

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

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	)	
PJM Interconnection, L.L.C.	)	Docket No. EL25-49-000
	)	
Large Loads Co-Located at Generating Facilities	)	Docket No. AD24-11-000
	)	
Constellation Energy Generation, LLC	)	Docket No. EL25-20-000
	)	
v.	)	
	)	
PJM Interconnection, L.L.C.	)	

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

Pursuant to Rules 212 and 213 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”),<sup>1</sup> PJM Interconnection, L.L.C. (“PJM”), submits this motion for leave to answer and answer to the February 20, 2026 motion for leave to answer and answer and January 20, 2026 Request for Clarification or, in the Alternative, Rehearing (the “Request”) of Constellation Energy Generation, LLC (“Constellation” or “Requester”)<sup>2</sup> seeking rehearing of the Commission’s December 18 Order in the above-captioned docket.<sup>3</sup>

The Request should be denied because the requested relief is inconsistent with the December 18 Order and PJM’s existing rules specified in the Open Access Transmission

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<sup>1</sup> 18 C.F.R. §§ 385.212 and 385.213 (2025).

<sup>2</sup> *PJM Interconnection, L.L.C.*, Motion for Leave to Answer and Answer of Constellation Energy Generation, LLC, Docket Nos. EL25-49-000, *et al.* (Feb. 20, 2026) (“February 20 Answer”); *PJM Interconnection, L.L.C.*, Request for Clarification or, in the Alternative, Rehearing of Constellation Energy Generation, LLC, Docket Nos. EL25-49-000, *et al.* (Jan. 20, 2026) (“Request”).

<sup>3</sup> *PJM Interconnection, L.L.C.*, 193 FERC ¶ 61,217 (2025) (“December 18 Order”).

Tariff (“Tariff”). Specifically, the Request misconstrues the “existing rules for non-firm exports”<sup>4</sup> in an attempt to rebuff the requirement in the December 18 Order that a Capacity Resource is required to relinquish its Capacity Interconnection Rights (“CIRs”) for the portion of the resource that is serving Co-Located Load.<sup>5</sup> This false analogy should be rejected because recallable exports must still satisfy their must-offer requirement.<sup>6</sup> The Requester advocates for an interpretation that would, instead, permit resources with capacity commitments that also serve Co-Located Load to be treated as recallable *without* being required to meet the existing energy market must-offer requirement.<sup>7</sup> Indeed, the Requester acknowledges that the energy offer price rules would need to be revised<sup>8</sup> notwithstanding such matter being out of scope. The Commission should not consider such a request upon rehearing as potential changes to energy offer price rules are not within the scope of this proceeding.

PJM further submits this answer to clarify precedent cited in the February 20 Answer.<sup>9</sup> While “electric capacity is the ability to produce [energy] when called upon,”<sup>10</sup>

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<sup>4</sup> Request at 1.

<sup>5</sup> The Commission’s February 20, 2025 Show Cause Order defined Co-Located Load as a “configuration [that] refers to end-use customer load that is physically connected to the facilities of an existing or planned Customer Facility on the Interconnection Customer’s side of the Point of Interconnection to the PJM Transmission System.” *PJM Interconnection, L.L.C.*, 190 FERC ¶ 61,115, at P 3 & n.4 (2025) (“Show Cause Order”); Request at 1.

<sup>6</sup> *PJM Interconnection, L.L.C.*, 139 FERC ¶ 61,057, at P 205 (2012).

<sup>7</sup> February 20 Answer at 3 (debating “the requirement to offer their full [capacity] in the energy and reserves markets every day”) (quoting IMM Answer at 4); Request for Rehearing at 3 (“Constellation seeks clarification that the Commission did not intend to . . . insist the generation that is capable of supplying the grid *during a capacity performance event* delist.”) (emphasis added).

<sup>8</sup> February 20 Answer at 4.

<sup>9</sup> See February 20 Answer at 2-4.

<sup>10</sup> *PPL EnergyPlus, LLC v. Solomon*, 766 F.3d 241, 247 (3d Cir. 2014) (internal citations omitted); see also *Affirmed Energy, LLC v. FERC*, No. 25-1091, Slip Op. at 42 (D.C. Cir. Feb. 10, 2026) (“Capacity is not actual electricity, but rather a ‘commitment to produce electricity or forgo the consumption of electricity’ in a future delivery year.”); *Cent. Hudson Gas & Elec. Corp. v. FERC*, 783 F.3d 92, 98 (2d Cir. 2015) (continued . . .)

it is inaccurate to say that Capacity Resources are only “called upon” to satisfy their capacity obligations during emergencies under the existing rules.<sup>11</sup> Rather, under the existing market rules, committed Capacity Resources are expected to satisfy the obligations associated with such commitments during the entire Delivery Year, not just during emergency conditions.<sup>12</sup> Any “adjustments to the energy offer price rules to accommodate the non-firm supply of co-located load from a capacity resource”<sup>13</sup> that would change what may be included in cost-based offers were not contemplated by the December 18 Order and are not consistent with the *status quo* treatment of resources with the capability to export.<sup>14</sup>

Finally, a flawed comparison is drawn between exports to neighboring systems and service to load internal to the PJM system that is not PJM-capacity backed. These two scenarios are materially different. In the case of recallable exports to neighboring systems such as the Midcontinent Independent System Operator and New York Independent System Operator, those systems have their own capacity requirements and resources; and the non-firm exports are simply accomplishing the efficiencies of economic dispatch. In the case of Co-located Load internal to the PJM system, that Co-Located Load would be, in the Requester’s view, not capacity backed.

For these reasons, the Commission was correct in its December 18<sup>th</sup> Order when it determined that service to such Co-Located Load should preclude such capacity from

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(“[S]uppliers sell a commitment to produce electric energy if called upon to do so during a specified future time period, rather than electric energy itself.”).

<sup>11</sup> February 20 Answer at 2; *see* Request at 4.

<sup>12</sup> *See* Tariff, Attachment DD, section 6.6(a).

<sup>13</sup> February 20 Answer at 4.

<sup>14</sup> *See* Operating Agreement, Schedule 2, section 5.

continuing to qualify as Capacity Resources in PJM’s capacity market. Indeed, even the Requester admits that the existing energy market must offer requirements and energy offer price rules, which are outside the scope of this proceeding, would need to be modified in order to allow a resource to principally serve the Co-Located Load, except only during emergencies, and still be a Capacity Resource.<sup>15</sup>

**I. ANSWER**

**A. Capacity Resources Cannot and Should Not Be Permitted to Receive Capacity Payments for Megawatts Committed to Serving Co-Located Load.**

**1. The Commission Correctly Concluded that an Existing Generation Capacity Resource Should Not Begin Serving Co-Located Load that is Not Network Load Until It Has Delisted its CIRs for the Portion of the Generation Capacity Used to Serve Co-Located Loads.**

The Commission explained in its December 18 Order that, “[i]n accordance with the existing rules for removing Capacity Resource status, ... an existing generating facility may not begin serving Co-Located Load that is not Network Load until it has delisted its CIRs for the portion of the generating facility to be designated to serve any Co-Located Load that is not receiving [Network Integration Transmission Service (NITS)].”<sup>16</sup> Neither the Commission’s definition for Co-Located Load nor anything in the PJM governing documents would allow a generation resource to permanently double book itself in both PJM’s capacity market and also as a resource that is designated to serve a Co-Located Load that does not receive NITS. The December 18 Order did not indicate that generation serving and being compensated by Co-Located Load arrangements should also be deemed available to participate as a PJM Capacity Resource and receive capacity payments from

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<sup>15</sup> February 20 Answer at 4.

<sup>16</sup> December 18 Order at P 230 (citing Tariff, Attachment DD, section 6.6).

PJM load. However, the Requester appears to suggest that “non-firm contract demand transmission service” implicitly allows for continued capacity market participation.<sup>17</sup> Transmission service products and PJM’s capacity product are separate and distinct. Nothing in the creation of any type of interruptible transmission service to internal load leads to changing the requirements for a generation facility to qualify and participate as a Capacity Resource. The Commission should not advance such a novel and *post hoc* product in response to the Request.

**2. Capacity Resources Must Satisfy their Must-Offer Requirement, and Neither the December 18 Order nor the Current Rules Contemplate Adjusting the Must-Offer Requirement Based Upon Service to Non-Capacity Backed Co-Located Load within the PJM System.**

The Requester asserts that it will not be selling capacity twice because the generator’s capacity would be sold only once—to PJM—and that arguments to the contrary conflate energy and capacity.<sup>18</sup> It is true that “[e]lectric energy is the actual electricity that electric generators produce and which residential and business customers ultimately use. By contrast, electric capacity is the ability to produce [energy] when called upon.”<sup>19</sup> The Request, however, misapplies this precept to PJM’s capacity market design.

That is, the Request’s arguments are premised on the argument that capacity must *only* be available for a few emergency hours per year to avoid Performance Assessment

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<sup>17</sup> Request at 1, 4.

<sup>18</sup> February 20 Answer at 2; *see PJM Interconnection, L.L.C.*, Answer and Motion for Leave to Answer of the Independent Market Monitor for PJM, Docket Nos. EL25-49-000, *et al.*, at 4 (Feb. 5, 2026) (“Market Monitor’s Answer”).

<sup>19</sup> *PPL EnergyPlus, LLC v. Solomon*, 766 F.3d 241, 247 (3d Cir. 2014) (internal citations omitted); *see also Affirmed Energy, LLC v. FERC*, No. 25-1091, Slip Op. at 42 (D.C. Cir. Feb. 10, 2026) (“Capacity is not actual electricity, but rather a ‘commitment to produce electricity or forgo the consumption of electricity’ in a future delivery year.”); *Cent. Hudson Gas & Elec. Corp. v. FERC*, 783 F.3d 92, 98 (2d Cir. 2015) (“[S]uppliers sell a commitment to produce electric energy if called upon to do so during a specified future time period, rather than electric energy itself.”).

Intervals and charges.<sup>20</sup> That is incorrect. Under the current Reliability Pricing Model (“RPM”) rules, capacity represents a resource’s availability to be called upon and provide capacity every day of the Delivery Year, not just for those few emergency hours which may occur.<sup>21</sup> Load does not pay for annual capacity obligations only for emergency hours. Rather, the obligations of a committed Capacity Resource include the requirement to make such resource available to PJM throughout the relevant Delivery Year.<sup>22</sup> Otherwise, a resource’s commitment to provide capacity would not actually support or correlate with the resource adequacy needs of the PJM Region throughout the Delivery Year. In short, the obligations of a committed Capacity Resource throughout the associated Delivery Year are incompatible with having a resource’s daily output permanently committed to non-Network Load.

It is true that the “must-offer requirement, when implemented, should not impede resources from exporting energy on a non-firm or recallable basis, *i.e.*, that the must-offer requirement will not operate in [a] manner that requires the resource to sit idle.”<sup>23</sup> But this statement does not mean that a must-offer requirement cannot be imposed on a recallable resource. Rather, it means that recallable resources that are able to meet their must-offer requirement should not be excluded. This statement is a caveat to the Commission’s directive that PJM require “non-emergency generation capacity resources to submit offers for” reserves by clarifying that resources that have met their must-offer requirement but haven’t been committed in the Day-ahead Energy Market as reserves should not be

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<sup>20</sup> See February 20 Answer at 3; Request for Rehearing at 3; *see also* Market Monitor’s Answer at 4.

<sup>21</sup> Reliability Assurance Agreement (“RAA”), Article 1, Definitions; RAA, Schedule 8; *see* Tariff, Attachment DD, section 6.6(a); Tariff, Attachment DD, section 8.2.

<sup>22</sup> Operating Agreement, Schedule 1, section 1.10.1A(d).

<sup>23</sup> *PJM Interconnection, L.L.C.*, 139 FERC ¶ 61,057, at P 205 (2012).

prohibited from exporting energy such that they would otherwise be required to “sit idle.”<sup>24</sup> The Requester instead contemplates a hypothetical resource in a Co-Located Load arrangement which (1) would not meet the hourly must-offer requirement, and (2) would not “sit idle,” as it would be serving Co-Located Load.<sup>25</sup>

By contrast, a generation resource serving Co-Located Load within the PJM footprint is not similarly situated to a generation resource exporting that energy for a limited duration. Co-Located Load arrangements are likely to be for extended multi-year contracts as the load and attendant infrastructure are being built for that purpose. Accordingly, the Request seeks a determination that is inconsistent with the Tariff and the Commission’s longstanding reliance on markets to provide just and reasonable rates and would significantly disrupt PJM markets. As such, the Request should be denied.

## **II. MOTION FOR LEAVE TO ANSWER**

Although the Commission’s rules do not generally permit answers to requests for rehearing,<sup>26</sup> the Commission will accept such an answer where, as here, it assists the Commission in its decision-making process.<sup>27</sup> PJM therefore respectfully requests that the Commission grant leave and accept this answer.

## **III. CONCLUSION**

For the reasons stated above, PJM requests that the Commission reject the Request.

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<sup>24</sup> *Id.* (noting that such requirements were “consistent with the existing obligation for capacity resources to offer energy from all their capacity to the PJM day-ahead energy market”).

<sup>25</sup> *Id.* (explaining that the Commission’s concern was specifically that PJM not implement the must-offer requirement such that it would operate in a “manner that requires the resource to sit idle”).

<sup>26</sup> 18 C.F.R. § 385.713(d).

<sup>27</sup> *See, e.g., Appalachian Power Co.*, 161 FERC ¶ 61,070, at P 15 (2017); *Columbia Gas Transmission, LLC*, 146 FERC ¶ 61,116, at P 1 n.3 (2014); *New England Power Pool*, 109 FERC ¶ 61,252, at P 12 (2004).

Respectfully submitted,

*/s/ Daniel Vinnik*

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## CERTIFICATE OF SERVICE

I hereby certify that I have this day, March 9, 2026, served the foregoing document upon each person designated on the official service lists compiled by the Secretary in this proceeding.

/s/ Daniel Vinnik

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