

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

PJM Interconnection, L.L.C.)	Docket No. ER26-751-000
)	
Virginia Electric and Power Company)	Docket No. ER26-744-000
)	
)	(NOT CONSOLIDATED)

**MOTION FOR LEAVE TO ANSWER AND ANSWER
TO PROTESTS AND COMMENTS OF
PJM INTERCONNECTION, L.L.C.**

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PJM Interconnection, L.L.C. (“PJM”) respectfully submits this Motion for Leave to Answer and Answer¹ in response to: (i) protests and comments² submitted in response

¹ PJM submits this filing pursuant to Rules 212 and 213 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“FERC” or the “Commission”). 18 C.F.R. §§ 385.212 and 385.213.

² The following entities timely filed Comments, Protests, or Limited Protests: Advanced Energy United (“AEU”); American Council on Renewable Energy (“ACORE”); Clean Energy Buyers Association (“CEBA”); Data Center Coalition (“DCC”); Electricity Transmission Competition Coalition (“ETCC”); Illinois Citizens Utility Board (“ICUB”); Illinois Commerce Commission (“ICC”); Old Dominion Electric Cooperative (“ODEC”); PJM Area Relevant State Entities Committee (“PARSEC”); Public Interest Organizations (“PIOs”) (comprised of Appalachian Voices, Sierra Club, and Natural Resources Defense Council); the Institute for Policy Integrity at New York University School of Law (“Policy Integrity”); Americans for a Clean Energy Grid (“ACEG”); Electricity Customer Alliance (“ECA”)). Several U.S. Members of Congress within the PJM Region sent a letter to PJM’s Chief Executive Officer before the due date of PJM’s compliance filing (“Letter”), encouraging PJM to comply with the requirements of Order No. 1920. The Letter was also sent to the Commission and uploaded to PJM’s Order No. 1920 compliance docket. PJM believes that its December 12, 2025 filing complies with both the requirements of Order No. 1920 and the principles set forth in the Letter. That said, since the Letter does not address the specifics of PJM’s compliance filing, PJM does not further address the statements in the Letter in this answer.

PJM’s Answer actively responds to the following protests and comments filed in Docket No. ER26-751-000: *PJM Interconnection, L.L.C., et al.*, Motion to Intervene and Protest of the Electricity Transmission Competition Coalition, Docket Nos. ER26-751-000, et al. (Jan. 21, 2026) (“ETCC Protest”), *PJM Interconnection, L.L.C., et al.*, Limited Protest of Public Interest Organizations, Docket Nos. ER26-751-000, et al. (Jan. 21, 2026) (“PIOs Limited Protest”), *PJM Interconnection, L.L.C., et al.*, Comments of Old Dominion Electric Cooperative, Dockets Nos. ER26-751-000, et al. (Jan. 21, 2026) (“ODEC Comments”), *PJM Interconnection, L.L.C., et al.*, Comments of Advanced Energy United, Dockets Nos. ER26-751-000, et al. (Jan. 21, 2026) (“AEU Comments”), *PJM Interconnection, L.L.C.*, Comments of the Electricity Customer Alliance, Docket No. ER26-751-000 (Jan. 21, 2026) (“ECA Comments”), *PJM Interconnection, L.L.C.*, Comments of Americans for a Clean Energy Grid, Docket No. ER26-751-000 (Jan. 21, 2026) (“ACEG Comments”), *PJM Interconnection, L.L.C.*, Comments of the Illinois Citizens Utility Board, Docket No. ER26-751-000 (Jan. 21, 2026) (“ICUB Comments, Docket No. ER26-751”), *PJM Interconnection, L.L.C.*, Comments of the Institute for Policy Integrity at New York University School of Law on PJM Interconnection Compliance Filing for Order Nos. 1920, 1920-A, and 1920-B, Docket No. ER26-751-000

to PJM’s Order Nos. 1920, 1920-A, and 1920-B³ Compliance Filing,⁴ in which PJM proposed a Long-Term Regional Transmission Planning Protocol (“LTRTP Protocol”) process in compliance with the requirements of the Final Rule; and (ii) protests and comments submitted in response⁵ to the PJM Transmission Owners’ Order No. 1920 compliance filing, addressing the Transmission Owners’ specific compliance obligations related to local planning.⁶

As demonstrated in this Answer and PJM’s and the PJM Transmission Owners’ December 2025 Compliance Filings, PJM’s proposed new LTRTP Protocol process and proposed revisions to the Regional Transmission Expansion Planning Protocol (“RTEP Protocol”), as well as the PJM Transmission Owners’ proposed revisions regarding transparency and “right-sizing,” are compliant with the requirements of the Final Rule.

(Jan. 21, 2026) (“Policy Integrity Comments”), and *PJM Interconnection, L.L.C.*, Comments of the Illinois Commerce Commission, Docket No. ER26-751-000 (Jan. 21, 2026) (“ICC Comments”).

³ *Building for the Future Through Elec. Reg’l Transmission Planning and Cost Allocation*, Order No. 1920, 187 FERC ¶ 61,068, *order on reh’g and clarification*, Order No. 1920-A, 189 FERC ¶ 61,126 (2024), *order on reh’g and clarification*, Order No. 1920-B, 191 FERC ¶ 61,026 (2025), *appeals pending sub nom. Petition for Review, Appalachian Voices v. FERC*, Nos. 24-1650, et al. (4th Cir. July 16, 2024). For purposes of this compliance filing, PJM refers to Order No. 1920, as modified by Order Nos. 1920-A and 1920-B, as “Order No. 1920” or the “Final Rule.”

⁴ *PJM Interconnection, L.L.C.*, Order Nos. 1920, 1920-A, and 1920-B Compliance Filing of PJM Interconnection, L.L.C. and Request for Extension of Comment Period, Docket No. ER26-751-000 (Dec. 12, 2025) (“PJM’s December 2025 Compliance Filing”). References in this answer to “proposed Operating Agreement” refer to the Amended and Restated Operating Agreement (“Operating Agreement”) revisions proposed in the PJM’s December 2025 Compliance Filing.

⁵ PJM’s Answer actively responds to the following protests and comments filed in Docket No. ER26-751-000: ETCC Protest; PIOs Limited Protest; ODEC Comments; AEU Comments; ECA Comments; ACEG Comments; ICUB Comments, Docket No. ER76-751; Policy Integrity Comments; and ICC Comments.

⁶ *Va. Elec. and Power Co.*, Proposed Tariff Amendments in Response to Order No. 1920 LTRTP Requirements, Docket No. ER26-744-000 (Dec. 12, 2025) (“PJM Transmission Owners’ December 2025 Compliance Filing”). References in this answer to “proposed Tariff, Attachment M-3” and “proposed Tariff, Attachment M-5” refer to PJM Open Access Transmission Tariff (“Tariff”) amendments proposed in the PJM Transmission Owners’ December 2025 Compliance Filing.

I. INTRODUCTION AND OVERVIEW OF ANSWER

In PJM’s December 2025 Compliance Filing, PJM submitted proposed revisions to PJM’s Operating Agreement to: (i) establish a new LTRTP Protocol⁷ and (ii) revise PJM’s existing regional planning process, set forth in the RTEP Protocol, to address other requirements of the Final Rule. In the PJM Transmission Owners’ December 2025 Compliance Filing, the PJM Transmission Owners filed proposed changes to Tariff, Attachment M-3, and proposed a new Tariff, Attachment M-5.

The framework of PJM’s proposed LTRTP Protocol process received broad support from stakeholders, including from entities that filed limited protests or comments.⁸ Additionally and importantly, the PJM Area Relevant State Entities Committee (“PARESC”)⁹ also offered broad support for PJM’s proposal, “acknowledging that the

⁷ See proposed Operating Agreement, Schedule 6-C. All capitalized terms that are not otherwise defined herein have the meaning as set forth in the Final Rule, PJM’s December 2025 Compliance Filing, the Operating Agreement, the Tariff, or the Reliability Assurance Agreement among Load Serving Entities in the PJM Region.

⁸ PIOs Limited Protest at 2 (indicating support for PJM’s consideration of enumerated benefits); ODEC Comments at 1-3 (indicating general support subject to outcome of compliance filings); AEU at 1 (indicating overall support with qualifications); ECA Comments at 1 (indicating support “as an essential step toward the holistic planning required to meet the nation’s economic and security imperatives and address growing affordability challenges.”); ACEG Comments at 4 (indicating overall support with suggested improvements); *PJM Interconnection, L.L.C.*, Comments of the PJM Area Relevant State Entities Committee, Docket No. ER26-751-000, at 1-2 (Jan. 21, 2026) (“PARSEC Comments”) (indicating support); *PJM Interconnection, L.L.C.*, ACORE Comments, Docket No. ER26-751-000, at 1-2 (Jan. 21, 2026) (“ACORE Comments”) (indicating strong support and urging Commission to accept as soon as possible); *PJM Interconnection, L.L.C.*, Comments of the Data Center Coalition, Docket No. ER26-751-000, at 4-5 (Jan. 21, 2026) (“DCC Comments”) (indicating general support and explaining that it “enables the region to capture the full economic benefits of sustained load growth”); Policy Integrity Comments at 2-3 (indicating overall support with qualifications); *PJM Interconnection, L.L.C.*, Motion to Intervene and Comments of the Clean Energy Buyers Association in Support of Expedited Action on PJM’s Order No. 1920 Compliance Filing, Docket No. ER26-751-000, at 1, 8 (Jan. 21, 2026) (“CEBA Comments”) (indicating support and requesting the Commission to expeditiously approve); ICC Comments at 2-3 (indicating support as “improvement from previous long-term planning efforts” and “continued collaboration with PJM” to identify needs and develop solutions).

⁹ The Final Rule requires transmission providers to afford Relevant State Entities the opportunity to participate in several aspects of long-term regional transmission planning. See, e.g., Order No. 1920 at PP 5, 994-1002 (evaluation process to identify and evaluate Long-Term Regional Transmission Facilities for selection); *id.* at PP 1012-1018 (voluntary funding process). The Relevant State Entities in the PJM Region formed the “PARSEC,” which is defined as the voluntary, independent committee consisting of any state

fundamental framing of PJM’s long-term planning process was shaped, in part, by state feedback, [and] the PARSEC supports PJM’s filing because it reflects a careful balancing of the needs and perspectives of PARSEC members.”¹⁰

Significant elements of the proposed LTRTP Protocol process were not contested by any party, including the majority of PJM’s numerous proposed stakeholder and transparency provisions, PJM’s proposal to evaluate enumerated benefits and apply selection criteria to solutions proposed through the competitive solicitation window, and PJM’s proposed criteria to select projects that are “timely and appropriate.”¹¹ No entity contested PJM’s proposed interconnection-related transmission enhancements or expansions requiring network upgrades in the RTEP Protocol.¹²

Such broad support does not come as a surprise. PJM’s proposed LTRTP Protocol process is the product of extensive engagement with the states—generally through PARSEC—and stakeholders.¹³ Throughout the development of the proposed LTRTP Protocol, PJM emphasized that it intended to implement a proactive approach to long-term planning that would actually lead to development and construction of Long-Term Transmission Projects—i.e., real results. Although the Final Rule does not have a selection

entity responsible for electric utility regulation or siting electric transmission facilities within the state or portion of a state located in the PJM Region, including any state entity as may be designated for that purpose by the law of such state. PJM Area Relevant State Entities Committee, *PJM Area Relevant State Entities Committee Charter*, Organization of PJM States, Inc. (Sep. 19, 2024), <https://opsi.us/wp-content/uploads/2024/10/PJM-Area-Relevant-State-Entities-Committee-Charter.pdf>.

¹⁰ PARSEC Comments at 2.

¹¹ Proposed Operating Agreement, Schedule 6-C, section 1.12(b).

¹² Proposed Operating Agreement, Schedule 6, section 1.5.8(q).

¹³ PJM’s December 2025 Compliance Filing at 34-35 (explaining stakeholder process to develop the proposed LTRTP Protocol).

mandate,¹⁴ the LTRTP Protocol provides for selection criteria and requires that the Long-Term Regional Transmission Plan be presented to the PJM Board of Managers (“PJM Board”) for actual selection.¹⁵

As emphasized in PJM’s December 2025 Compliance Filing, as it developed its proposed approach to comply with the Final Rule, PJM had to be mindful that it is a multi-state Regional Transmission Organization (“RTO”), comprised of 14 jurisdictions with diverse public policy goals, requirements, and transmission needs. As many commenters recognize, PJM’s proposed LTRTP Protocol process will produce a holistic plan composed of Long-Term Transmission Projects addressing the Region’s Long-Term Transmission Needs, while keeping these overlapping and competing needs in mind.

Critical to the development of this holistic plan is PJM’s proposed classification of Long-Term Transmission Needs as Core LT Needs and Additional LT Needs,¹⁶ as well as creation of a Core Plan as an intermediate step. To develop the All-in-One Plan, PJM will first develop a Core Plan of Long-Term Transmission Projects addressing Core LT Needs that, measured as a portfolio, meet the PARSEC-requested benefit-to-cost ratio threshold of 1:1.¹⁷ As explained in PJM’s December 2025 Compliance Filing, “[w]hile primarily

¹⁴ Order No. 1920 at P 1026 (“The Commission did not propose in the NOPR, and we will not require in this final rule, that transmission providers select any particular Long-Term Regional Transmission Facility—even where a particular transmission facility meets the transmission providers’ selection criteria in their [Open Access Transmission Tariffs (“OATTs”)].”); Order No. 1920-A at P 468 (“[W]e clarify that Order No. 1920 does not require transmission providers to select any Long-Term Regional Transmission Facility, even where it meets the transmission providers’ selection criteria.”).

¹⁵ Proposed Operating Agreement, Schedule 6-C, section 1.17 (procedures to approve the Long-Term Regional Transmission Plan through the PJM Board).

¹⁶ As discussed further below, Core LT Needs “are those needs required to meet PJM system reliability” taking into account reliability performance metrics, and “*account for reliability, economic and public policy drivers* that enable reliability to such threshold.” PJM’s December 2025 Compliance Filing at 12-13 (emphasis added).

¹⁷ PJM’s December 2025 Compliance Filing at 13; Proposed Operating Agreement, Schedule 6-C, section 1.10.

driven by maintaining system reliability, Core LT Needs will . . . *also encompass economic and policy needs.*¹⁸ The All-in-One Plan is informed by the Core Plan and continues to address those same Core LT Needs, while also holistically addressing Additional LT Needs, “subject to the application of a PARSEC-requested benefit-to-cost ratio threshold of 1.25:1 for the incremental scope of projects addressing Additional LT Needs.”¹⁹ In this manner, the All-in-One Plan will meet the PJM Region’s Core and Additional LT Needs. Put simply, the Core Plan is developed for benchmarking, and to effectuate PARSEC’s requested benefit-to-cost ratio thresholds. The Core Plan will then be used to develop the All-in-One Plan, which addresses the Long-Term Transmission Needs (i.e., both Core and Additional LT Needs) of the system holistically.

While PJM appreciates that many commenters agree that PJM’s proposed LTRTP Protocol process ultimately produces a comprehensive All-in-One Plan, composed of a set of Long-Term Transmission Projects that accounts for Long-Term Transmission Needs (including reliability, economic and policy needs) holistically, a small minority of commenters either misunderstand or mischaracterize PJM’s proposed process. PJM corrects these misunderstandings and mischaracterizations below (see section III.A). Additionally, PJM responds below to (i) arguments that misinterpret PJM’s and the PJM Transmission Owners’ proposed approach for evaluating In-Kind Replacement Facilities for right-sizing opportunities (see Sections III.B and IV); (ii) claims that PJM’s proposal to preliminarily select projects three years after the commencement of the long-term

¹⁸ PJM’s December 2025 Compliance Filing at 71; Proposed Operating Agreement, Schedule 6-C, section 1.6.2(a) (emphasis added).

¹⁹ PJM’s December 2025 Compliance Filing at 13; Proposed Operating Agreement, Schedule 6-C, section 1.11.

planning cycle is not compliant with Order No. 1920 (*see* section III.C); and (iii) other miscellaneous comments on PJM’s proposed LTRTP Protocol process (*see* section III.D).

II. MOTION FOR LEAVE TO FILE ANSWER

While Rule 213 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.213, does not generally provide for answers to protests,²⁰ such pleadings are permitted where, as here, the information provided in an answer will facilitate the Commission’s decisional process, clarify the record, or aid in the explication of issues.²¹

Accordingly, PJM seeks leave to respond to comments and protests submitted in response to both PJM’s December 2025 Compliance Filing and the PJM Transmission Owners’ December 2025 Compliance Filing in order to assist the Commission in its decision-making and clarify the issues under consideration in this proceeding. This Answer will provide the Commission with additional information that will aid its evaluation of these filings. Therefore, PJM respectfully requests that the Commission accept this Answer.

III. ANSWER TO PROTESTS AND COMMENTS REGARDING PJM’S DECEMBER 2025 COMPLIANCE FILING

Below, PJM addresses three main topics that arose in the protests and comments to its December 2025 Compliance Filing: (i) the classification of Core LT Needs and Additional LT Needs and how this classification affects the creation of the All-in-One Plan; (ii) PJM’s approach to complying with the Final Rule’s right-sizing requirements; and

²⁰ See 18 C.F.R. § 385.213(a)(2). PJM notes that there is no prohibition on answering comments.

²¹ See, e.g., *PJM Interconnection, L.L.C.*, 193 FERC ¶ 61,192, at P 28 (2025) (accepting PJM’s answer to protests because it provided information that assisted the Commission in its decision-making process); *PJM Interconnection, L.L.C.*, 176 FERC ¶ 61,163 at P 2 (2021) (accepting PJM’s answer to protests because it provided information that assisted the Commission in its decision-making process); *Morgan Stanley Cap. Grp., Inc. v. N.Y. Indep. Sys. Operator, Inc.*, 93 FERC ¶ 61,017, at 61,036 (2000) (accepting an answer as helpful in the development of the record).

(iii) PJM’s proposal to preliminarily select projects three years after the commencement of the Long-Term Regional Transmission Plan cycle. PJM also responds below to other issues raised by protests and comments, including factor categories, state-requested scenarios, alternative transmission technologies (“ATTs”), cost allocation matters, and transparency and stakeholder participation provisions in the LTRTP Protocol.

A. PJM’s Classification Between Core LT Needs and Additional LT Needs Is Part of a Multi-Step Process Culminating in a Holistic All-in-One Plan and Is Critical to the Framework Agreed upon by the States in the PJM Region.

As the majority of commenters recognize, PJM’s proposal satisfies the Final Rule’s requirements for holistic, long-term regional transmission planning. That is, as PJM demonstrates in its December 2025 Compliance Filing and below, PJM’s proposed LTRTP Protocol process: (i) accounts for all drivers of “Long-Term Transmission Needs,” including reliability, economic and policy needs; and (ii) ultimately produces an All-in-One Plan composed of a set of Long-Term Transmission Projects that address Long-Term Transmission Needs holistically. Claims that PJM’s proposed LTRTP Protocol process would “silo” transmission needs, separate out Long-Term Transmission Facilities by driver, or otherwise lead to “piecemeal” development of the transmission system are based on a flawed understanding of PJM’s proposed process and should be disregarded.

1. PJM’s LTRTP Protocol produces a comprehensive All-in-One Plan that holistically plans for the PJM Region’s Long-Term Transmission Needs

Protestors and commenters raised concerns about the LTRTP Protocol’s proposal to classify the region’s Long-Term Transmission Needs as either Core LT Needs or Additional LT Needs, incorrectly arguing that such classification is inconsistent with the

Final Rule and creates a “siloed,” i.e., piecemeal approach to long-term planning.²² Moreover, protestors do not demonstrate that a division between Core and Additional LT Needs, or between the Core Plan and All-in-One Plan, will lead to siloing or piecemeal planning. Unsupported assertions or conclusory statements are not record evidence.²³ In any event, such assertions could not be supported as they reflect a misunderstanding of PJM’s proposed LTRTP Protocol process. As proposed, the LTRTP Protocol details a multi-step process that produces the holistic All-in-One Plan, which is composed of one type of Long-Term Transmission Project, which addresses Core LT Needs and/or Additional LT Needs in an efficient and holistic manner.²⁴

Contrary to protestors and commenters’ claims,²⁵ Core LT Needs are not solely reliability needs. As PJM explained, the Core LT Needs “are those needs required to meet PJM system reliability” taking into account reliability performance metrics, and “*account for reliability, economic and public policy drivers* that enable reliability to such threshold.”²⁶ This broad scope for Core LT Needs is hardcoded in the proposed LTRTP

²² See PIOS Limited Protest at 5-7; ICUB Comments, Docket No. ER26-751 at 1-3.

²³ See *LSP Transmission Holdings II, LLC v. Midcontinent Indep. Sys. Operator, Inc.*, 172 FERC ¶ 61,098, at P 44 (finding complainant “has not provided sufficient evidence” because “hypothetical examples of certain projects . . . are not sufficient by themselves”), *order on reh’g*, 173 FERC ¶ 61,202 (2020), *aff’d*, *LSP Transmission Holdings II, LLC v. FERC*, 45 F.4th 979, 994 (D.C. Cir. 2022) (“But, as FERC recognized, those examples were merely hypothetical situations used for stakeholder discussions, not actual vetted solutions to reliability issues. Hypothetical project examples that ‘had not undergone thorough engineering review and approval through the Midcontinent planning process’ are not compelling enough evidence to convince us to override FERC’s determination in this highly technical area.” (citation omitted)).

²⁴ See PIOS Limited Protest at 5-7; ICUB Comments, Docket No. ER26-751 at 12.

²⁵ See ICUB Comments, Docket No. ER26-751 at 3 (“PJM’s insistence that Core needs are fundamentally about reliability, and that economic and policy needs are considered as well on an *ad hoc* basis, is no different than PJM’s current planning paradigm. PJM’s descriptions of Core needs, with minimal concrete detail, imply that the only Core need is reliability, relegating all other considerations to consideration as Additional needs.”); PIOS Limited Protest at 5-6 (“[B]ecause PJM’s proposed Operating Agreement revisions make clear that ‘Core LT Needs’ are focused on reliability, it is equally clear that PJM distinguishes between reliability-focused transmission projects and other facility types.” (footnote omitted)).

²⁶ PJM’s December 2025 Compliance Filing at 12-13 (emphasis added).

Protocol, which states that “Core LT Needs, while driven by maintaining system reliability, can also encompass economic and policy needs.”²⁷ This approach is reflective of the reality that addressing reliability needs inherently will also address overlapping economic and policy needs. For example, congestion highly correlates with reliability as both result from high thermal loading and the generation scenario development will also rely on policy needs to inform the capacity expansion modeling exercise.²⁸

Several commenters recognized the role that the classification of Core LT Needs and Additional LT Needs plays in developing a holistic All-in-One Plan.²⁹ Indeed, claims that economic and policy needs are addressed on an “ad hoc” basis, or that certain Long-Term Transmission Needs are “siloed,” are incorrect.³⁰ Rather, under the proposed LTRTP Protocol, PJM will—systematically and transparently through stakeholder and state engagement—consider economic and policy needs as either part of Core LT Needs (if those policy drivers enable reliability to the 1-in-10 loss of load performance metric)³¹ and/or as part of Additional LT Needs.

²⁷ Proposed Operating Agreement, Schedule 6-C, section 1.6.2(a).

²⁸ PJM’s December 2025 Compliance Filing at 68. Likewise, as PJM explained, “governmental laws and regulations would have shaped the resource mix studied; thus, any project addressing a long-term reliability need would be furthering the policies supporting that resource mix and will likely offer economic benefits;” and the “capacity expansion model is also reflective of forecasted load growth and effects of state policies, such as Renewable Portfolio Standards and those that can directly lead to deactivations.” PJM’s December 2025 Compliance Filing at 67-68.

²⁹ See ACORE Comments at 4-5 (All-in-One Plan has the ability to incorporate the seven factors required for Order No. 1920 planning, and white paper indicates overlap between economic and reliability needs); CEBA Comments at 10-11 (PJM’s proposal optimizes both Core and Additional LT Needs and provides transparency regarding distinct costs of transmission solutions addressing both.).

³⁰ ICUB Comments, Docket No. ER26-751 at 2-4 (discussing siloing and arguing that “the risk of PJM’s differentiation between Core and Additional needs would prevent lines that multi-solve for economic and policy needs from being built”); PIOS Limited Protest at 5-7.

³¹ PJM’s December 2025 Compliance Filing at 68.

2. *Classifying Long-Term Transmission Needs does not establish different facility types or impose any cost allocation approaches.*

Some entities assert that PJM’s proposal to classify Core LT Needs and Additional LT Needs, with projects addressing such needs selected based on differing benefit-to-cost ratios, is not compliant with the Final Rule’s requirement that “facilities cannot be separated out between reliability, economic, and policy drivers,”³² and impermissibly “entails creation of a different cost allocation methodology” for different project types.³³ Neither claim is true.

First, PJM has proposed that the All-in-One Plan will be composed of only one type of facility—the Long-Term Transmission Project. The definition of Long-Term Transmission Project makes no mention of the class of transmission needs it must resolve.³⁴ Therefore, depending on the underlying transmission needs addressed by the project, a Long-Term Transmission Project may address reliability, economic, policy or other needs, or a combination of all.

Second, as discussed, the classification of needs as Core LT Needs and Additional LT Needs does not consider each driver of a need in isolation, and as such, a Long-Term Transmission Project selected to address a Core LT Need or Additional LT Need would not, by definition, be separated out by the underlying driver. As explained in PJM’s

³² ICUB Comments, Docket No. ER26-751 at 3.

³³ PIOs Limited Protest at 6. *See also* Policy Integrity Comments at 20-21 (“[I]t is unclear whether PJM’s proposed method for identifying Core and Additional Needs may violate” the Final Rule’s prohibition on “transmission providers [] establishing distinct facility types to which different cost allocation methods apply.”).

³⁴ *See* PJM’s December 2025 Compliance Filing at 40 (“‘Long-Term Transmission Project’ shall mean one or more enhancement(s) or expansion(s) of the Transmission System identified through the Long-Term Regional Transmission Plan process that, on an aggregate basis of all components, addresses a Long-Term Transmission Need or common set of Long-Term Transmission Needs.”); proposed Operating Agreement, Definitions I – L (defining Long-Term Transmission Project).

December 2025 Compliance Filing, “in each Long-Term Scenario, no one type of driver will be implemented in isolation; rather, all data and inputs will interact such that the Long-Term Scenarios, and their corresponding modeling and reliability and economic simulations, will reflect a combination of conditions and the resulting Long-Term Transmission Needs will be identified and addressed holistically based on all the information used to develop the Long-Term Scenarios.”³⁵ In short, because the root cause of each Long-Term Transmission Need is determined based on a holistic view of all drivers, a singular Long-Term Transmission Project cannot be said to be a “reliability, economic, or public policy transmission facility type[],” which would run afoul of the Final Rule.³⁶ In other words, the LTRTP Protocol process does not identify “Core Projects” or “Additional Projects,” it only identifies “Long-Term Transmission Projects,” which address Core LT Needs and Additional LT Needs holistically.³⁷

Third, PJM’s December 2025 Compliance Filing is not proposing or prescribing any cost allocation approach. Indeed, PJM’s December 2025 Compliance Filing was very clear that “PJM does not have the authority to submit revisions to Tariff provisions governing local planning and cost allocation,” as such is the domain of the PJM Transmission Owners.³⁸ PJM’s proposal in this regard is limited to the LTRTP Protocol.³⁹

³⁵ PJM’s December 2025 Compliance Filing at 58.

³⁶ Order No. 1920 at P 1474.

³⁷ Proposed Operating Agreement, Schedule 6-C, section 1.17(a).

³⁸ PJM’s December 2025 Compliance Filing at 35.

³⁹ See PJM’s December 2025 Compliance Filing at 35-38.

That said, commenters' claims fail to grapple with the difference between Order No. 1920 and Order No. 1920-A.⁴⁰ In Order No. 1920-A, the Commission clarified that "transmission providers and Relevant State Entities are not precluded from considering in their proposed cost allocation methods the incremental cost of transmission needed to achieve state laws, policies, and regulations beyond the cost of transmission needed in the absence of those laws, policies, and regulations."⁴¹ In other words, the Commission was clear on the value of identifying the "incremental" scope and associated costs of achieving state laws, policies, or regulations.⁴² Identifying such incremental costs and scope is efficiently achieved through PJM's proposed LTRTP Protocol. PJM's proposal to classify these two types of Long-Term Transmission Needs allows, consistent with Order No. 1920-A, the PJM Transmission Owners and PARSEC to have access to the information relevant to these considerations.

In any case, Core LT Needs and Additional LT Needs are not bright lines and, as discussed above, do not lead to the siloing of Long-Term Transmission Needs. As such, commenters' argument is factually incorrect because any cost allocation method, including a state-opt mechanism, that is informed by this classification is *not* based on "reliability, economic, or public policy transmission facility types" by definition.⁴³

⁴⁰ Policy Integrity Comments at 22-23 (citing Order No. 1920 at P 1474 ("[T]ransmission providers may not establish reliability, economic, or public policy transmission facility types as part of Long-Term Regional Transmission Planning and, therefore, may not establish Long-Term Regional Transmission Cost Allocation Methods based on reliability, economic, or public policy transmission facility types.")).

⁴¹ Order No. 1920-A at P 745.

⁴² Order No. 1920-A at P 745.

⁴³ Policy Integrity also argues that "the Long-Term Regional Transmission Cost Allocation Method that will apply to a Long-Term Regional Transmission Facility . . . must be known before selection." Policy Integrity Comments at 23-24. This timing argument is premature and misplaced because the PJM Transmission Owners will file their cost allocation compliance filing in June 2026.

3. *PJM’s classification of Core LT Needs and Additional LT Needs provides necessary transparency for states to make cost allocation decisions and facilitates PARSEC’s request for a state opt-out approach.*

PJM’s proposed LTRTP Protocol appropriately recognizes the important role of states in long-term planning, not only because doing so was required by the Final Rule,⁴⁴ but also to ensure that regional transmission projects selected through the LTRTP Protocol process have the requisite state support to lead to durable solutions, including the actual construction of regional transmission projects. This approach is particularly important given the uniqueness and diversity of PJM’s footprint across 14 jurisdictions with diverse public policy goals, requirements, and transmission needs.⁴⁵

To this end, PJM’s proposed approach to classifying Long-Term Transmission Needs into two types was part of a carefully negotiated framework with PARSEC, one which garnered PARSEC’s unanimous support.⁴⁶ As PARSEC explained, “[c]ategorizing needs this way will help provide the PARSEC the information necessary to allocate costs in accordance with PARSEC’s Statement of Principles on Long-Term Regional Transmission Planning and promote the allocation of costs in a way that recognizes the causes of those costs as well as the distribution of benefits.”⁴⁷

In other words, the classification is a transparency measure that provides PARSEC with cost information to make individual state decisions about cost allocation. As PJM explained, the “Core Plan” is a benchmark or intermediate step in the process, and

⁴⁴ See Order No. 1920-A at PP 649-662.

⁴⁵ See PJM December 2025 Compliance Filing at 18.

⁴⁶ PARSEC Comments at 2 (“[T]he PARSEC provided feedback to PJM unanimously supporting its proposal to identify two types of long-term transmission needs – Core LT Needs and Additional LT Needs.”).

⁴⁷ PARSEC Comments at 2.

“development of the All-in-One Plan will be informed through the development of an *interim*, ‘Core Plan.’”⁴⁸ The Core Plan will not solely provide reliability benefits, as it addresses Core LT Needs, because Core LT Needs are “driven by maintaining system reliability, [and] can also encompass economic and policy needs.”⁴⁹ Therefore the same solutions that maintain system reliability likely also include other benefits that support state policies, economic needs, and more. Furthermore, the Core Plan serves an important informational purpose⁵⁰ and is one step of a multi-step process of creating the All-in-One Plan.⁵¹ That is, by performing the intermediate step of developing the Core Plan, PJM facilitates an individual state’s ability to (i) review information on Core and Additional LT Needs, including the incremental needs beyond those Core LT Needs to maintain system reliability while enabling public policy, furthering economic efficiency and (ii) understand the costs and scope of projects associated with addressing Additional LT Needs.

PJM then develops the All-in-One Plan, which is the Long-Term Regional Transmission Plan ultimately recommended to the PJM Board for approval.⁵² The All-in-

⁴⁸ PJM’s December 2025 Compliance Filing at 12 (emphasis added). PJM also described the Core Plan as “intermediate” in its transmittal. *See, e.g., id.* at 13.

⁴⁹ Proposed Operating Agreement, Schedule 6-C, section 1.6.2(a).

⁵⁰ PJM’s December 2025 Compliance Filing at 16 (“The Core Plan is intended to help ensure that the proposed process identifies a portfolio of projects that maximizes consumer benefits, gives states the tools and information they need to support projects that optimize solutions to a broader set of needs, while also allowing PJM to more efficiently or cost-effectively solve important long-term reliability needs.”).

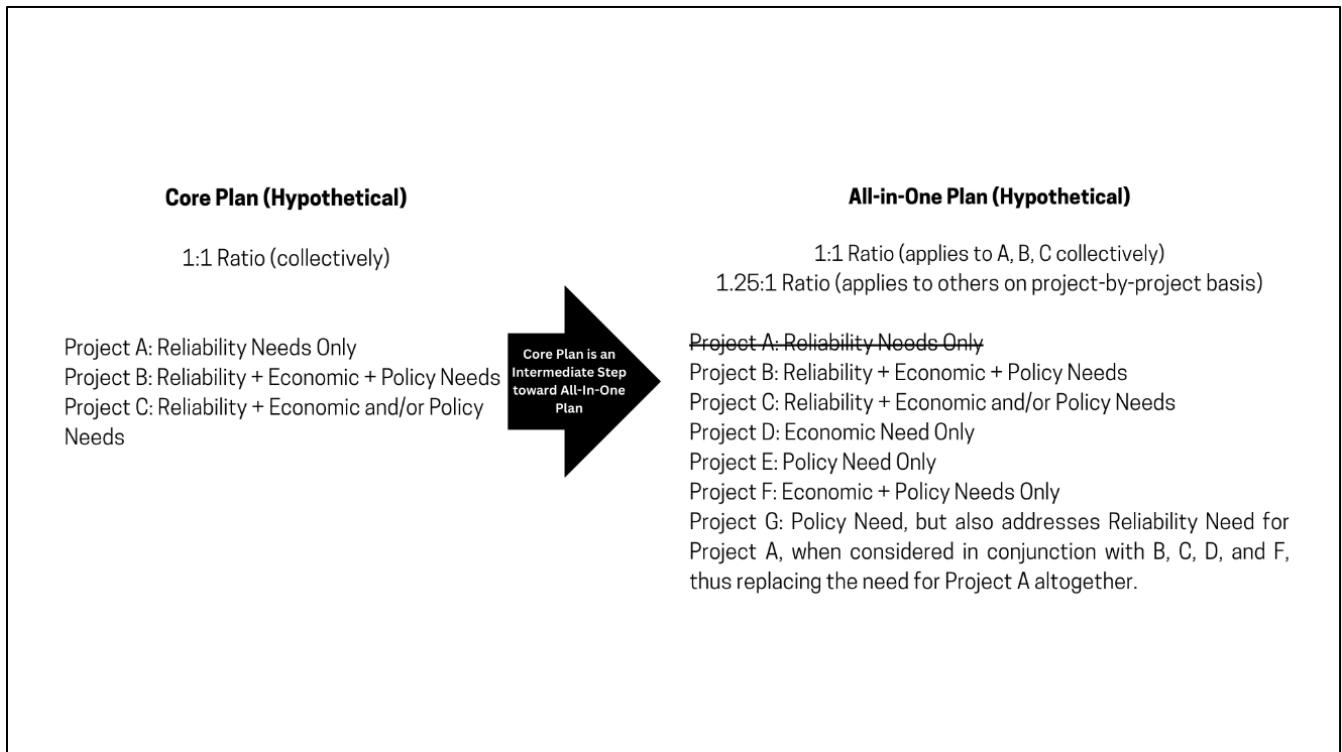
⁵¹ As PJM explained, to the extent no projects meet the selection criteria to address Additional LT Needs, the All-in-One Plan will be the same as the Core Plan. *See* PJM’s December 2025 Compliance Filing at 110 n.408.

⁵² Proposed Operating Agreement, Schedule 6-C, section 1.11(a) (“To the extent no Additional LT Need may be addressed in whole or in part through a proposal submitted pursuant to section 1.8 for failure to meet the All-in-One Plan Incremental Benefit-to-Cost Ratio, the All-in-One Plan will be identical to the Core Plan.”).

One Plan⁵³ is “a set of Long-Term Transmission Projects addressing Core LT Needs and Additional LT Needs holistically,”⁵⁴ and meets PJM’s selection criteria.⁵⁵

Figure 1 below illustrates how Core Plan is developed first, then the All-in-One Plan. Figure 1 also shows that the Core Plan *and* the All-in-One Plan both address transmission needs spurred by different underlying drivers.

Figure 1: Illustration of Development of Core Plan and All-in-One Plan



As illustrated in Figure 1, the proposed LTRTP Protocol process will produce a holistic Long-Term Regional Transmission Plan. The holistic nature of the All-in-One Plan is bolstered, not undermined by the intermediate Core Plan, which identifies projects addressing needs driven by reliability, economic, and policy drivers.

⁵³ Proposed Operating Agreement, Schedule 6-C, section 1.17(a).

⁵⁴ PJM’s December 2025 Compliance Filing at 9-10; proposed Operating Agreement, Definitions A – B (defining All-in-One Plan).

⁵⁵ See PJM’s December 2025 Compliance Filing at 100 n.372 (discussing types of selection criteria).

Further, the distinct benefit-to-cost ratios for addressing Core LT Needs in the Core Plan and adding solutions to Additional LT Needs in the All-in-One Plan are critical to the efficacy of the (yet-to-be-filed) PARSEC-required state opt-out mechanism. As PARSEC explains, the state opt-out mechanism “would allow states to decline to accept an allocation of costs associated with a project or a portion of a project that goes beyond maintaining long-term reliability.”⁵⁶ Without this ability, as PARSEC cautioned, PARSEC may “reevaluate its support of PJM’s proposal at a more fundamental level.”⁵⁷

4. *Other arguments raised by protests and comments about the classification of Core LT Needs and Additional LT Needs should be rejected, including the argument that Additional LT Needs should be defined with specificity, which risks failing to capture all Long-Term Transmission Needs.*

Several commenters also seek clarification on PJM’s proposed needs classification, including (i) the methodology of how Core LT Needs and Additional LT Needs are calculated, identified, and studied;⁵⁸ and (ii) more precise definitions of Core LT Needs and Additional LT Needs.⁵⁹

On the first point, PJM intends to include information about specific calculations and study methodologies as part of its Long-Term Regional Transmission Plan cycle Year One consultation with stakeholders including development of PJM planning manual changes and additions.⁶⁰ These types of consultations with stakeholders—including state

⁵⁶ PARSEC Comments at 2.

⁵⁷ PARSEC Comments at 3.

⁵⁸ Policy Integrity Comments at 25 (seeking additional clarification on “studies” for the two types of Long-Term Transmission Needs); ICC Comments at 4-5.

⁵⁹ ICC Comments at 4-5 (seeking more specific definitions of these needs); *see* ICUB Comments, Docket No. ER26-751 at 2-3.

⁶⁰ *See* PJM’s December 2025 Compliance Filing, Attachment D (Declaration of Dr. Sami Abdulsalam, Director Regional Planning) ¶¶ 40-48 (“Abdulsalam Declaration”).

agencies—include identifying and interpreting relevant federal, state, Tribal, and local policies; understanding the status of supply chain availability; and evaluating the existing cost and inflation status of materials, etc. Given that the application of each policy will result from such discussions with the states and stakeholders, it is not appropriate to hardcode the specific treatment of such factors and the resulting identification and classification of Long-Term Transmission Needs in the LTRTP Protocol as they may change across future Long-Term Regional Transmission Plan cycles. However, PJM intends to develop—in consultation with stakeholders—general guidelines on the planning assumptions, their development and study methodologies associated with the LTRTP Protocol to be set forth in PJM’s planning-focused Manuals, including PJM Manual 14B and PJM Manual 14F.⁶¹ PJM’s proffered approach of discussing the planning assumptions and planning scenario development with states and stakeholders each time it begins a new Long-Term Regional Transmission Plan cycle⁶² is reasonable and consistent with the Commission’s application of its “rule of reason” for transmission planning.⁶³ This

⁶¹ See Transmission Planning Department, *PJM Manual 14B: PJM Region Transmission Planning Process*, PJM Interconnection, L.L.C. (Rev. 58, Dec. 17, 2025), <https://www.pjm.com/-/media/DotCom/documents/manuals/m14b.pdf> (“PJM Manual 14B”); *PJM Manual 14F: Competitive Planning Process*, PJM Interconnection, L.L.C. (Rev. 10, Oct. 30, 2024), <https://www.pjm.com/-/media/DotCom/documents/manuals/m14f.pdf> (“PJM Manual 14F”).

⁶² See, e.g., Abdulsalam Declaration ¶¶ 43-44 (explaining topics of discussions with stakeholders at initial assumptions meeting).

⁶³ See *Sw. Power Pool, Inc.*, 136 FERC ¶ 61,050, at PP 28, 34, 37 (2011) (clarifying how the Integrated Transmission Planning (“ITP”) Manual of Southwest Power Pool, Inc. (“SPP”) meets the “rule of reason” because SPP’s tariff addresses “when and how a cost-effectiveness analysis will be conducted, leaving only the implementation details of the calculations to the ITP Manual.” Thus, FERC found that the SPP’s tariff “provides sufficient guidance on how the cost-effectiveness analysis will be conducted to satisfy the rule of reason and that the implementation details of the cost-effectiveness analysis are properly included in the ITP Manual instead of the [SPP] Tariff” because “some of the details are not ‘realistically susceptible of specification[,]’ such as reliability benefits[.]” *Id.* at PP 34, 37. Also, the Commission explained “study assumptions and parameters are likely to change over time as planners gain experience in implementing the new planning procedures[;]” therefore, “rigid specifications or formulas set out in the [SPP] Tariff would likely lead to less reliable assessments due to the inability of planners to adapt to changing circumstances.” *Id.* at P 37. Additionally, the Commission rejected commenters’ arguments that SPP’s tariff only contained “broad categories of factors” and found that the proposed SPP Tariff “provides sufficient detail of the factors

approach also allows for flexibility to adjust priorities and refine the scenario building methodology, as factors influencing these items change over time. In any event, the proposed LTRTP Protocol does hardcode a requirement for PJM to gather stakeholder feedback on the classification of needs as Core LT Needs or Additional LT Needs before opening the competitive solicitation window.⁶⁴

On the second point, PJM provided a definition of Additional LT Needs as “any Long-Term Transmission Need identified in the Long-Term Regional Transmission Plan study that is not classified as a Core LT Need.”⁶⁵ PJM’s approach of positively defining Core LT Needs as those needs “associated with maintaining system reliability as determined by the following model inputs: projected transmission system topology; forecasted future demand, including load growth and firm transmission commitments; projected generation resource deactivations and additions; and a generation resource mix capable of meeting applicable reliability criteria”⁶⁶ and classifying all other identified

to be considered in the cost-effectiveness analysis,” thus, the “flexibility to develop the details of the cost-effectiveness analysis based on the factors listed in the [SPP] Tariff as they gain experience with the ITP process does not give SPP unfettered discretion.” *Id.* at P 28 (footnote omitted.); *Midwest Indep. Sys. Operator, Inc.*, 123 FERC ¶ 61,164, at PP 42-43 (2008) (finding that Midwest Independent System Operators, Inc.’s Attachment FF “makes available the basic methodology, criteria, and processes used to develop transmission plans” because “not all rules and practices related to transmission service, or planning activities in particular, need be codified in the transmission provider’s OATT.” Instead, “rules, standards and practices that relate to, but do not significantly affect, transmission service may be placed” in manuals; thus, transmission providers may “use a combination of tariff language in their OATT and a reference to planning manuals on their websites to satisfy their planning obligations” (footnote omitted)); *Midcontinent Indep. Sys. Operator, Inc.*, 190 FERC ¶ 61,147, at P 23 (2025) (explaining that while “the rule of reason requires some ‘minimum’ level of specification,” Midcontinent Independent System Operator, Inc.’s (“MISO”) tariff revisions, which do not include the Loss-of-Load Expectation model in the MISO’s tariff, “exceed that minimum.” Instead, permitting MISO’s “discretion” as “beneficial” because it allows for the “improve[ment of] study assumptions and parameters over time as it gains experience and learns from stakeholders. Rigid specification would hamper this discretion.” (footnote omitted)).

⁶⁴ Proposed Operating Agreement, Schedule 6-C, section 1.6.2(c).

⁶⁵ PJM’s December 2025 Compliance Filing at 71; Proposed Operating Agreement, Schedule 6-C, section 1.6.2(b); *id.*, Definitions A-B (defining Additional LT Needs).

⁶⁶ PJM’s December 2025 Compliance Filing at 69; Proposed Operating Agreement, Schedule 6-C, section 1.6.2(a).

Long-Term Transmission Needs as Additional LT Needs is just and reasonable, as it ensures that all identified needs are classified. Establishing two positive definitions creates the risk that the two definitions may not encompass all types of needs, and some needs may not meet either definition. Allowing the definitions to be sufficiently broad ensures that all types of Long-Term Transmission Needs are captured, including ones that PJM cannot currently anticipate. Regardless, PJM expects that its manuals, created through the stakeholder process part of the first Long-Term Regional Transmission Plan cycle (and revisited as necessary in subsequent cycles),⁶⁷ will provide examples of these types of Long-Term Transmission Needs.

B. PJM’s Proposed LTRTP Protocol Properly Evaluates In-Kind Replacement Facilities for Right-Sizing Opportunities, While Respecting Local Planning Responsibilities of the PJM Transmission Owners.

ETCC challenges several aspects of PJM’s proposed process for evaluating opportunities to “right-size” replacement facilities to address Long-Term Transmission Needs. In particular, ETCC incorrectly asserts that: (i) PJM’s proposed approach would circumvent PJM’s regional planning process and remove the relevant Long-Term Transmission Needs from the competitive window process by preemptively selecting projects before the competitive window;⁶⁸ (ii) PJM inappropriately cedes its regional planning responsibilities to the PJM Transmission Owners;⁶⁹ and (iii) PJM’s proposed LTRTP Protocol process does not comply with the Final Rule absent certain ETCC-

⁶⁷ See PJM’s December 2025 Compliance Filing at 87 n.313 (explaining that “PJM employs a formalized, collaborative stakeholder process for the creation and revision of business practices manuals”); see also Governmental and Member Services Division of the Stakeholder Affairs Department, *PJM Manual 34: PJM Stakeholder Process*, PJM Interconnection, L.L.C., § 11.15 (Sep. 25, 2025), <https://www.pjm.com/-/media/DotCom/documents/manuals/m34.pdf> (“PJM Manual 34”) (discussing stakeholder process to revise PJM manuals).

⁶⁸ ETCC Protest at 9-10.

⁶⁹ ETCC Protest at 10-13.

suggested revisions.⁷⁰ PJM responds to these mischaracterizations and misunderstandings below.

1. *PJM’s proposal does not preemptively select any project, but potential right-sizing candidates are identified in a transparent manner, consistent with the Final Rule.*

Contrary to ETCC’s claims,⁷¹ at no point during PJM’s proposed process to *identify* potential Right-Sized Replacement Facilities does PJM *select* any projects, including any potential Right-Sized Replacement Facility. The Final Rule requires that, if PJM “*identifies* a right-sized replacement transmission facility as a potential solution to a Long-Term Transmission Need as part of Long-Term Regional Transmission Planning, that right-sized replacement transmission facility must be evaluated in the same manner as any other proposed Long-Term Regional Transmission Facility to determine whether it is the more efficient or cost-effective transmission facility to address the transmission need.”⁷²

This is exactly what PJM’s proposed process does. As relevant here, under the proposed LTRTP Protocol process, Transmission Owners first must submit a Candidate In-Kind Replacement Facility Needs List composed of anticipated In-Kind Replacement Facility Needs to PJM.⁷³ PJM receives such lists even before PJM develops scenarios for the Long-Term Regional Transmission Plan study cycle.⁷⁴ Next, after PJM conducts its Long-Term Regional Transmission Plan studies of the Long-Term Scenarios to identify

⁷⁰ ETCC Protest at 16-25.

⁷¹ ETCC Protest at 5, 9-10.

⁷² Order No. 1920 at P 1681 (emphasis added).

⁷³ Proposed Operating Agreement, Schedule 6-C, section 1.4.3(a).

⁷⁴ Proposed Operating Agreement, Schedule 6-C, section 1.4.3(a).

Long-Term Transmission Needs,⁷⁵ PJM will meet with each Transmission Owner to review those identified Long-Term Transmission Needs in conjunction with the Candidate In-Kind Replacement Facility Needs List.⁷⁶ Using information from these meetings, PJM will next evaluate whether any Long-Term Transmission Need can be addressed through Right-Sized Replacement Facilities and then share with the Transmission Expansion Advisory Committee (“TEAC”) any *identified* Right-Sized Replacement Facilities for review and comment.⁷⁷ Finally, all Long-Term Transmission Needs, including those Long-Term Transmission Needs that may be addressed through right-sizing an In-Kind Replacement Facility, are posted for stakeholders prior to opening the competitive solicitation window.⁷⁸

For those Long-Term Transmission Needs that may be addressed through right-sizing a replacement facility, the following information will be posted for informational purposes: “the Long-Term Transmission Need, the relevant In-Kind Replacement Facility Need, [and] the *identified* Right-Sized Replacement Facility.”⁷⁹ Following the competitive

⁷⁵ Proposed Operating Agreement, Schedule 6-C, section 1.6.

⁷⁶ Proposed Operating Agreement, Schedule 6-C, section 1.7(a).

⁷⁷ Proposed Operating Agreement, Schedule 6-C, section 1.7(a).

⁷⁸ Proposed Operating Agreement, Schedule 6-C, section 1.8(b); *id.*, Schedule 6-C, section 1.6.2(c). For precision, PJM clarifies that “Needs” are not right-sized; rather, “Facilities” are right-sized. Therefore, PJM intends to make the following minor revision in the proposed Operating Agreement, Schedule 6-C, section 1.8(b) as a part of any changes that are directed by the Commission in its order on the PJM December 2025 Compliance Filing (along with the changes PJM has stated it is willing to make in *infra* section III.D.1.a regarding factor categories corresponding to Commission Factor Categories 1 and 4):

For each Long-Term Transmission Need that may be addressed through rightsizing an In-Kind Replacement Facility **Need** pursuant to section 1.7, the Office of the Interconnection will post for informational purposes the Long-Term Transmission Need, the relevant In-Kind Replacement Facility Need, the identified Right-Sized Replacement Facility, and any incidental system impacts caused by the Right-Sized Replacement Facility that would need to be addressed.

⁷⁹ Proposed Operating Agreement, Schedule 6-C, section 1.8(b) (emphasis added).

solicitation window, identified Right-Sized Replacement Facilities are then evaluated in the same manner as any other project proposals “to determine the more efficient or cost-effective solution for addressing the identified Long-Term Transmission Needs.”⁸⁰

This makes clear that PJM only *identifies* potential Right-Sized Replacement Facilities based on its Long-Term Regional Transmission Plan study before details are posted for informational purposes during the project proposal window. These right-sized facilities are then evaluated after the window closes alongside other proposals in the same manner, as discussed above. Nothing has yet been selected, and no preferential treatment is given to any identified Right-Sized Replacement Facilities.

ETCC asserts that the phrase “informational purposes” means that Right-Sized Replacement Facilities have already been selected without consideration of other alternatives.⁸¹ This is untrue. Under PJM’s proposed process, PJM will post Long-Term Transmission Needs information for informational purposes prior to opening a competitive transmission proposal window, including any identified Long-Term Transmission Needs that can be addressed by a Right-Sized Replacement Facility.⁸² The informational posting serves two primary purposes; neither of which indicates that any potential Right-Sized Replacement Facility has been selected.

First, it satisfies the Final Rule’s transparency requirements. As stated in PJM’s December 2025 Compliance Filing, “[t]he public and transparent nature of this posting also complies with the Final Rule’s requirement that ‘once the transmission providers have

⁸⁰ Proposed Operating Agreement, Schedule 6-C, section 1.9(a); *see also id.*, Schedule 6-C, sections 1.8(b), 1.8(c)(7)(i)-(ii) (describing potentially modifying Right-Sized Replacement Facility to best address the posted Long-Term Transmission Needs in a more efficient or cost-effective manner).

⁸¹ ETCC Protest at 10.

⁸² Proposed Operating Agreement, Schedule 6-C, section 1.8(b).

determined, as part of Long-Term Regional Transmission Planning, that an in-kind replacement transmission facility can be right-sized to constitute a right-sized replacement transmission facility, . . . transmission providers must make public the underlying in-kind replacement transmission facility.”⁸³

Second, the informational posting allows developers to consider addressing such needs as part of a larger project that addresses multiple needs in a more efficient or cost-effective way, rather than addressing them individually. This posting is “informational” in nature primarily because, as the Final Rule acknowledges, oftentimes the right-sized facility will be the more efficient or cost-effective solution.⁸⁴ As stated in PJM’s December 2025 Compliance Filing, “[a]lthough the need is posted for informational purposes, it may still be addressed through competitive solutions that address that need plus at least one other posted need if PJM determines that the competitive alternative is the more efficient or cost-effective solution to address both needs holistically.”⁸⁵ Therefore, to be clear, no project is *selected* until the PJM Board reviews and approves the recommended All-in-One Plan. Rather, the informational nature of the posting as part of the competitive solicitation window process recognizes that the *identified* need and potential right-sized project is *likely* to be more efficient or cost-effective.

⁸³ PJM’s December 2025 Compliance Filing at 76-77 (citing Order No. 1920 at P 1736).

⁸⁴ Order No. 1920 at P 1682 (“We find that a right-sized replacement transmission facility has the potential to both meet an individual transmission provider’s responsibility to maintain the reliability of its existing transmission system and address a Long-Term Transmission Need more efficiently or cost-effectively than an in-kind replacement transmission facility or another Long-Term Regional Transmission Facility.”).

⁸⁵ PJM’s December 2025 Compliance Filing at 9 n.34.

2. *PJM's right-sizing proposal appropriately recognizes the division of authority between PJM and the PJM Transmission Owners for regional planning and local planning, respectively, and is not improperly deferring responsibility.*

ETCC and ICUB argue that PJM's meeting with individual Transmission Owners as part of the process for identifying potential right-sizing opportunities is inappropriate and gives undue preference to those incumbent Transmission Owners.⁸⁶ In addressing this concern, it is important to remember that the right-sizing process as discussed in the Final Rule implicates issues under the purview of local transmission planning, an area reserved to PJM Transmission Owners.⁸⁷ PJM's proposed LTRTP Protocol and the PJM Transmission Owners' proposed Tariff, Attachment M-5 correctly reflect the division of responsibilities, as described below.

Pursuant to the Consolidated Transmission Owners Agreement, Rate Schedule FERC No. 42 (“CTOA”), the PJM Transmission Owners agree to “transfer to PJM . . . the responsibility to prepare a Regional Transmission Expansion Plan and to provide information reasonably requested by PJM to prepare the Regional Transmission Expansion Plan and shall otherwise cooperate with PJM in such preparation.”⁸⁸ PJM is authorized to “[c]onduct its planning for the expansion and enhancement of transmission facilities.”⁸⁹ The PJM Transmission Owners “retain the right to ‘maintain’ their transmission facilities

⁸⁶ See ETCC Protest at 19-20 (arguing that, in section 1.7(a), PJM meeting with individual Transmission Owners about In-Kind Replacement Facilities before posting Long-Term Transmission Needs is “inappropriate” and “improper and unduly discriminatory in favor of the incumbent transmission owners”); ICUB Comments, Docket No. ER26-744 at 3.

⁸⁷ See PJM's December 2025 Compliance Filing at 35-38.

⁸⁸ See *PJM Interconnection, L.L.C.*, 172 FERC ¶ 61,136, at P 82 (quoting CTOA, Article 4, section 4.1.4), *order on reh'g*, 173 FERC ¶ 61,225 (2020), *aff'd sub nom. Am. Mun. Power, Inc., et al. v. FERC*, 86 F.4th 922 (D.C. Cir. 2023).

⁸⁹ See *PJM Interconnection*, 172 FERC ¶ 61,136, at P 82 (quoting CTOA, Article 6, section 6.3.4).

and generally reserve all rights not specifically granted to PJM.”⁹⁰ With respect to local transmission planning in particular, the Commission has affirmed that provisions governing transmission facilities developed under the local transmission owner planning processes (e.g., Supplemental Projects) should be included in the PJM Tariff—separate from PJM’s *regional* transmission planning provisions.⁹¹

Indeed, the Final Rule recognizes the importance of “the local transmission planning process and coordination between the local and regional transmission planning processes, including the evaluation of whether replacement transmission facilities could be modified (i.e., right-sized) to more efficiently or cost-effectively address transmission needs.”⁹² As discussed above, pursuant to the CTOA, local planning requirements are within the filing rights of PJM Transmission Owners,⁹³ and PJM is responsible for regional transmission planning. Given this division, it is appropriate and indeed necessary for PJM to structure its *regional* long-term transmission planning proposal to account for the Transmission Owners’ local transmission planning responsibilities.⁹⁴

⁹⁰ See *PJM Interconnection*, 172 FERC ¶ 61,136, at P 82 (citing CTOA, Article 5, section 5.6).

⁹¹ See *Monongahela Power Co.*, 162 FERC ¶ 61,129, at P 97 (2018) (“[G]iven that the PJM Transmission Owners bear primary responsibility to plan Supplemental Projects, we find that it is just and reasonable for the provisions governing the Supplemental Project transmission planning process to be contained within the PJM OATT with the PJM Transmission Owners retaining the [Federal Power Act (“FPA”)] section 205 filing rights.” (footnotes omitted)). See also *PJM Interconnection, L.L.C.*, 173 FERC ¶ 61,242, at P 54 (2020) (rejecting stakeholders’ proposal to revise the CTOA to require PJM to review and develop end-of-life (“EOL”)-driven transmission projects under the Regional Transmission Expansion Plan, finding that EOL projects are limited to replacing existing equipment or incidentally increasing in transmission capacity, which are solely maintenance and are not within PJM’s authority which is limited to regional transmission planning), *order on reh’g*, 173 FERC ¶ 61,053 (2021), *aff’d sub nom. Am. Mun. Power, Inc., et al. v. FERC*, 86 F.4th 922 (D.C. Cir. 2023).

⁹² Order No. 1920 at P 1569.

⁹³ CTOA, Article 7, section 7.3; Tariff, Part I, section 9.1.

⁹⁴ The PJM Transmission Owners serve retail customers and are accountable to state regulators under state laws. They are also responsible for compliance with NERC standards. See *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, 118 FERC ¶ 61,119, at P 440 (“[I]n many cases, RTO planning processes may focus principally on regional problems and solutions, not local planning issues that may be addressed by individual transmission owners. These local planning issues, however, may be

By meeting with individual Transmission Owners, PJM is not giving undue preference but is instead simply recognizing that it is the Transmission Owners who have authority over local transmission planning and the nature and scope of projects they propose, and, importantly, the Transmission Owners *own* the assets that would be right-sized. That is, the discussions and right-sizing opportunities center on the Transmission Owners' estimated needs for replacing local transmission facilities over the first ten years of the planning horizon. As the focus is on local transmission facilities and the Transmission Owners retain the right to *not* right-size any such facility,⁹⁵ such conversations are limited to PJM and the Transmission Owner until there is a potential *regional* transmission solution to discuss with stakeholders—a Right-Sized Replacement Facility. Once a potential Right-Sized Replacement Facility is identified, PJM “will notify the Transmission Expansion Advisory Committee of any identified Right-Sized Replacement Facilities for review and comment and explain its conclusions.”⁹⁶

Relatedly, ETCC also argues that PJM’s compliance filing gives improper deference to PJM Transmission Owner’s proposed Tariff, Attachment M-5.⁹⁷ However, again ETCC fails to recognize the division of authority between PJM and the PJM Transmission Owners. As discussed above, PJM Transmission Owners undisputedly have

critically important to transmission customers, such as those embedded within the service areas of individual transmission owners”), *order on reh’g*, Order No. 890-A, 121 FERC ¶ 61,297, at P 176 (2007) (“As the Commission explained in Order No. 890, local planning issues may be critically important to some transmission customers, such as those embedded within the service areas of individual transmission owners.”), *order on reh’g & clarification*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh’g & clarification*, Order No. 890-C, 126 FERC ¶ 61,228, *order on clarification*, Order No. 890-D, 129 FERC ¶ 61,126 (2009).

⁹⁵ Proposed Tariff, Attachment M-5, section(c)(5); proposed Tariff, Attachment M-3, section (a)(6).

⁹⁶ Proposed Operating Agreement, Schedule 6-C, section 1.7(a).

⁹⁷ ETCC Protest at 10-13.

authority over local transmission planning, and the Commission has affirmed a separate and distinct statement of the local planning rules in the Tariff. Like Tariff, Attachment M-3, proposed Tariff, Attachment M-5 addresses aspects of transmission planning reserved to the PJM Transmission Owners. Right-sizing necessarily centers on issues of local transmission planning as it is grounded in asset management of transmission facilities owned by the PJM Transmission Owners⁹⁸ and addresses how asset management can present opportunities to meet Long-Term Transmission Needs in PJM. Further, PJM Transmission Owners state that Tariff, Attachment M-5 is modeled after local planning provisions currently contained in Tariff, Attachment M-3.⁹⁹

The Final Rule's right-sizing requirements recognize and appreciate the relationship between local and regional planning,¹⁰⁰ and PJM's compliance filing, together with PJM Transmission Owners' December 2025 Compliance Filing, including proposed Tariff, Attachment M-5, respect each party's unique responsibilities. It is therefore appropriate, and indeed required by the CTOA¹⁰¹ and the Final Rule, to ensure that the

⁹⁸ *PJM Interconnection*, 172 FERC ¶ 61,136, at P 83 (“Asset Management Projects do not fit within the categories of projects the [PJM Transmission Owners under the CTOA] have transferred to PJM” and “therefore fall within the category of rights not specifically granted to PJM and therefore reserved to the PJM [Transmission Owners].”); *see also S. Cal. Edison Co.*, 164 FERC ¶ 61,160, at P 33 (2018) (asset management projects do not expand the grid but encompass maintenance and replacement of infrastructure); *Cal. Pub. Util. Comm'n., et al. v. Pac. Gas and Elec. Co.*, 164 FERC ¶ 61,161, at P 68 (2018) (same).

⁹⁹ *See* PJM Transmission Owners' December 2025 Compliance Filing at 7.

¹⁰⁰ *See* Order No. 1920 at P 1683 (“We find that this [right-sizing] threshold strikes a reasonable balance between capturing the transmission facilities that are the most likely candidates for right-sizing without overburdening transmission providers by requiring them to identify all transmission facilities planned for in-kind replacement[.]”)

¹⁰¹ *See* CTOA, Article 4, section 4.1.4 (PJM Transmission Owners agree to “transfer to PJM . . . the responsibility to prepare a Regional Transmission Expansion Plan and to provide information reasonably requested by PJM to prepare the Regional Transmission Expansion Plan and shall otherwise cooperate with PJM in such preparation.”); CTOA, Article 6, section 6.3.4 (PJM is limited to “[c]onduct[ing] its planning for the expansion and enhancement of transmission facilities.”); CTOA, Article 4, section 4.5 (PJM Transmission Owners specifically retain the right to “maintain” their transmission facilities.); CTOA, Article 5, section 5.6 (PJM Transmission Owners generally reserve all rights not specifically granted to PJM.). *See also Monongahela Power*, 162 FERC ¶ 61,129, at P 97 (“[G]iven that the PJM Transmission Owners bear

divisions between local and regional planning are respected through PJM Transmission Owner's filing of its proposed Tariff, Attachment M-5.

As discussed below in section IV, proposed Tariff, Attachment M-5 is compliant with the Final Rule. Proposed Tariff, Attachment M-5 is derived from the currently effective Tariff, Attachment M-3, which the Commission has consistently found to appropriately reflect the division of authority and associated responsibilities as between PJM and the PJM Transmission Owners.¹⁰² The PJM Transmission Owners' definition of the Candidate In-Kind Replacement Facility Needs List and stakeholder processes also satisfy the requirements of the Final Rule.¹⁰³ These revisions are appropriately within the authorities reserved to the PJM Transmission Owners and are consistent with the CTOA, as they retain their right to maintain their own transmission facilities.¹⁰⁴

In addition, ACEG and AEU express concerns about the confidentiality of proposed Tariff, Attachment M-5.¹⁰⁵ While PJM addresses this concern in more detail below (see section IV), the development and treatment of this list is under the PJM Transmission Owners' domain, and PJM will comply with the requirements of Tariff, Attachment M-5 as approved by the Commission.

primary responsibility to plan Supplemental Projects, we find that it is just and reasonable for the provisions governing the Supplemental Project transmission planning process to be contained within the PJM OATT with the PJM Transmission Owners retaining the FPA section 205 filing rights.” (footnotes omitted)).

¹⁰² See *PJM Interconnection*, 172 FERC ¶ 61,136, at PP 81-87 (explaining that the PJM Transmission Owners retain authorities not explicitly transferred to PJM, and such a retained authority is the ability to maintain their existing infrastructure by repairing and replacing equipment); *see supra* note 101 (citing CTOA and Commission precedent regarding division of authority between PJM and PJM Transmission Owners).

¹⁰³ Proposed Tariff, Attachment M-5, sections (c)(1), (c)(5).

¹⁰⁴ CTOA, Article 4, section 4.5 (“[E]ach Party will physically operate and maintain all Transmission facilities that it owns.”).

¹⁰⁵ ACEG Comments at 5-6; AEU Comments at 10.

3. *Miscellaneous edits requested by ETCC are unnecessary for compliance with the Final Rule.*

ETCC also pleads for wordsmithing changes in various sections of PJM's proposed LTRTP Protocol. For these wording requests, ETCC does not demonstrate that PJM's proposal fails to satisfy the requirements of Order No. 1920, or that there is any substantive reason to adopt its wording choice.¹⁰⁶

- ETCC argues that PJM's definition of "Right-Sized Replacement Facility" does not comply with the Final Rule because it fails to require that such facilities be studied in the same manner as other proposed projects.¹⁰⁷ As discussed above, this argument misunderstands PJM's proposal. PJM must first identify the needs that a potential Right-Sized Replacement Facility could address. Then, after the close of the solicitation window, pursuant to proposed section 1.9(a), among other sections, PJM will evaluate proposals, including identified Right-Sized Replacement Facilities, using the same criteria and process. Further, no stakeholders challenged PJM's selection criteria or benefits calculation process. The definition need not be changed as the proposed LTRTP Protocol as a whole is compliant with the Final Rule.
- ETCC argues that LTRTP Protocol section 1.4.3 improperly defers to the PJM Transmission Owners' proposed Tariff, Attachment M-5 and inappropriately includes the ability to provide updated estimates of In-Kind Replacement

¹⁰⁶ As discussed below in section III.D.7 (Other Miscellaneous Arguments Fail to Demonstrate that PJM's LTRTP Protocol Does Not Comply With the Final Rule) ETCC also presents additional wordsmithing requests that are not substantively different from PJM's proposed wording.

¹⁰⁷ See ETCC Protest at 14-15.

Facilities.¹⁰⁸ PJM has already discussed arguments related to deference to the Transmission Owners' proposed Tariff, Attachment M-5 above.¹⁰⁹ Regardless, it is reasonable for the PJM Transmission Owners to provide updated assessments of replacement needs during the Long-Term Regional Transmission Plan study cycle. New information will constantly be gathered throughout the study process, and it is to the PJM Region's (and end-use customers') benefit to have the most up-to-date information available to PJM so as to allow for the identification and selection of the more efficient or cost-effective projects.¹¹⁰

- ETCC generally argues that proposed LTRTP Protocol sections 1.8(d) (Posting and Review of Proposals), 1.9 (Evaluation of Proposals to Address Posted Long-Term Transmission Needs), 1.10 (Criteria for Considering Inclusion of a Project in the Core Plan), and 1.15.1 (Entity-Specific Criteria Considered in Determining the Designated Entity for a Long-Term Transmission Project) should be revised to include additional references to "Right-Sized Replacement Facilities."¹¹¹ PJM considered them and determined they did not substantively alter or improve the compliance language and were therefore unnecessary to comply with Order No.

¹⁰⁸ See ETCC Protest at 17-18.

¹⁰⁹ See *supra*, section III.B.

¹¹⁰ Cf. Order No. 1920 at P 1685 ("We recognize, however, that transmission providers may obtain better information about a transmission facility's condition as the anticipated replacement date approaches and may also identify additional transmission facilities that require replacement in fewer than 10 years based on updated assessments of their condition. As such, we clarify that transmission providers may update the lists of transmission facilities that they anticipate replacing in subsequent transmission planning cycles if they believe that an anticipated in-kind replacement transmission facility is more urgently needed than previously thought or if existing transmission facilities do not deteriorate as quickly as previously expected.").

¹¹¹ ETCC Protest at 22-25.

1920. ETCC did not demonstrate that PJM’s proposed LTRTP Protocol is not compliant without its preferred wording.

Regardless of whether ETCC’s proposed wordsmithing edits are reasonable, Commission policy dictates acceptance of PJM’s proposed just and reasonable language. That is, even if the Commission disfavors PJM’s proposed wording and prefers ETCC’s proposal, the Commission should still accept PJM’s proposal over ETCC’s by following its longstanding precedent of adopting the regulated public utility’s just and reasonable proposal in circumstances in which there are competing just and reasonable proposals in an FPA section 206¹¹² proceeding.¹¹³

C. PJM’s Proposal to Make Preliminary Selections Within Three Years, Which is Supported by Extensive Evidence from Dr. Abdulsalam, is Compliant with the Final Rule.

PIOs and ACEG argue that PJM’s proposed timeline pursuant to which it will preliminarily select Long-Term Transmission Facilities within three years of the start of the Long-Term Regional Transmission Plan cycle is not compliant with the Final Rule

¹¹² 16 U.S.C. § 824e.

¹¹³ See *Midwest Indep. Transmission Sys. Operator, Inc.*, 122 FERC ¶ 61,084, at P 21 n.18 (2008) (“In considering competing proposals [in a section 206 remedy proceeding], the Commission ordinarily will choose the proposal of the regulated utility if it is just and reasonable even if other just and reasonable proposals are made by others.”) (citing *ANR Pipeline Co.*, 110 FERC ¶ 61,069, at P 49, *order on reh’g & compliance*, 111 FERC ¶ 61,290 (2005)); see *PJM Interconnection, L.L.C.*, 117 FERC ¶ 61,331, at P 85 (2006), *order on reh’g & compliance*, 119 FERC ¶ 61,318 (2007); *Kern River Gas Transmission Co.*, Opinion No. 486-F, 142 FERC ¶ 61,132, at P 37 & n.50 (2013) (same holding under analogous provision of Natural Gas Act), *order on reh’g*, Opinion No. 486-G, 145 FERC ¶ 61,042 (2013); *ANR Pipeline Co.*, 109 FERC ¶ 61,138, at P 28 (2004), *order on reh’g & compliance*, 111 FERC ¶ 61,113, at P 19 (2005) (same); cf. *PJM Interconnection, L.L.C.*, 190 FERC ¶ 61,088, at P 67 n.182 (2025) (citing to *Cities of Bethany, et al. v. FERC*, 727 F.2d 1131, 1136 (D.C. Cir. 1984) (“[T]he Commission’s authority to review rates under the FPA is limited to an inquiry into whether the rates proposed by a utility are reasonable, not whether a proposed rate schedule is more or less reasonable than alternative rate designs[.]”); *PJM Interconnection, L.L.C.*, 166 FERC ¶ 61,114, at P 32 (2019) (“Having determined PJM’s proposal is just and reasonable and not unduly discriminatory, we find that it is not necessary to evaluate the [Independent Market Monitor’s] alternative proposal.”)).

because such selections are not “final.”¹¹⁴ PIOS request that the Commission reject PJM’s proposed selection timeline or, alternatively, direct PJM to modify its proposed timeline to re-start the Long-Term Plan.¹¹⁵ ACEG, similar to PIOS, requests that PJM commit to at “least a firm four-year project selection cycle,” a claim based upon ACEG’s misunderstanding that PJM proposes to complete final project selection at the end of year five.¹¹⁶ PJM respectfully requests that the Commission disregard these arguments and find that PJM’s proposed timing is compliant with the Final Rule or, in the alternative, consistent with or superior thereto.

In compliance with the Final Rule’s requirement that, to the extent transmission providers select any Long-Term Transmission Facilities,¹¹⁷ such selection should occur no later than three years after the commencement of a Long-Term Regional Transmission Plan cycle,¹¹⁸ PJM proposed to make preliminary selections within three years of the start of the Long-Term Regional Transmission Plan cycle.¹¹⁹ PJM’s December 2025 Compliance Filing provided substantial evidence supporting the proposal for preliminary selection at this point. Specifically, PJM and Dr. Abdulsalam explained that this timeline is informed by (i) experience with the RTEP Protocol;¹²⁰ (ii) that “the nature of long-term transmission

¹¹⁴ See PIOS Limited Protest at 7-16; ACEG Comments at 5.

¹¹⁵ PIOS Limited Protest at 7-16.

¹¹⁶ ACEG Comments at 5.

¹¹⁷ PJM’s proposed LTRTP Protocol is superior to the requirements of the Final Rule in that PJM will make selection decisions based on the LTRTP Protocol’s selection criteria. See PJM’s December 2025 Compliance Filing at 100-124. The Final Rule does “not require transmission providers to select any particular Long-Term Regional Transmission Facility, even where it meets the transmission provider’s selection criteria.” Order No. 1920-A at P 466. But, “nothing in [the Final Rule] prohibits transmission providers from proposing to impose upon themselves a requirement to select a Long-Term Regional Transmission Facility in certain circumstances.” Order No. 1920 at P 1028.

¹¹⁸ Order No. 1920 at P 955; Order No. 1920-A at PP 259-61.

¹¹⁹ PJM’s December 2025 Compliance Filing at 116; Abdulsalam Declaration ¶¶ 8- 9.

¹²⁰ See PJM’s December 2025 Compliance Filing at 119-120; Abdulsalam Declaration at section III.A.

planning will require additional technical complexities compared to planning under the current RTEP Protocol;”¹²¹ and (iii) the significant amount of consultations with both states and broader stakeholders hardcoded throughout the LTRTP Protocol process.¹²² Further, despite the name “preliminary” selection point, PJM will have made selection decisions at this point—but such selections are subject to states’ decisions about state opt-out and states’ and other entities’ decisions about voluntary funding.¹²³ If states or other entities do not choose to voluntarily fund a project and opt-out decisions do not affect the preliminarily selected projects, the projects preliminarily selected at year three become the final selection.¹²⁴

Additionally, PIOs and ACEG make no attempt to undermine or otherwise provide evidence rebutting Dr. Abdulsalam’s Declaration¹²⁵ or demonstrate how, from the perspective of a transmission planning expert, certain tasks should take less time than Dr. Abdulsalam has estimated. PJM justified its selection timeline based on its experience with the RTEP Protocol and the additional requirements of the Final Rule.¹²⁶ In his Declaration, Dr. Abdulsalam explained that three years for preliminary selection is required “to afford PJM the opportunity to properly conduct each step of the process while simultaneously providing opportunities for robust state and stakeholder engagement and

¹²¹ PJM’s December 2025 Compliance Filing at 120; *see also* Abdulsalam Declaration at section III.B.

¹²² *See* PJM’s December 2025 Compliance Filing at 121-124; Abdulsalam Declaration at section IV.

¹²³ PJM’s December 2025 Compliance Filing at 116; Abdulsalam Declaration ¶¶ 8, 11.

¹²⁴ *See* PJM’s December 2025 Compliance Filing at 117 (“To be clear, even though PJM calls this a “preliminary” selection point, it meets the Final Rule’s requirement because PJM is done with its selection decisions at this point. If no one chooses to voluntarily-fund a project and no state opt-out decisions affect project selection, those preliminarily-selected projects *are* the final selected projects, as Dr. Abdulsalam explains.” (citing Abdulsalam Declaration ¶¶ 61 & 63)).

¹²⁵ *See generally* Abdulsalam Declaration. Dr. Abdulsalam is PJM’s Director of Transmission Planning with more than 25 years of transmission planning experience. Abdulsalam Declaration ¶¶ 1-3.

¹²⁶ PJM’s December 2025 Compliance Filing at 121-22; Abdulsalam Declaration ¶¶ 38-39.

feedback.”¹²⁷ As Dr. Abdulsalam explained, this is already an extraordinarily fast timeline to meet, and further cuts to the timeline may have to come from the stakeholder engagement opportunities, which the Commission would not have intended.¹²⁸ PIOS’ and AGEC’s bare allegation that the proposed timeline is not compliant does not overcome PJM’s evidence supporting its proposed timeline; accordingly, PJM requests that the Commission disregard these statements.

As an alternative, PIOS offer that PJM should adopt a “firm four-year Long-Term Regional Transmission Planning cycle that restarts after every fourth year.”¹²⁹ ACEG also supports this idea.¹³⁰

In this regard,¹³¹ PJM affirms that it will endeavor to move as expeditiously as possible through each cycle. PJM also notes that Dr. Abdulsalam’s Declaration provided a detailed anticipated timeline for the LTRTP Protocol process in Appendices 1 and 2, which illustrated the activities by month and year. The evidence shows that the Long-Term Regional Transmission Plan cycle can require an estimated 3.75 years from commencement, depending on factors outside of PJM’s control, including the duration of each stakeholder and state engagement step as well as third-party decisions under the state opt-out and voluntary funding mechanisms. Regardless, PJM’s proposed Long-Term

¹²⁷ Abdulsalam Declaration ¶ 10. Dr. Abdulsalam also estimated how long each step would likely take to complete and how the steps overlap, justifying the three-year timeline if no state chooses to opt-out; no entity decides to voluntarily fund the project; and there are no further cost allocation negotiations. *See* PJM’s December 2025 Compliance Filing at 122-123; Abdulsalam Declaration at Table 1 & ¶¶ 40-62.

¹²⁸ Abdulsalam Declaration ¶ 69.

¹²⁹ PIOS Limited Protest at 15-16.

¹³⁰ ACEG Comments at 5.

¹³¹ PIOS Limited Protest at 15-16; ACEG Comments at 5.

Regional Transmission Plan cycle will begin “at least once every five years.”¹³² This is compliant with the Final Rule’s requirements, and indeed, it is superior to the Final Rule, because it allows for the possibility that PJM will take less time to complete a cycle.

That said, PJM will endeavor to take less than five years when possible, and likely less than four years, especially with the benefit of experience after the first one or two cycles. Indeed, Dr. Abdulsalam’s Declaration uses an illustration that envisions a cycle taking just under four years, e.g., around 3.75 years,¹³³ with the start of fact gathering for the *next* cycle beginning in “Year Minus One,” meaning there is some groundwork that will overlap with the cycle before.¹³⁴ In other words, PJM does not intend to stop work and only begin the new cycle every five years. Rather, the goal is to keep each cycle under five years and start gathering facts for the next cycle before the current one is complete so that the process can keep moving along at an efficient pace.

However, given that the proposed LTRTP Protocols process has not yet been implemented and no party yet has experience in completing the long-term cycle as contemplated by the proposed LTRTP Protocol process, it is premature to commit to a shorter cycle than the five-year contemplated by the Final Rule. Accordingly, PJM requests that the Commission decline to require PJM to hardcode into the LTRTP Protocol that PJM’s cycle will last four years.

¹³² Proposed Operating Agreement, Schedule 6-C, section 1.4.1.

¹³³ Abdulsalam Declaration, Appendices 1 & 2 (illustrations of proposed LTRTP Protocol timeline estimates).

¹³⁴ Abdulsalam Declaration ¶¶ 40-42.

D. Other Issues Raised by Protests and Comments

1. *PJM's treatment of the Final Rule's Factor Categories is compliant, although PJM is willing to make certain changes as discussed below.*
 - a. PJM is willing to make changes to Final Rule Factor Categories 1 and 4 if directed by the Commission.

Several protestors and commenters claim that PJM's definition of factor categories that correspond to the Final Rule Factor Categories 1 and 4 are too narrow because the definitions refer specifically to capacity resources.¹³⁵ While PJM believes its proposed language is a reasonable compliance approach (e.g., PJM should not plan its transmission system around energy-only resources),¹³⁶ if the Commission so desires, PJM is willing to make the following change and remove references to capacity resources, as directed by the Commission in any future order on PJM's December 2025 Compliance Filing:

Proposed Operating Agreement, Schedule 6-C, section 1.4.2(a)(1): “federal, Tribal, state, and local laws and regulations that may affect the mix of resources ~~and demand that are projected to qualify to provide capacity and the demand for capacity;~~”

Proposed Operating Agreement, Schedule 6-C, section 1.4.2(b)(1): “trends in fuel costs and in the cost, performance, and availability of different types of ~~Capacity~~ Resources, as well as trends in electrification technologies (e.g., transportation and building).”

¹³⁵ See PIOs Limited Protest at 16-20; Policy Integrity Comments at 4, 8-16.

¹³⁶ See PJM's December 2025 Compliance Filing at 49 n.161 (“PJM is clarifying that the resource supply mix and demand relevant to the Long-Term Regional Transmission Plan is the supply capable of providing capacity—i.e., the supply that can meet the region's reliability needs over the long-term, and the demand for that supply. Energy-only resources cannot be relied on to meet the region's reliability and energy needs. See *Shanker v. PJM Interconnection, L.L.C.*, 187 FERC ¶ 61,209, at P 36 n.83 (2024) (“energy-only resources . . . have no obligation to provide capacity and therefore cannot be relied on to meet reliability needs” (citing to PJM's Updated Effective Load Carrying Capability Construct Filing, Docket No. ER21-2043, at 25-26 n.52 (June 1, 2021))). Thus, given that the fundamental purpose of long-term planning is to plan for the PJM Region's Long-Term Transmission Needs, PJM's clarification here is reasonable.”).

Regardless, PJM will consult with the states and stakeholders on the treatment of all data and information gathered under these provisions,¹³⁷ and will develop implementing Manual provisions through consultation with the states, Transmission Owners, transmission developers, and greater stakeholder community.¹³⁸

b. PJM’s treatment of Final Rule Factor Categories 2 and 5 complies with the Final Rule.

Some protestors and commenters claim¹³⁹ that PJM’s definitions of factor categories that correspond to the Final Rule Factor Categories 2 and 5 are too narrow because of the explanation, contained in a footnote of PJM’s December 2025 Compliance Filing (“Footnote 240”), that PJM “intends to model deactivations resulting from the ‘command and control’ policies—i.e., where a direct link can be determined (as may be under Illinois’s Climate and Equitable Jobs Act), but not subjectively-driven policies (e.g., the Regional Greenhouse Gas Initiative (RGGI) emissions reduction initiatives).”¹⁴⁰ PJM explains this distinction below.

Because this type of modeling specificity about deactivations is either subject to discussions with stakeholders or better suited for PJM’s Manuals, it is outside the scope of PJM’s December 2025 Compliance Filing.¹⁴¹ As discussed above, PJM intends to work with the states to determine how to best model their policies. PJM memorialized this intent in the LTRTP Protocol section 1.4.2(c), which provides that PJM “shall, in consultation

¹³⁷ See Proposed Operating Agreement, Schedule 6-C, sections 1.4.2 and 1.4.4.

¹³⁸ See PJM Manual 34, section 11.15 (discussing stakeholder process to revise PJM manuals).

¹³⁹ PIOS Limited Protest at 20-21; Policy Integrity Comments at 14-16 (discussing Factor Category 2).

¹⁴⁰ PJM’s December 2025 Compliance Filing at 68 n.240. As discussed below, the “subjectively-driven” term was meant to indicate policies which have a less clear impact on generator retirements due to the complexity of the economic analysis needed to analyze retirement decisions.

¹⁴¹ See *supra* note 63 (regional transmission planning implementation details are properly set forth in the transmission provider’s business practice manuals consistent with the rule of reason).

with [PARSEC], develop the Long-Term Scenario assumptions for use in the Long-Term Regional Transmission Plan study process” based on the information collected under the Final Rule’s Factor Categories. Further, this information will also be discussed with stakeholders at the assumptions meetings.¹⁴² As such, as set forth in on the proposed LTRTP Protocol, PJM will: (i) consult with the states and seek information on their preferences when interpreting state policies (such as how each policy can or should be modeled and changes in interpretation of laws or regulations); (ii) with that knowledge, inform stakeholders and gather stakeholder feedback on those discussions; and (iii) use all information received to make a determination on the modeling of these two factors, including the retirements due to policies or other reasons.¹⁴³ For that reason, Policy Integrity’s argument is also premature.¹⁴⁴

In response to Policy Integrity’s request for clarification on this point,¹⁴⁵ PJM confirms it will model all binding policies in its capacity expansion model, including the Regional Greenhouse Gas Initiative. Footnote 240 specifically focused on estimating modeling impacts for *retirement estimates*, which requires a different type of economic analysis. Some laws, such as Illinois’ Climate and Equitable Jobs Act, are expected to

¹⁴² See Proposed Operating Agreement, Schedule 6-C, section 1.4.4(a) (“The purpose of the assumptions meetings shall be to provide an open forum to discuss inputs and methods to be used in the development of scenarios and sensitivities. Such discussions may include other updates relevant to the development of the Long-Term Regional Transmission Plan.”).

¹⁴³ See Proposed Operating Agreement, Schedule 6-C, sections 1.4.2, 1.4.4, 1.5.

¹⁴⁴ Policy Integrity Comments at 9 (Arguing, the context of Commission’s Factor Category 4, “PJM has indicated in its Transmittal Letter that, for purposes of accounting for state policies affecting deactivations, it “intends to model deactivations resulting from the ‘command and control’ policies—i.e., where a direct link can be determined (as may be under Illinois’s Climate and Equitable Jobs Act), but not subjectively-driven policies (e.g., the Regional Greenhouse Gas Initiative (RGGI) emissions reduction initiatives).””).

¹⁴⁵ Policy Integrity Comments at 26 (“[I]mportant to clarify that PJM will treat all binding policies as binding constraints when running this test” because without this clarification, “it is possible that the resources PJM deems necessary to achieve the 1-in-10 standard might not include all resources necessary to achieve applicable policy requirements.”).

directly lead to retirements of identifiable generating resources, while other policies, like the Regional Greenhouse Gas Initiative, have a less clear impact on retirements due to the complexity of the economic analysis. PJM's explanation in Footnote 240 illustrates a possible approach to modeling retirement estimates as part of its stakeholder discussions.¹⁴⁶ The modeling of the impact of policies on retirements, including policies like the Regional Greenhouse Gas Initiative, will be determined upon implementation after consulting with the states and gathering stakeholder feedback, as detailed in the proposed LTRTP Protocol.¹⁴⁷

- c. PJM's proposed LTRTP Protocol appropriately accounts for all factors, including all binding and required state policies.

Policy Integrity incorrectly argues that PJM's proposed LTRTP Protocol's method of "distinguishing between Core and Additional Needs" could run counter to the Final Rule,¹⁴⁸ but provides no demonstration that PJM will not account for all binding and required state policies. To the contrary, PJM's classification of needs as Core LT Needs and Additional LT Needs will not affect PJM's consideration of the Factor Categories consistent with the Final Rule. Indeed, PJM *will* model and account for all binding and required state policies, as demonstrated in PJM's December 2025 Compliance Filing¹⁴⁹ and discussed above.

¹⁴⁶ PJM's December 2025 Compliance Filing at 68 n.240.

¹⁴⁷ See Proposed Operating Agreement, Schedule 6-C, sections 1.4.1, 1.4.2.

¹⁴⁸ Policy Integrity Comments at 26-27.

¹⁴⁹ PJM's December 2025 Compliance Filing at 60 ("[N]one of the data or information falling within the Final Rule's Factor Categories 1, 2, and 3 (i.e., section 1.4.2(a)(1) through (3)) will be discounted in developing each Long-Term Scenario." (footnote omitted)); proposed Operating Agreement, Schedule 6-C, section 1.5(a) (PJM "may not discount any data inputs relating to the factors set forth in section 1.4.2(a)(1) through (3) above.").

2. *PJM's treatment of state-requested long-term scenarios complies with the Final Rule.*

AEU incorrectly argues that PJM's proposed LTRTP Protocol is not compliant with the Final Rule's requirement that states should be able to request "a reasonable number of additional analyses or scenarios."¹⁵⁰

PJM's proposal to develop an additional Long-Term Scenario to identify Long-Term Transmission Needs if formally requested to do so by PARSEC complies with the Final Rule's requirement to develop additional scenarios either for purposes of cost allocation analyses or additional Long-Term Scenarios, as defined in the proposed LTRTP Protocol. In Order No. 1920-A, the Commission "clarified] that, when Relevant State Entities request, transmission providers must develop a reasonable number of additional scenarios to help inform the development or application of cost allocation methods."¹⁵¹ The proposed LTRTP Protocol process complies with this requirement and makes this distinction clear.¹⁵²

¹⁵⁰ AEU Comments at 6-8.

¹⁵¹ Order No. 1920-A at P 14.

¹⁵² PJM's December 2025 Compliance Filing at 64 n.226 ("To be clear, this additional Long-Term Scenario would be separate and distinct from the additional scenarios the Final Rule authorizes states to request 'to inform the application of Long-Term Regional Cost Allocation Method(s) or the development of cost allocation methods through the State Agreement Process(es). . . . Any rules regarding the development of additional scenarios to inform cost allocation will be submitted in the PJM Transmission Owners' forthcoming compliance filing dedicated to cost allocation methods for Long-Term Transmission Projects.'"); *see also* Order No. 1920-A at PP 364-366 (clarifying (i) "that transmission providers may develop additional scenarios, beyond the three Long-Term Scenarios that Order No. 1920 requires, to provide Relevant State Entities with information that they can use to inform the application of Long-Term Regional Cost Allocation Method(s) or the development of cost allocation methods through the State Agreement Process(es);," (ii) "when developing these additional analyses or scenarios used to inform cost allocation, transmission providers have the flexibility to depart from Order No. 1920's requirements related to the development of Long-Term Scenarios;" and (3) "[w]hile transmission providers may conduct [] additional analyses [as requested by Relevant State Entities], additional analyses that do not meet Order No. 1920's Long-Term Scenario requirements are not considered Long-Term Scenarios as defined in Order No. 1920." (footnote omitted)).

To the extent that the Commission’s requirement on state requests of additional analyses applies to Long-Term Scenarios for planning purposes, not just for cost allocation purposes, PJM’s proposed LTRTP Protocol still complies. As explained in PJM’s December 2025 Compliance Filing, putting aside the scenarios for cost allocation analyses, PJM will develop one additional Long-Term Scenario to identify Long-Term Transmission Needs if formally requested by PARSEC as part of the LTRTP Protocol.¹⁵³ PJM may decide to develop and analyze additional scenarios if the requested assessments and input variations to scenario development are not compatible and cannot be combined in just one additional cohesive scenario.

3. *PJM’s proposed treatment of ATTs complies with the Final Rule, and implementation details will be set forth in Manuals.*

The ICC contends that PJM provides scant details about how Transmission Owners and other developers should consider ATTs in developing proposed solutions¹⁵⁴ as part of the competitive solicitation process, and that PJM should provide “clear selection guidelines on ATTs.”¹⁵⁵ As an initial matter, PJM’s proposed requirement for Transmission Owners and other developers to demonstrate that ATTs were considered for each identified transmission need during the competitive window stage under *both* the

¹⁵³ PJM’s December 2025 Compliance Filing at 64. Additionally, Policy Integrity argues that the Final Rule prohibits transmission providers from using “any such additional analyses to identify Long-Term Transmission Needs, identify Long-Term Regional Transmission Facilities, or to meet the requirement that transmission providers estimate the costs and measure the benefits of Long-Term Regional Transmission Facilities for purposes of selection (i.e., to apply the transmission provider’s selection criteria).” Policy Integrity Comments at P 22 (quoting Order No. 1920 at P 366). To the extent that Policy Integrity is referring to the additional scenarios that states can request to inform their cost allocation decisions, *see* PJM’s December 2025 Compliance Filing at 64 n.226, PJM clarifies that it is not using those additional scenarios to identify Long-Term Transmission Needs, Long-Term Regional Transmission Projects, or in place of evaluation of selection criteria.

¹⁵⁴ ICC Comments at 5-6.

¹⁵⁵ ICC Comments at 6.

proposed LTRTP Protocol process and the existing RTEP Protocol process is wholly compliant with the Final Rule.¹⁵⁶ To implement the LTRTP Protocol and RTEP Protocol requirements, PJM will work with stakeholders to develop the guidelines, details,¹⁵⁷ and specifications as to how developers should consider ATTs. Such implementation details will be memorialized in the PJM Manuals.

PJM utilizes a formalized stakeholder process to create and revise its Manuals, and these revisions and drafts are developed through consultation with the states, Transmission Owners, transmission developers, and other stakeholders.¹⁵⁸ Implementation details about ATTs are appropriately located in PJM's Manuals because technology changes rapidly and the ATTs are still relatively new technologies. PJM's Manuals are more easily adaptable to keep pace with changes as PJM and others gain experience with the ATTs.¹⁵⁹

4. *PJM will address state opt-out & voluntary funding in a future filing made in conjunction with the Transmission Owners' cost allocation filing in June 2026.*

Several parties express various concerns regarding the fact that the state opt-out and Voluntary Funding proposals will be filed in June 2026. They argue, among other

¹⁵⁶ See PJM's December 2025 Compliance Filing at 86-90.

¹⁵⁷ PJM's December 2025 Compliance Filing explained that "PJM will work with its stakeholders to develop guidelines, including implementation details, definitions of certain technology types consistent with the Final Rule . . . , and best practices for identifying costs associated with each technology, for inclusion in PJM Manuals." PJM December 2025 Compliance Filing at 87 n.313. PJM also explained that "[s]uch Manual provisions would be developed through consultation with the states, Transmission Owners, transmission developers, and greater stakeholder community. PJM employs a formalized, collaborative stakeholder process for the creation and revision of business practices manuals, so that PJM seeks endorsement by stakeholders. Through this consultation process, PJM will also seek to provide guidance and memorialize use cases in its Manuals where such technologies would and would not be appropriate." *Id.*

¹⁵⁸ PJM's December 2025 Compliance Filing at 87 n.313; *see also* PJM Manual 34, section 11.15 (discussing stakeholder process to revise PJM manuals).

¹⁵⁹ In accepting the division of procedures between the Tariff and Manuals, the Commission has explained "study assumptions and parameters are likely to change over time as planners gain experience in implementing the new planning procedures[;]" therefore, "rigid specifications or formulas set out in the Tariff would likely lead to less reliable assessments due to the inability of planners to adapt to changing circumstances." *See Sw. Power Pool*, 136 FERC ¶ 61,050, at P 37.

things, that (i) the Commission should delay ruling on PJM’s December 2025 Compliance Filing until it receives the June 2026 cost allocation-related compliance filings; (ii) there is a lack of clarity in what those proposals will contain and how they interact with the instant compliance filing; and (iii) PJM’s December 2025 Compliance Filing is incomplete.¹⁶⁰

PJM appropriately deferred submitting these portions of its compliance filing because they are dependent on the cost allocation approach to be determined by the PJM Transmission Owners and PARSEC, the deadline for which the Commission has extended to June 12, 2026.¹⁶¹ As discussed above and in PJM’s December 2025 Compliance Filing,¹⁶² such division of compliance filings is necessary in order to comply with the division of FPA section 205¹⁶³ filing rights between PJM and PJM Transmission Owners.

Both the state opt-out and voluntary funding proposals are intertwined with cost allocation and could not be fully developed until the PJM Transmission Owners and PARSEC develop the cost allocation approaches.¹⁶⁴ Specifically, as discussed in the Final Rule, voluntary funding involves requirements regarding the opportunity fund all or portions of the costs of a project.¹⁶⁵ Regarding the state opt-out, while it is still under

¹⁶⁰ See PIOS Limited Protest at 3, 23-24; Policy Integrity Comments at 23-28; ODEC Comments at 7; AEU Comments at 3-6.

¹⁶¹ *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation*, Notice of Extension of Time, Docket No. RM21-17-000 (Oct. 17, 2025).

¹⁶² See PJM’s December 2025 Compliance Filing at 35-38; *id.* at 2-3 n.7 (explaining the allocation rights between PJM and the PJM Transmission Owners).

¹⁶³ 16 U.S.C. § 824d.

¹⁶⁴ For this reason, PIOS’ concerns about the state opt-out approach, and ACEG’s concerns about voluntary funding, are premature because they make process assumptions about a proposal that has not yet been developed. PIOS Limited Protest at 10; ACEG Comments at 7.

¹⁶⁵ Order No. 1920 at P 1012 (“We modify the NOPR proposal and require transmission providers in each transmission planning region to include in their OATTs a process to provide Relevant State Entities and interconnection customers with the opportunity to voluntarily fund the cost of, or a portion of the cost of, a Long-Term Regional Transmission Facility that otherwise would not meet the transmission providers’ selection criteria.”).

development, PJM understands that it may allow for a state to “opt-out” of funding a particular project under certain circumstances. It is clear that both of these proposals would have direct effects on the allocation of costs for a given Long-Term Transmission Project. As such, these proposals are properly within the scope of the cost allocation portion of the Final Rule compliance filing due June 12, 2026.

5. *PJM’s proposed LTRTP Protocol complies with the Final Rule’s limitations on reevaluation*

PIOs argue that PJM’s reevaluation proposal for policy changes is contrary to the Final Rule because (i) it is not limited to “situations when the facility’s targeted in-service date falls in the latter half of the 20-year planning horizon” and (ii) PJM’s criteria “do not establish a temporal marker after which a selected project will no longer face the prospect of reevaluation.”¹⁶⁶

First, although PJM’s proposed LTRTP Protocol language is silent on the requirement that “that such reevaluation only occur for facilities with a targeted in-service date that is in the latter half of the Long-Term Regional Transmission Planning cycle in which it is selected,”¹⁶⁷ in practice, PJM’s proposal will generally accomplish the purpose of the Final Rule.¹⁶⁸ For reevaluation stemming from policy changes, PJM’s LTRTP Protocol achieves the Final Rule’s goal to avoid disruption to projects with an in service date in the first ten years of the 20-year planning horizon. To be selected and formally

¹⁶⁶ PIOS Limited Protest at 22-23 (footnote omitted); *see also* ACEG Comments at 6-7 (discussing Final Rule limiting criteria).

¹⁶⁷ Order No. 1920-A at P 498.

¹⁶⁸ PJM Interconnection L.L.C., 192 FERC ¶ 61,077, at P 191 (2025) (finding that PJM’s proposal in Order No. 2023 to not impose a materiality threshold for withdrawals, but to rather conclude that all withdrawals resulting in underfunded Network Upgrades had a material impact, “*accomplishes Order No. 2023’s purpose of discouraging late-stage withdrawals.*” (emphasis added)).

included in the Regional Transmission Expansion Plan and thus eligible for reevaluation under the LTRTP Protocol, PJM would have determined that selection of that Long-Term Regional Transmission Project was “timely and appropriate,” i.e., a criterion that considers the “Long-Term Transmission Project’s development and implementation timeline, with particular consideration of whether such timeline must commence prior to the completion of the next Long-Term Regional Transmission Plan cycle.”¹⁶⁹ Thus, the project likely would be constructed in the near term.¹⁷⁰ At that point, the selected project is also going to be incorporated into the Regional Transmission Expansion Plan going forward,¹⁷¹ meaning that PJM’s base case models will include that project for going-forward planning.

Because the project is integrated into PJM’s long-term planning processes going forward, it is highly unlikely it would be reevaluated in the first half of the 20-year planning horizon, which is the concern that the PIOS raise. In other words, the structure of PJM’s proposed LTRTP Protocol achieves the same aims as the Final Rule on this point.

Second, on PIOS’ argument that reevaluation may only occur up to a “temporal” point in the facility’s development, the Final Rule provided flexibility on compliance.¹⁷² The Final Rule did not require a “temporal marker” as PIOS state, but rather a qualitative point.¹⁷³ Indeed, the Final Rule required that “transmission providers must describe the

¹⁶⁹ Proposed Operating Agreement, Schedule 6-C, section 1.12(b).

¹⁷⁰ Proposed Operating Agreement, Schedule 6-C, section 1.12(b); PJM’s December 2025 Compliance Filing at 102-103, 115-116.

¹⁷¹ Abdulsalam Declaration ¶¶ 59, 66.

¹⁷² Order No. 1920 at P 1050 (“We provide transmission providers with flexibility to propose these criteria on compliance, subject to the requirement that, as with the transmission providers’ selection criteria, the reevaluation criteria must seek to maximize benefits accounting for costs over time without over-building transmission facilities.”).

¹⁷³ See, e.g., Order No. 1920 at 1050 (“[T]ransmission providers must designate a point after which all selected Long-Term Regional Transmission Facilities will no longer be subject to reevaluation, such that the transmission developer of the selected Long-Term Regional Transmission Facility has adequate certainty to

conditions under which they would remove a previously selected Long-Term Regional Transmission Facility from the regional transmission plan.”¹⁷⁴ Further, the Final Rule did not prescribe a particular approach to the reevaluation criteria, but rather directed “transmission providers [to] balance the need to provide transmission developers with adequate investment certainty, absent which more efficient or cost-effective Long-Term Regional Transmission Facilities will not be developed, against the risk that, due to significant changes in circumstances, failing to reevaluate a selected Long-Term Regional Transmission Facility may result in the over-building of transmission.”¹⁷⁵ PJM’s proposal complies with this requirement.

As explained in PJM’s December 2025 Compliance Filing, PJM proposed a qualitative point after which a facility is no longer subject to reevaluation. To determine that point for a given Long-Term Transmission Project, PJM will employ “two key principles” in each of the three circumstances under which reevaluation will be considered: “reliability must be preserved” and “benefits accounting for costs over time should be maximized without over-building facilities.”¹⁷⁶ If the removal of a Long-Term Transmission Project would violate one or both of these principles, or if removal of a project from the Regional Transmission Expansion Plan would have adverse and cascading impacts on the interconnection or transmission planning, PJM will not remove it. That is the point at which reevaluation is no longer allowed.

make investment decisions, e.g., when the facility’s transmission developer has secured all relevant permits and authorizations for the Long-Term Regional Transmission Facility”).

¹⁷⁴ Order No. 1920 at P 1052 (footnote omitted).

¹⁷⁵ Order No. 1920 at P 1050.

¹⁷⁶ Proposed Operating Agreement, Schedule 6-C at 1.6.1(b); PJM’s December 2025 Compliance Filing at 136-137.

Further, PJM’s proposal in this regard is wholly consistent with prudent transmission planning principles (i.e., do not construct facilities that are not needed) and with the Final Rule’s overarching objective of maximizing benefits relative to costs without over-building. Establishing an artificial temporal cutoff date, as PIOS desire, instead of PJM’s proposed qualitative cutoff point, would possibly result in constructing transmission facilities that are not needed, which could impose unnecessary land and social impacts, costs on load (leading to possible consequences for landowners and other parties) and/or impose unnecessary cost recovery risk on transmission developers and prioritizing the construction of facilities (without due regard to shifting needs or policy direction) ahead of others that may be more urgently needed. PJM’s approach is thus compliant with the Final Rule’s “require[ment] that the reevaluation criteria seek to maximize benefits accounting for costs over time without over-building transmission facilities.”¹⁷⁷

6. *PJM’s transparency and stakeholder participation proposals in the proposed LTRTP Protocol are robust and comply with the Final Rule.*

Policy Integrity raises concerns about transparency and stakeholder participation. First, Policy Integrity requests PJM clarify, in proposed LTRTP Protocol section 1.4.2, that PJM will consult with PARSEC and other state stakeholders “on the method and data” used as well as “incorporate the state’s preferred modeling parameters.”¹⁷⁸ Such clarification is not necessary. PJM’s proposed LTRTP Protocol already provides that PJM will “engage with” the states to identify the applicable laws and regulations that fall within the Final Rule’s Factor Categories,¹⁷⁹ and then, once PJM has collected all the data within the Factor

¹⁷⁷ Order No. 1920-A at P 473

¹⁷⁸ Policy Integrity Comments at 16.

¹⁷⁹ Proposed Operating Agreement, Schedule 6-C, section 1.4.2(a)

Categories, will again “consult[] with” the states as to how to “develop the Long-Term Scenario assumptions for use in the Long-Term Regional Transmission Plan study process” based on the states’ laws and regulations.¹⁸⁰ In other words, PJM will, as desired by Policy Integrity, incorporate states’ approaches for modeling such data. However, consistent with the *regional* nature of the required long-term regional transmission planning, PJM cannot automatically agree to “incorporate [each] state’s preferred” approach for the simple reason that one state’s preferred approach could be inconsistent with another jurisdiction’s preferred approach within the PJM Region.¹⁸¹ A more practical approach—and the approach PJM included in the proposed LTRTP Protocol—is to hardcode methodological and data consultation with the states into the stakeholder process and for PJM, as the Transmission Provider, to determine how to coherently account for the combined preferences of all 14 jurisdictions.¹⁸² Further, PARSEC supports the current balance and explained that PARSEC, and PJM carefully weighed how to balance individual state interests with regional planning.¹⁸³

Second, Policy Integrity requests PJM give stakeholders opportunity to “propose” Long-Term Transmission Needs.¹⁸⁴ The Final Rule mandates that *PJM*, as the transmission provider, is required to “engage in and conduct sufficiently long-term, forward-looking, and comprehensive transmission planning and cost allocation processes

¹⁸⁰ Proposed Operating Agreement, Schedule 6-C, section 1.4.2(c)

¹⁸¹ Order No. 1920 at PP 530, 532 (requiring consultation with Relevant State Entities and other stakeholders for treatment of state policies, laws, and regulations); Order No. 1920-A at P 400 (reiterating state consultation requirements for selecting projects, “including those related to satisfying state laws, regulations, or policies” (footnote omitted)).

¹⁸² PJM’s December 2025 Compliance Filing at 99, 143-144; proposed Operating Agreement, Schedule 6-C, section 1.9(b).

¹⁸³ PARSEC Comments at 2-3.

¹⁸⁴ Policy Integrity Comments at 32-33.

to identify and plan for Long-Term Transmission Needs.”¹⁸⁵ In making this mandate, the Final Rule cites to Order No. 890, stating that customers may not co-equally engage in transmission planning with the Transmission Provider because the Transmission Provider is obligated to conduct transmission planning under the tariff and therefore bears the ultimate responsibility for such planning.¹⁸⁶ Similarly, the Final Rule also recognizes the value of collaboration among stakeholders in developing an evaluation process and selection criteria, but it still concludes that transmission planning is ultimately the responsibility of the Transmission Provider.¹⁸⁷

PJM’s proposed LTRTP Protocol requires consistent stakeholder engagement on the development of the Long-Term Scenarios,¹⁸⁸ the studies of such scenarios, including

¹⁸⁵ Order No. 1920 at P 89; *see also id.* at P 2 (“This final rule adopts specific requirements regarding how transmission providers must conduct Long-Term Regional Transmission Planning, including, among other things, the use of scenarios to identify Long-Term Transmission Needs[.]”).

¹⁸⁶ Order No. 1920 at P 306 n.700 (quoting Order No. 890, 118 FERC ¶ 61,119, at P 454) (“In response to the suggestion by some commenters that we require transmission providers to allow customers to collaboratively develop transmission plans with transmission providers on a co-equal basis, we clarify that transmission planning is the tariff obligation of each transmission provider, and the *pro forma* OATT planning process adopted in this [f]inal [r]ule is the means to see that it is carried out in a coordinated, open, and transparent manner, in order to ensure that customers are treated comparably. Therefore, the ultimate responsibility for planning remains with transmission providers.”).

¹⁸⁷ Order No. 1920 at P 996.

¹⁸⁸ Proposed Operating Agreement, Schedule 6-C, section 1.4.2(c) (“Using the data and information collected pursuant to this section 1.4.2 and section 1.4.3 and other data and information, the Office of the Interconnection shall, in consultation with [PARSEC], develop the Long-Term Scenario assumptions for use in the Long-Term Regional Transmission Plan study process.”); *id.*, Schedule 6-C, section 1.4.4(a) (“The Office of the Interconnection, through the [TEAC], shall hold an initial assumptions meeting to be scheduled at the commencement of the Long-Term Regional Transmission Plan study process. The Office of the Interconnection may hold additional [TEAC] meetings to discuss assumptions, as needed. The purpose of the assumptions meetings shall be to provide an open forum to discuss inputs and methods to be used in the development of scenarios and sensitivities. Such discussions may include other updates relevant to the development of the Long-Term Regional Transmission Plan.”); *id.*, Schedule 6-C, section 1.5(c) (“The Office of the Interconnection will post initial draft Long-Term Scenarios developed in accordance with this section 1.5 for review by interested stakeholders, including [PARSEC], subject to the appropriate protection of confidentiality provisions and Office of the Interconnection’s CEII process. The Office of the Interconnection, through the [TEAC], shall hold a minimum of one meeting to discuss such draft Long-Term Scenarios. The [TEAC] participants, as well as [PARSEC], will be afforded the opportunity to provide feedback on the draft scenarios.”).

“the violations of reliability criteria and analyses of the economic and operational performance of the Transmission System,”¹⁸⁹ which lead to the identification of Long-Term Transmission Needs,¹⁹⁰ and then on the classification of Core and Additional LT Needs.¹⁹¹ PJM’s proposed stakeholder processes afford meaningful opportunity to participate at each step, allowing stakeholders to affect the scenario development and studies leading to the identification of needs.

Policy Integrity also requests that PJM publicize stakeholder comments and implement Tariff provisions that “explicitly commit” PJM to publicly respond to stakeholder comments as to how it plans to incorporate stakeholder feedback.¹⁹² The Final Rule does not require the publicization of comments; nor is comment publicization appropriate in all instances.¹⁹³ As outlined in PJM Manual 34, PJM already provides

¹⁸⁹ Proposed Operating Agreement, Schedule 6-C, section 1.6(c) (“The Office of the Interconnection shall provide the results of its Long-Term Regional Transmission Plan studies and analyses to [PARSEC] and the [TEAC] to consider the impact that sensitivities, assumptions, and scenarios may have on Long-Term Transmission Needs and the need for Long-Term Transmission Projects. The Office of the Interconnection shall hold additional meetings of the [TEAC] to provide the opportunity for participants to review and offer comments regarding the violations of reliability criteria and analyses of the economic and operational performance of the Transmission System, as identified through the work performed by the Office of the Interconnection. These meetings will be scheduled as deemed necessary by the Office of the Interconnection or upon the request of the [TEAC]. The Office of the Interconnection will provide updates on the status of the development of the Long-Term Regional Transmission Plan at these meetings.”).

¹⁹⁰ Proposed Operating Agreement, Schedule 6-C, section 1.6.2(c) (“Following identification and classification of Long-Term Transmission Needs and prior to opening the proposal window in accordance with section 1.8, the Office of the Interconnection shall post: (1) all Long-Term Transmission Needs identified in the Long-Term Regional Transmission Plan study; (2) whether such needs are classified as Core LT Needs or Additional LT Needs; (3) the information related to each need as described further in section 1.8(b); and (4) whether a Right-Sized Replacement Facility may address a posted Long-Term Transmission Need as described further in section 1.7. . . . Such postings shall support the role of the [TEAC] in the development of the Long-Term Regional Transmission Plan, and the Office of the Interconnection may receive feedback on such postings prior to opening the proposal window in accordance with section 1.8. The Office of the Interconnection shall provide the [TEAC] and [PARSEC] an opportunity to comment on the classification of Core LT Needs and Additional LT Needs.”

¹⁹¹ PJM’s December 2025 Compliance Filing at 69-72.

¹⁹² Policy Integrity Comments at 32.

¹⁹³ See PJM Manual 34, section 4.5 (explaining that PJM stakeholder meetings are open to the public but that “any individual or organization that disseminates information on a public platform from a PJM stakeholder meeting that includes direct quotation and attribution of any comments” are subject to certain rules to

sufficient opportunities for stakeholders to listen to each other and already has existing stakeholder-approved procedures for publicization of comments.¹⁹⁴

Further, PJM has hardcoded more than a dozen different PARSEC and stakeholder engagements into the proposed LTRTP Protocol,¹⁹⁵ which is far beyond any of the Final Rule's requirements for stakeholder engagement (especially in comparison to the three stakeholder engagement minimum for local planning in the Final Rule).¹⁹⁶ Due to the ample opportunities for stakeholder participation and comment, and consistent with its current practices for developing the Regional Transmission Expansion Plan, PJM does not intend to respond in writing to each individual question because it would slow down the process given that PJM's stakeholder process already exceeds the requirements of the Final Rule.

7. *Other miscellaneous arguments fail to demonstrate that PJM's LTRTP Protocol does not comply with the Final Rule.*

Finally, PJM addresses a few miscellaneous arguments.

ICUB argues that the benefit-to-cost ratio for the All-in-One Plan should be measured on a portfolio basis.¹⁹⁷ During the course of discussions, PARSEC requested that the incremental scope of the All-in-One Plan relative to the Core Plan be measured on a project-by-project basis. PJM agreed, and PJM's December 2025 Compliance Filing adopts this approach. PJM also proposes to allow the term "Long-Term Transmission

¹⁹⁴ "encourage engaged, open dialogue"), section 15.4 ("All stakeholders have the opportunity to provide written communication directly with the Board of Managers on issues of importance regarding subjects germane to PJM's market design or operations, reliability operations or planning. All such written communication shall be made public consistent with PJM's internal policies for handling such communications.").

¹⁹⁵ See PJM Manual 34.

¹⁹⁶ PJM's December 2025 Compliance Filing at 143-150.

¹⁹⁶ Order No. 1920 at P 1626.

¹⁹⁷ See ICUB Comments, Docket No. ER26-751 at 4.

Project”¹⁹⁸ to encompass more than a single component or project, as appropriate, to be evaluated as one and together satisfy the benefit-to-cost ratio.¹⁹⁹

ETCC offers some additional wordsmithing edits to the proposed LTRTP Protocol language. For example, ETCC argues that solutions are not identified in the study process in Schedule 6-C, section 1.6.²⁰⁰ But solutions would not be identified in the study process, which is intended to develop the Core LT and Additional LT Needs that are posted for competitive solicitation. Rather, solutions are identified following the close of the competitive solicitation window and PJM’s evaluation of received proposals.

ETCC also contends that PJM’s definition of “Long-Term Transmission Project” fails to require that such project be more efficient or cost-effective.²⁰¹ Likewise, ETCC argues that section 1.3, which describes the broad contents of the Long-Term Regional Transmission Plan, should contain references to “more efficient or cost effective.”²⁰² But, such references do not need to be included in these places. Rather, efficiency and cost effectiveness are selection criteria, and thus properly belong (and are already included in) in Schedule 6-C, section 1.9 Evaluation Criteria; the Core Plan Benefit-Cost-Ratio; the All-in-One Plan Benefit-Cost Ratio; and the evaluation of timeliness and appropriateness—

¹⁹⁸ See also PJM’s December 2025 Compliance Filing at 40 (“Long-Term Transmission Project’ shall mean one or more enhancement(s) or expansion(s) of the Transmission System identified through the Long-Term Regional Transmission Plan process that, on an aggregate basis of all components, addresses a Long-Term Transmission Need or common set of Long-Term Transmission Needs.”); proposed Operating Agreement, Definitions I – L (defining Long-Term Transmission Project). *Supra* note 34.

¹⁹⁹ PJM’s December 2025 Compliance Filing at 14 (“That is, each project, incremental portion of a larger project, or cluster or inter-related proposals that collectively addresses one or more Additional LT Need (possibly in addition to a Core LT Need), must satisfy this individualistic benefit-to-cost threshold.” (footnote omitted)).

²⁰⁰ ETCC Protest at 19.

²⁰¹ ETCC Protest at 16.

²⁰² ETCC Protest at 16-17.

i.e., when PJM is evaluating and selecting the projects that are the more efficient or cost effective solutions.

IV. PJM TRANSMISSION OWNERS’ COMPLIANCE FILING IS COMPLIANT WITH THE FINAL RULE

PJM supports the PJM Transmission Owners’ proposed compliance filing of Tariff, Attachment M-5 and proposed revisions to Tariff, Attachment M-3 and addresses specific arguments alleging the filing is not compliant.

Contrary to arguments raised by certain protestors and commenters,²⁰³ PJM Transmission Owners’ existing Tariff, Attachment M-3 and minor proposed revisions thereto are compliant with the Final Rule, as discussed below. The Final Rule requires, among other things, that transmission providers must enhance transparency of various aspects of their local transmission planning process.²⁰⁴ Specifically, the Final Rule directs transmission providers to develop requirements for identifying and posting certain information and to conduct multiple publicly-noticed meetings permitting iterative opportunities for meaningful stakeholder comment and feedback.²⁰⁵

In fact, the Commission specifically pointed to Tariff, Attachment M-3 as an example of how to balance “the need for transparency of local transmission planning inputs that are used in regional transmission planning and providing transmission providers with flexibility in how they conduct their local transmission planning processes.”²⁰⁶ Tariff, Attachment M-3 satisfies and in fact goes beyond what was required in the Final Rule to ensure transparency. In existing Tariff, Attachment M-3, section (c), the PJM

²⁰³ PIOs Limited Protest at 24-26; ODEC Comments at 4-6; ICUB Comments, Docket No. ER26-744 at 3-4.

²⁰⁴ Order No. 1920 at P 1625.

²⁰⁵ See Order No. 1920 at PP 1625-28.

²⁰⁶ Order No. 1920 at P 1636.

Transmission Owners detail at least three stakeholder meetings, the posting of meeting materials, the posting of technical information for each of those meetings, and requirements for the PJM Transmission Owners to review and provide feedback on comments.²⁰⁷ Existing Tariff, Attachment M-3 also clarifies that there are no limitations if stakeholders want to engage in additional meetings or gather additional information.²⁰⁸ It also includes new, proposed language that appropriately clarifies that long-term planning under the Final Rule is the responsibility of PJM.²⁰⁹ The Commission has previously found that Tariff, Attachment M-3 supports increased transparency for stakeholders.²¹⁰

PIOs and ICUB both argue that existing Tariff, Attachment M-3 does not satisfy the requirements of the Final Rule because it does not say that PJM Transmission Owners “must” provide feedback as required, but instead says that they “may.”²¹¹ However, the Final Rule states “we require that transmission providers must respond to questions or comments from stakeholders *such that it allows stakeholders to meaningfully participate in these three required stakeholder meetings.*”²¹² Tariff, Attachment M-3 provides for multiple opportunities for stakeholders to comment and for PJM Transmission Owners to provide feedback to allow stakeholders to participate in the meetings in a meaningful way, and, as discussed above, the Commission has repeatedly recognized that Tariff, Attachment M-3 provides these opportunities.²¹³

²⁰⁷ See proposed Tariff, Attachment M-3(c).

²⁰⁸ Proposed Tariff, Attachment M-3(c)(7).

²⁰⁹ Proposed Tariff, Attachment M-3(a)(6).

²¹⁰ *PJM Interconnection*, 172 FERC ¶ 61,136, at P 88.

²¹¹ See PIOS Limited Protest at 25-26 (citing Order No. 1920 at P 1628); ICUB Comments, Docket No. ER26-744 at 3-4 (same).

²¹² Order No. 1920 at P 1628 (emphasis added).

²¹³ See *PJM Interconnection*, 172 FERC ¶ 61,136, at P 88; Order No. 1920 at P 1636.

Likewise, regarding PJM Transmission Owners’ proposed Tariff, Attachment M-5, PJM disagrees with protests and comments arguing that the proposal is not compliant with the Final Rule’s right-sizing and associated coordination requirements.²¹⁴ As relevant here, for purposes of evaluating whether a transmission facility can be right-sized, the Final Rule states that such a facility must not exceed 200 kilovolts, that it must be one that a transmission owner anticipates replacing in the next 10 years, must replace an existing facility, would not result in more than an incidental capacity increase, and is located in same general area.²¹⁵ PJM Transmission Owners’ proposed definition of “In-Kind Replacement Facility Need” specifically addresses all of these requirements.²¹⁶ PJM Transmission Owners’ proposed Tariff, Attachment M-5 also provides that “[e]ach Transmission Owner that is the owner of the existing asset that has been identified and selected to be a Right-Sized Replacement Facility shall be designated to construct and own or finance any facilities identified and selected as a Right-Sized Replacement Facility,”²¹⁷ compliant with the Final Rule’s requirements implementing a right of first refusal for right-sized replacement transmission facilities.²¹⁸

Further, PJM Transmission Owners’ proposal is also compliant with the Final Rule’s requirement that each transmission provider must submit its in-kind replacement

²¹⁴ ETCC Protest at 7-9, 13; ICUB Comments, ER26-744 at 2-4.

²¹⁵ Order No. 1920 at PP 1677-78.

²¹⁶ ETCC argues that PJM’s proposed LTRTP Protocol is deficient because it does not include the ten-year time horizon. ETCC Protest at 18. As discussed here, proposed Tariff, Attachment M-5, section (c)(1) explicitly includes the 10-year horizon for identifying candidate replacement facility needs, making PJM’s proposal compliant with the Final Rule.

²¹⁷ Proposed Tariff, Attachment M-3, section (c)(4).

²¹⁸ Order No. 1920 at PP 1677, 1702.

estimates to PJM “sufficiently early” in the planning process.²¹⁹ PJM Transmission Owners will provide PJM with the Candidate In-Kind Replacement Facility Needs List at the beginning of each Long-Term Regional Transmission Plan study cycle,²²⁰ which is about as early as possible. Consistent with PJM’s proposed LTRTP Protocol, Tariff, Attachment M-5 also provides that Transmission Owners may update this list throughout the Long-Term Regional Transmission Plan study cycle.²²¹ ICUB and AEU argue that PJM Transmission Owners should not be permitted to update the Candidate In-Kind Replacement Facility Needs List or modify the Right-Sized Replacement Facility.²²² However, as discussed above, it is reasonable for these lists to be updated to reflect new information that may arise during the study process.²²³

Regarding disclosure of this information,²²⁴ once PJM determines that an In-Kind Replacement Facility Need can be more efficiently or cost-effectively addressed by a Right-Sized Replacement Facility, PJM will publicly post the following information, consistent with the Final Rule:²²⁵ (i) the Long-Term Transmission Need, (ii) the relevant In-Kind Replacement Facility Need, (iii) the identified Right-Sized Replacement Facility,

²¹⁹ Order No. 1920 at PP 1677, 1681.

²²⁰ Proposed Tariff, Attachment M-5(c)(1) (“At the beginning of each Long-Term Regional Transmission Plan study cycle, each Transmission Owner shall provide to the Office of the Interconnection a Candidate In-Kind Replacement Facility Needs List comprising its non-public confidential, non-binding projection of up to 10 years of In-Kind Replacement Facility Needs that it has identified pursuant to the Transmission Owner’s processes for identification of In-Kind Replacement Facility Needs.”).

²²¹ Proposed Tariff, Attachment M-3(c)(1).

²²² ICUB Comments, Docket No. ER26-744 at 3; AEU Comments at 10-12.

²²³ *See supra* section III.B.3.

²²⁴ ACEG Comments at 5-6; AEU Comments at 10.

²²⁵ Order No. 1920 at P 1736 (“However, once the transmission providers have determined, as part of Long-Term Regional Transmission Planning, that an in-kind replacement transmission facility can be right-sized to constitute a right-sized replacement transmission facility, we find that the transmission providers must make public the underlying in-kind replacement transmission facility.”).

and (iv) any incidental system impacts caused by the Right-Sized Replacement Facility that would need to be addressed.²²⁶ Importantly, the confidentiality requirements proposed in Tariff, Attachment M-5 are consistent with the Commission-approved confidentiality provisions in Tariff, Attachment M-3.²²⁷ Further, PJM supports PJM Transmission Owners' approach to disclosure of this information in order to address potential security and reliability concerns. PJM Transmission Owners have argued that “[c]onfidentiality agreements or provisions do not provide adequate protection against the damage that disclosure of potential replacement facilities could cause to security and reliability.”²²⁸ PJM Transmission Owners continue that using non-disclosure agreements “provide limited protection against the liabilities that would result from disclosure of such highly sensitive information and will not protect against the true cost of a reliability violation or system failure that results from disclosure of data or information by a third party.”²²⁹ Given these concerns, PJM believes that PJM Transmission Owners' compliance approach strikes the appropriate balance between ensuring transparency and preventing potentially serious security, reliability, and liability concerns.

²²⁶ Proposed Operating Agreement, Schedule 6-C, sections 1.6.2(c) (posting prior to the window) and 1.8(b) (posting as part of opening the window).

²²⁷ See PJM Transmission Owners' December 2025 Compliance Filing at 8.

²²⁸ PJM Transmission Owners, Request for Rehearing of the Indicated PJM Transmission Owners, Docket No. RM21-17-001, at 8 (June 12, 2024).

²²⁹ *Id.* at 8-9.

V. CONCLUSION

PJM requests that the Commission: (i) accept this Answer; and (ii) accept PJM's December 2025 Compliance Filing.

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Dated: February 17, 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 17 day of February 2026.

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