ 61,199 (2024), *errata notice*, 188 FERC ¶ 61,134 (2024), *appeals pending sub nom.* Petition for Review, *Advanced Energy United v. FERC*, Nos. 23-1282, et al. (D.C. Cir. Oct. 6, 2023).

queue backlogs and discourage speculative Interconnection Requests.¹⁰ SE1 Parties argue that both PJM and the Commission pointed to increasing numbers of renewable and storage projects entering the interconnection queues, largely driven by state and federal policies, including tax credits, as some of the main reasons for queue backlogs.¹¹ However, now that various legislative and executive actions have “drastically” limited the applicability of tax credits or otherwise “upset the settled expectations” of these projects,¹² SE1 Parties argue that the foundation of the Readiness Deposits and penalties is eroded and that it would be “unjust and unreasonable” to apply them to Murphy and Bells.¹³ SE1 Parties assert that this Waiver Request satisfies the Commission’s waiver criteria.

II. PROTEST OF WAIVER REQUEST

In determining whether to grant or deny a waiver request, the Commission looks at four factors: whether “(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.”¹⁴ The Commission does not need to find that a waiver request fails to meet all of these criteria—failing only one of these criteria is enough to warrant denial of a waiver request.¹⁵ As discussed further below, the Waiver Request falls short under three of the Commission’s four waiver criteria.

¹⁰ Waiver Request at 1-2.

¹¹ Waiver Request at 2.

¹² Waiver Request at 2-3.

¹³ Waiver Request at 3-4, 9-10, 11-12.

¹⁴ *Midcontinent Indep. Sys. Operator, Inc.*, 156 FERC ¶ 61,229, at P 15 (2016) (“MISO”) (stating the same four factors); *MDU Res. Grp., Inc.*, 155 FERC ¶ 61,081, at P 11 (2016) (“MDU”) (same). With respect to the third prong—whether the waiver request addresses a concrete problem—the Commission has made it clear that its consideration is whether the waiver addresses a concrete problem that must be remedied. See *NRG Curtailment Sols., Inc.*, 160 FERC ¶ 61,006, at P 16 (2017); *MISO* at P 16; *MDU* at P 18.

¹⁵ See *Middletown Energy Storage LLC*, 182 FERC ¶ 61,092, at P 35 (2023); see also *Cleco Cajun LLC*, 183 FERC ¶ 61,211, at P 35 (2023) (stating that having found that the waiver request would result in undesirable consequences made it unnecessary to respond to the applicant’s claims regarding the other three waiver

A. Recent Legislative and Executive Actions Do Not Affect Applicability of FERC-Approved Tariff and Regulations

As a threshold matter, SE1 Parties' generalized arguments that the basis for withdrawal penalty requirements in PJM's Tariff and Order Nos. 2023 and 2023-A is no longer valid due to recent executive and legislative actions are baseless and irrelevant to the Commission's analysis of their Waiver Request. Unless and until revised by the Commission, PJM's Tariff¹⁶ and Order Nos. 2023 and 2023-A are the filed rate which must be applied, no matter what the equities may be.¹⁷ Entities may seek waiver from the Commission of specifically identified tariff provisions, but such a request must satisfy the four-prong waiver test. The SE1 Parties' Waiver Request does not meet those requirements, as it is not limited in scope, would harm third parties, and does not address a concrete problem.

B. The Waiver Request Is Not Limited in Scope

This Waiver Request is not limited in scope because, despite SE1 Parties' assertions to the contrary, it will in fact affect other Project Developers and the overall administration of PJM's interconnection queue. While the specific request to waive Tariff, Part VII, Subpart A, section 301(A)(3)(b)(iii) is in and of itself narrow, the effects are not limited. As discussed below, if the Commission grants this Waiver Request and directs PJM to refund the Murphy and Bells Readiness Deposits, these funds will not go towards

request criteria); *CPV Shore, LLC*, 168 FERC ¶ 61,048, at P 22 (2019) (stating "[t]he Commission uses the satisfaction of all four criteria as a guide to when it may be appropriate to grant waiver" and that if it "identifies a criterion that by itself makes waiver inappropriate, it need not continue to analyze other criteria before it denies waiver").

¹⁶ The Commission accepted PJM's proposal regarding withdrawal penalties, and affirmed it on rehearing. It is now part of PJM's effective Tariff and must be applied. *PJM Interconnection, L.L.C.*, 192 FERC ¶ 61,077 at PP 191-193 (2025), *order on reh'g*, 194 FERC ¶ 61,053 at P 23 (2026).

¹⁷ *Okla. Gas & Elec. Co. v. FERC*, 11 F.4th 821, 829-30 (D.C. Cir. 2021) ("When it applies, the filed rate doctrine is 'a nearly impenetrable shield' and does not yield, 'no matter how compelling the equities'" (citing *Old Dominion Elec. Coop. v. FERC*, 892 F.3d 1223, 1230 (D.C. Cir. 2018))).

underfunded Network Upgrades *caused by* the withdrawal of Murphy and Bells from the interconnection queue. Instead, other Project Developers will be forced to pay for those Network Upgrades and disrupt the orderly administration of PJM's interconnection queue.

Further, if the basis for this Waiver Request is the change in government actions as SE1 Parties argue, and this rendered application of the Readiness Deposits/withdrawal penalties unjust and unreasonable, then it appears that any Project Developer could seek a refund of their Readiness Deposit. There does not appear to be any limiting principle that is unique to the circumstances articulated by SE1 Parties to prevent any other Project Developer from arguing that Readiness Deposits/withdrawal penalties are unjust and unreasonable. In fact, granting this waiver would undermine the entire premise of the Readiness Deposit and would call into question why PJM should even collect it at all. This would also collapse the "first ready, first served" construct upon which PJM's IPRTF and Order No. 2023 are based. In short, the Waiver Request is not limited in scope.

C. The Waiver Request Will Harm Third Parties

Contrary to SE1 Parties' arguments, this Waiver Request will harm third parties. As discussed above, SE1 Parties request the return of the \$44,075,578.00 they have submitted to PJM in Readiness Deposits for their Murphy and Bells projects.¹⁸ To effectuate this, they seek waiver of Tariff, Part VII, Subpart A, section 301(A)(3)(b)(iii), which requires that Readiness Deposits be applied to any underfunded Network Upgrades for that Cycle.¹⁹ If the Commission were to grant the Waiver Request and direct PJM to refund the Readiness Deposits to SE1 Parties, this would directly harm the Project

¹⁸ Waiver Request at 1, 5.

¹⁹ Waiver Request at 7-8.

Developers that remain in TC1 because they would be required to pay for the Network Upgrade costs that otherwise would have been borne by Murphy and Bells.

The process for distributing any remaining Readiness Deposits only begins after “all Cycle New Service Requests have either entered into final agreements and the Decision Point III Site Control requirements have been met, or have been withdrawn.”²⁰ New Service Requests that have reached this stage are sufficiently far along in the interconnection process such that failing to provide funding for underfunded Network Upgrades would be disruptive and cause financial harm. Additionally, and importantly, there is a causal relationship between forfeiture of the Readiness Deposits and cost-shifting: the Readiness Deposits need to be retained because the withdrawal of a Project *causes* the underfunding of Network Upgrades.²¹ But for the withdrawal of a Project, the other Projects in the same cycle would not have costs shifted onto them.²² This was also affirmed by the Commission in its order addressing arguments raised on rehearing in response to PJM’s compliance filing for Order No. 2023. Specifically, the Commission stated, “a withdrawal that leaves network upgrades underfunded can reasonably be considered a withdrawal that has a material impact, specifically a cost impact, for equal or

²⁰ Tariff, Part VII, Subpart A, section 301(A)(iii)(b).

²¹ “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. . . . **Underfunded Network Upgrades** will be identified, and forfeited Readiness Deposits will be used to help fund these upgrades.” Interconnection Projects Department, *PJM Manual 14H: New Service Requests Cycle Process*, PJM Interconnection, L.L.C., section 6.2.3 (Rev. 03, Sep. 25, 2025), <https://www.pjm.com/-/media/DotCom/documents/manuals/m14h.ashx>.

²² See *PJM Interconnection*, 192 FERC ¶ 61,077, at P 192 (“PJM’s approach ensures that withdrawal penalties are only imposed when an interconnection customer’s withdrawal results in the underfunding of network upgrades and cost shifts to other interconnection customers. Further, PJM’s approach ensures that the amount of the withdrawal penalties, i.e., forfeited readiness deposits, is based on a pro-rata share of the funds missing for the network upgrades due to the interconnection customer’s withdrawal.”).

lower queued interconnection requests.”²³ Contrary to SE1 Parties’ assertions, the remaining Project Developers in TC1 are not being enriched by the forfeiture of Readiness Deposits; rather, they are being protected, consistent with PJM’s existing Tariff procedures.²⁴

More broadly, granting waiver for the reasons argued by SE1 Parties would have the undesirable consequence of undermining PJM’s entire interconnection process. As discussed in the next section, the Commission has recently found that unforeseen government actions leading to an interconnection customer withdrawing from the interconnection queue, thus losing security, is not a concrete problem warranting waiver. If it were permissible for interconnection customers to receive a full refund of their Readiness Deposits every time they alleged unforeseen government actions led them to withdraw from the interconnection queue, this would cause tremendous damage to the orderly administration of interconnection queue and undermine the confidence that interconnection customers need to have in its predictable functioning. SE1 Parties have not presented any evidence that they are uniquely harmed by these government actions and have not satisfied the Commission’s four-prong waiver test.

D. The Waiver Request Will Not Address a Concrete Problem

Finally, there is no concrete problem because the Commission has consistently found that the loss of security or other financial securities posted in the interconnection process is not a concrete problem that warrants waiver.²⁵ Last year, in fact, the

²³ *PJM Interconnection*, 194 FERC ¶ 61,053 at P 23.

²⁴ Waiver Request at 12.

²⁵ See, e.g., *Edwards Calverton Battery Storage, LLC*, 186 FERC ¶ 61,090, at P 19 (2024) (“Edwards Calverton has not supported its general assertion that rendering the deposit non-refundable will put the Project in jeopardy.” (footnote omitted)); *1000 Mile Solar, LLC*, 181 FERC ¶ 61,108, at P 22 (2022) (denying waiver on the basis that waiver applicant did not demonstrate that its potential to lose its posted financial

Commission denied waiver for a project developer on this basis in response to arguments nearly identical to those posed here. In that proceeding, California North Floating, LLC (“CNF”) requested waiver of the California Independent System Operator Corporation (“CAISO”) tariff to permit CAISO to return the financial security it posted related to an offshore wind project it was developing.²⁶ CNF argued that it withdrew from CAISO’s interconnection queue because recent executive actions created permitting delays, thereby preventing it from meeting certain milestones under CAISO’s tariff. The Commission denied this waiver request, stating that CNF “has not demonstrated that an interconnection customer having to be subject to the Tariff’s financial security forfeiture requirements as a result of unforeseen government actions affecting its ability to obtain permitting, is a concrete problem that warrants granting waiver of financial security forfeiture requirements.”²⁷ The same legal reasoning applies here: SE1 Parties have not demonstrated that being subject to PJM’s Readiness Deposit forfeiture requirements due to “unforeseeable legislative and executive actions”²⁸ affecting their ability to obtain tax credits is a concrete problem that warrants granting waiver of financial security forfeiture requirements.

security payment was a concrete problem); *Invenenergy Wind Dev. LLC, et al.*, 177 FERC ¶ 61,131, at P 31 (2021) (same), *order on reh’g*, 178 FERC ¶ 61,169 (2022).

²⁶ *Cal. N. Floating LLC*, 193 FERC ¶ 61,063 (2025).

²⁷ *Id.* at P 13.

²⁸ Waiver Request at 14.

III. CONCLUSION

For the reasons set forth above, PJM requests that the Commission reject the Waiver Request to avoid the adverse effects it would have on Project Developers in TC1 and to preserve the orderly administration of PJM's interconnection queue.

Respectfully submitted,

/s/ Wendy B. Warren

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January 30, 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 30th day of January 2026.

/s/ Anne Marie Hirschberger

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