

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

Consolidated Edison Company of New York,) Inc. v. PJM Interconnection, L.L.C.))	Docket Nos. EL15-18-005
Linden VFT, LLC v. PJM Interconnection,) L.L.C.))	EL15-67-005
Linden VFT, LLC v. PJM Interconnection,) L.L.C.))	EL17-68-003
PJM Interconnection, L.L.C.))))	ER17-950-006 (Not Consolidated)
Neptune Regional Transmission System, LLC) and Long Island Power Authority v. PJM) Interconnection, L.L.C.))	EL21-39-000
PPL Electric Utilities Corporation))	ER22-1606-000
PPL Electric Utilities Corporation) Neptune Regional Transmission System, LLC) Long Island Lighting Co.)	ER22-1606-001 (Consolidated)

**MOTION FOR EXTENSION OF TIME AND REQUEST FOR
EXPEDITED ACTION BY MAY 1, 2026,
MOTION FOR CLARIFICATION, AND LIMITED REQUEST FOR
REHEARING OF PJM INTERCONNECTION, L.L.C.**

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

PJM Interconnection, L.L.C. (“PJM”) respectfully submits three discrete pleadings through this filing:¹

¹ PJM submits this filing pursuant to section 313(a) of the Federal Power Act (“FPA”), 16 U.S.C. § 825l(a), Rules 212, 713, and 2008 of the Federal Energy Regulatory Commission’s (“Commission” or “FERC”) Rules of Practice and Procedure (18 C.F.R. §§ 385.212, 385.713, and 385.2008), and in response to *Consolidated Edison Co. of New York, Inc. v. PJM Interconnection, L.L.C.*, 194 FERC ¶ 61,179, at P 92 (2026) (“Order on Remand”).

- (1) a Motion for Extension of Time of the compliance directives to recalculate the cost responsibility assignments of over 1,200 projects² and resettle billings for those projects based on the revised cost responsibility assignments and a ***Request for Expedited Action by May 1, 2026***;
- (2) a Motion for Clarification as to several aspects of how PJM should implement Order on Remand’s compliance directives; and
- (3) a Limited Request for Rehearing for the Commission to exercise its equitable discretion to (i) decline to require resettlements, or (ii) in the alternative, not require interest for such resettlements; and (iii) decline to require PJM to file revised historic Tariff records.

This filing is limited to seeking relief to address PJM’s concerns with the Order on Remand’s directives “to recalculate the cost allocations in Schedule 12 and correct the billing (with interest calculated pursuant to section 35.19(a) of the Commission regulations) within 90 days of the date of this order for all projects back to June 18, 2015”³ and “to make cleanup filings through eTariff to correct the cost allocations for each cost allocation”⁴ (together, “Compliance Directive”).

PJM requests Commission action by May 1, 2026 either: (1) deferring implementation of the Compliance Directive, as set forth in Section III.C below; or (2) approving PJM’s three-step Resettlement Schedule, as set forth in Section III.D below.⁵ Regardless of the Commission’s path, PJM requires guidance for implementing the Compliance Directive, as set forth in the Motion for Clarification in Section IV.

² While the PJM Open Access Transmission Tariff (“Tariff”) defines the term for the transmission expansions or enhancements allocated in accordance with Tariff, Schedule 12 as “Required Transmission Enhancement,” to facilitate understanding and for the ease of the reader, throughout this document, PJM is using the term “project” as shorthand for Required Transmission Enhancement. Except as otherwise defined, capitalized terms used in this filing shall have the meaning provided under the Tariff or the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. (“Operating Agreement”).

³ Order on Remand, 194 FERC ¶ 61,179, at P 92.

⁴ Order on Remand, 194 FERC ¶ 61,179, at P 92 n.178.

⁵ See 18 C.F.R. § 385.213(d)(1)(i) (“If a motion requests an extension of time or a shortened time period for action, then answers to the motion to extend or shorten the time period shall be made within 5 days after the motion is filed, unless otherwise ordered.”).

I. EXECUTIVE SUMMARY

As detailed below and in the attached affidavits of the relevant PJM subject matter experts,⁶ the scope of this Compliance Directive is immense and cannot be completed within the 90-day timeframe provided. The Order on Remand directed the largest ever resettlement the Commission has ever required of PJM in scope, complexity, and reach. Resettlements will affect *all* customers across the PJM Region and may require resettling costs associated with over 1,200 transmission projects. While the exact amount of transmission charges that will need to be resettled is not yet known,⁷ PJM anticipates that complying with the Order on Remand will result in the need to resettle an estimated amount between \$1.5 and \$2 billion (plus interest).⁸

To comply, PJM will need to, among other things:

- (1) recalculate cost responsibility assignments for over 1,200 projects that were calculated using the solution-based distribution factor (“DFAX”) method;⁹
 - a. because the Order on Remand directed resettlements over a nearly 11-year period, such recalculation will require significant data discovery, validation, and reconstruction, as well as building new tools and modifying existing ones to apply the solution-based DFAX method for the iteration of the methodology that was in effect at the time the project was added to the RTEP and its cost responsibility assignment was

⁶ Attachment A, Affidavit of Dr. Grace Niu on Behalf of PJM Interconnection, L.L.C. (“Niu Aff.”); Attachment B, Affidavit of Natasha Holter on Behalf of PJM Interconnection, L.L.C. (“Holter Aff.”).

⁷ The exact amount to be resettled cannot be known until the labor-intensive and time-consuming processes described in Dr. Niu’s and Ms. Holter’s Affidavits are completed.

⁸ The total estimated cost of the over 1,200 projects at the time they were each approved for inclusion in the Regional Transmission Expansion Plan (“RTEP”) by the PJM Board of Managers (“PJM Board”) is around \$39 billion. However, with limited exceptions, Transmission Owners do not begin to recover costs associated with transmission facilities until the projects go into service. As such, \$39 billion does not represent the total amount of costs that will need to be reallocated. Based on very preliminary analysis, PJM anticipates that the total amount of costs that have been billed and will need to be reallocated is between \$1.5 and \$2 billion.

⁹ See Niu Aff. ¶16. Those projects for which 100% of the costs must be allocated to the zone in which a project is located will not be reevaluated. These include, among others, projects with an estimated cost of \$5 million or less and circuit breakers. See Tariff, Schedule 12, sections (b)(iv) & (vi).

initially determined, as well as any subsequent revisions made as part of any annual updates or out-of-cycle revisions;¹⁰

- b. review tens of thousands of pages of Tariff records, and update and file all historical and current versions of each section of Tariff, Schedule 12-C Appendix A,¹¹ Schedule 12-Appendix A, and Schedule 12-Appendix C (together, the “Tariff, Schedule 12 Appendices”¹²), back to June 18, 2015, (475 discrete Tariff sections) to ensure that the Tariff reflects the appropriate cost responsibility assignment for each project;¹³
- (2) work with Transmission Owners to develop updated revenue information that reflects the revised cost responsibility assignments for each upgrade as between that Transmission Owner’s zonal Network Integration Transmission Service (“NITS”) rate and Transmission Enhancement Charges (“TEC”) to other Responsible Customers;¹⁴
 - (3) calculate refunds/surcharges to/from each entity allocated project costs¹⁵ for each billing period, with quarterly interest at the applicable interest rate, based upon the updated cost responsibility assignments and information from Transmission Owners, which requires PJM to:¹⁶
 - a. determine the resulting dollar cost responsibility assignments to each Transmission Zone and for each affected time period;

¹⁰ See Niu Aff. ¶¶ 8-21.

¹¹ PJM is required to modify Tariff, Schedule 12-Appendix to annually update cost responsibility assignments to Responsible Customers for each Covered Transmission Enhancement listed in Tariff, Schedule 12-C Appendix A. See *PJM Interconnection, L.L.C.*, eTariff Compliance Filing for Schedule 12 and Schedule 12-Appendices of PJM Interconnection, L.L.C., Docket No. ER18-2102-000, Transmittal at 4 (July 30, 2018); *PJM Interconnection, L.L.C.*, 169 FERC ¶ 61,238, at P 71 (2019) (accepting compliance filing).

¹² The Tariff, Schedule 12 Appendices collectively identify the transmission owner or entity responsible for constructing each Required Transmission Enhancement, the customer(s) responsible for the costs, and applicable cost responsibility assignment (in percentages).

¹³ See Niu Aff. ¶¶ 19-20.

¹⁴ See Holter Aff. ¶¶ 7-11, 19, 23; Tariff, Schedule 12, section (b)(viii) (Responsible Customers are “customers using Point-to-Point Transmission Service and/or Network Integration Transmission Service and Merchant Transmission Facility owners that will be subject to each such Transmission Enhancement Charge”).

¹⁵ The vast majority of entities allocated costs for projects are load-serving entities (“LSEs”) that utilize network service and pay the applicable Network Integration Transmission Service (“NITS”) rate. Merchant Transmission Facilities are also allocated costs corresponding to any Firm Transmission Withdrawal Rights and pay Transmission Enhancement Charges. See Tariff, Schedule 12, section (b). In addition, Consolidated Edison Company of New York was allocated project costs associated with a 1000 megawatt wheel agreement prior to termination of that arrangement in 2017. See *Linden VFT, LLC*, Complaint and Request for Fast Tracking of Linden VFT, LLC, Inc., Docket No. EL17-68-000, at 1 (Apr. 28, 2017) (“Second Linden Complaint”). Firm Point-to-Point Transmission Customers are also allocated a share of the cost for projects via the inclusion of these costs in the Border Yearly Rate that is assessed to reserved firm transmission capacity.

¹⁶ See Holter Aff. ¶¶ 18-19, 23-24, 26 & 27.

- b. *manually* determine the appropriate interest for each new cost responsibility assignment;
- c. for each revised cost responsibility assignment to a Responsible Customer showing an under-allocation during the relevant period, *surcharge* (with interest) the appropriate Responsible Customer to recover such under-allocation; and
- d. for each revised allocation to a Responsible Customer showing an over-allocation during the relevant period, refund (with interest) the appropriate Responsible Customer to recover such over-allocation.

Accomplishing all of these tasks in 90 days is not feasible. As discussed in greater detail in the Motion for Extension of Time (Section III.D), PJM has proposed a three-step Resettlement Schedule to organize the massive effort described above, though its timing and implementation will depend upon the Commission's guidance in response to PJM's clarification requests. These steps are: (1) Recalculate Cost Responsibility Assignments and File Revised Tariff Records; (2) Transmission Owners Provide Updated Revenue Requirement Information; and (3) PJM Calculates Refunds/Surcharges With Interest and Bills Responsible Customers. PJM needs a total of 270 days to complete Step 1, and an additional 12-24 months to complete Steps 2 and 3.

PJM seeks the following relief set forth in three distinct requests within this pleading:

Motion for Extension of Time and Request for Expedited Action by May 1, 2026:

First and foremost, PJM asks the Commission to defer its Compliance Directive until the Commission has acted on (1) PJM's enclosed Request for Rehearing and Motion for Clarification as well as any other requests for rehearing that may be filed in this proceeding that would affect PJM's ability or need to complete resettlements, and (2) any request for rehearing that may arise from the paper hearing procedures established in the Order on Remand regarding allocation of costs for solutions addressing short circuit

issues.¹⁷ To the extent the Commission declines to defer the Compliance Directive, in the alternative, PJM seeks the following extensions to implement PJM’s three-step Resettlement Schedule, as detailed in Section III.D.¹⁸

One: PJM requests an additional 180 days (for a total of 270 days) after the issuance of the Order on Remand to complete all of the recalculations and file revised current and historical Tariff records (Step 1), subject to Commission action on Clarifications 1 and 2 (listed below). As explained by Dr. Grace Niu, Senior Lead Engineer in PJM’s Transmission Planning Department (“Transmission Planning”), PJM cannot determine the revised cost responsibility assignments within 90 days, and requires months of additional time to complete those recalculations.¹⁹ And, once those calculations are complete, the PJM Legal Department (“Legal”) would need to spend several weeks preparing the 475 sections of revised Tariff records necessary to ensure the current and historical Tariff records properly reflect the recalculated cost responsibility assignments—as revised back to June 18, 2015, for each of the 475 sections of the Tariff, Schedule 12 Appendices.²⁰ Therefore, PJM requests an additional 180 days (for a total of 270 days) to complete all of the recalculations and file revised current and historical Tariff records.

¹⁷ Order on Remand, 194 FERC ¶ 61,179, at P 92 (2026) (“Should the Commission conclude that further relief, including refunds, is warranted following the paper hearing, the Commission will address such relief at that time.”) & ordering para. (G) (“Paper hearing procedures are hereby established to develop a further record to determine whether solution-based DFAX method is just and reasonable for the assignment of cost responsibility for transmission facilities that address short circuit reliability concerns . . .”).

¹⁸ As discussed below in section III.D, PJM will plan to implement the Commission’s Compliance Directive pursuant to a three-step Resettlement Schedule. Whether the Commission grants or declines PJM’s primary request to defer completing resettlements until the Commission has acted on this pleading, any other request for rehearing in this proceeding, and any request for rehearing on the paper hearing procedures, PJM still intends to implement the Commission’s Compliance Directive pursuant to the Resettlement Schedule.

¹⁹ Niu Aff. ¶ 30 (“Based on the scope of the work required to comply with the Recalculation Directive, its sequential nature, and the PJM staff resources described above, it is my opinion that the work cannot reasonably be completed within the 90-day timeframe set forth in the Order on Remand, particularly in a manner that would support accurate and reliable results.”).

²⁰ Niu Aff. ¶¶ 19-20.

However, as discussed below in the Motion for Clarification, PJM asks the Commission to authorize two ways to simplify Step 1, while still ensuring that the historical Tariff reflects revised cost responsibility assignments for projects being billed. One simplification would affect the approach for determining reallocations for projects added prior to January 1, 2020 (Clarification 1),²¹ and the other would not require PJM to recalculate illustrative cost responsibility assignments in the Tariff (Clarification 2).²² *PJM will wait for Commission action on Clarifications 1 and 2 before recalculating cost responsibility assignments for projects added prior to January 1, 2020, but PJM will begin recalculating updated cost responsibility assignments for all other projects currently in service so as to be ready to submit these 270 days after the issuance of the Order on Remand, to the extent the Commission declines to defer the Compliance Directive as requested below.*

Two, as explained by Ms. Natasha Holter, Senior Manager in PJM’s Market Settlement Operations Department (“Market Settlements”), PJM cannot begin calculating the appropriate surcharges and refunds for each billing period until the revised cost responsibility assignments are determined, PJM has received updated revenue information from Transmission Owners (Step 2), and PJM has received clarification from the Commission on several issues related to calculating resettlements (Clarifications 3-7).²³ Only then is it possible for PJM to begin the labor-intensive process of resettling dollars over a reasonable period of time in order to avoid bill shock and adverse impacts on

²¹ See *infra* section IV.A.

²² See *infra* section IV.B.

²³ See *infra* sections IV.C – G.

credit/collateral for affected Responsible Customers (Step 3).²⁴ *Given this, PJM will not begin its resettlement process until Commission action on Clarifications 3-7. Once it receives these requested clarifications, PJM can begin the resettlement process after the updated cost responsibility assignments are finalized. So as to avoid bill shock and adverse credit impacts, PJM requests a 12-24 month Resettlement Schedule, depending upon Commission guidance.*²⁵

PJM seeks expedited Commission action on this Motion for Extension of Time by May 1, 2026, so PJM can work expeditiously through this resettlement process while ensuring that it is done as accurately and efficiently as possible.

Motion for Clarification: To be prudent and avoid potentially unnecessarily expending resources, PJM requires the following clarifications:

- (1) Clarification 1: that it should be permitted to undertake a simplified approach as set forth below for recalculating cost responsibility assignments for years 2015 through 2019;
- (2) Clarification 2: that PJM need not recalculate the current illustrative cost responsibility assignments for projects that are not yet in service,²⁶ but for which the Tariff already requires PJM to recalculate cost responsibility assignments the year before they go into service and billing begins;²⁷
- (3) Clarification 3: that PJM is authorized to surcharge for prior period under-allocations;

²⁴ Holter Aff. ¶¶ 22-25.

²⁵ Holter Aff. ¶ 46.

²⁶ This would exclude projects for which the Commission has granted the Construction Work In Progress (“CWIP”) rate incentive allowing for recovery of such costs prior to the project being placed in service. PJM will work with Transmission Owners to identify projects with such CWIP rate incentive and will recalculate cost responsibility assignments for those projects.

²⁷ See Tariff, Schedule 12, section (b)(iii)(H)(2) (“Beginning with the calendar year in which a Required Transmission Enhancement is scheduled to enter service, and thereafter annually at the beginning of each calendar year, the Transmission Provider shall update the preliminary cost responsibility determination for each Required Transmission Enhancement using the values and inputs used in the base case of the most recent Regional Transmission Expansion Plan approved by the PJM Board prior to the date of the update.”).

- (4) Clarification 4: that PJM is not responsible for covering amounts due to be refunded that are not collected through surcharges;
- (5) Clarification 5: as to the appropriate classes of load serving entities (“LSEs”) that PJM should surcharge and issue refunds, given the extensive turnover in the LSEs within the PJM Region over the past 11 years;
- (6) Clarification 6: that PJM intends to resettle Incremental Capacity Transfer Rights (“ICTRs”) and Firm Point-to-Point Transmission Service invoices for Merchant Transmission Facilities with Firm Transmission Withdrawal Rights unless the Commission directs otherwise; and
- (7) Clarification 7: as to whether and how PJM should resettle costs for generation resources retained to maintain transmission reliability under a cost of service agreement.

Limited Request for Rehearing as to Remedy:

On rehearing, PJM urges the Commission to grant rehearing and find that the balance of the equities present weigh in favor of not requiring PJM to resettle prior bills to surcharge (with interest) for any prior period under-allocations and transfer amounts collected to entities with prior period over-allocations.²⁸ The Order on Remand’s overly terse (and unsupported) discussion ordering refunds does not meet applicable legal standards and fails to evaluate whether the equities present support resettling, and interest on those resettlements.

PJM does not contend that the Commission lacks the authority to order surcharges and refunds (corresponding to the amounts collected via surcharge).²⁹ Rather, PJM

²⁸ See, e.g., *Pub. Util. Comm’n of Cal. v. FERC*, 143 F.3d 610, 617 (D.C. Cir. 1998) (The Commission must “establish that its [remedial] decision represents a reasonable accommodation of the relevant factors and that the [remedy] is ‘equitable under the circumstances.’” (alteration in original) (quoting *Koch Gateway Pipeline Co.*, 136 F.3d 810, 816 (D.C. Cir. 1998))); *Consumer Fed’n of Am. v. Fed. Power Comm’n*, 515 F.2d 347, 359 (D.C. Cir. 1975) (A decision on the equities “requires the development of factual matters . . . as well as a broad and penetrating analysis of ‘the factors pro and con a refund, and its amount or extent, in arriving at an equitable conclusion.’” (footnote omitted)). See also Section V.

²⁹ See, e.g., *Verso Corp. v. FERC*, 898 F.3d 1, 10-11 (D.C. Cir. 2018) (“The reallocation of [] costs, including through surcharges, is well within FERC’s remedial authority under [FPA] Section 309, read in harmony with [FPA] Section 206 and the filed rate doctrine.”). However, as discussed below, the Order on Remand failed to invoke any statutory or precedential authority to direct resettlements or surcharges. While the

contends that the Commission unlawfully failed to examine the equities present, balance them, and support its decision to direct resettlements.³⁰ In directing resettlements without the *de minimis* threshold exemption in the solution-based DFAX method back to June 18, 2015, the Commission failed to consider the immense scope of its Compliance Directive, nor did it acknowledge that this will unavoidably affect *all* customers in the PJM Region—with, given the zero sum nature of cost allocation, many seeing increases on their energy bills to cover the surcharges at a time when energy costs across the country are already rapidly increasing.

Had the Order on Remand balanced the equities, it would have shown that they tilt in favor of *not* correcting billing for projects back to June 18, 2015. PJM anticipates that the Order on Remand’s remedy will require re-allocating between \$1.5 and \$2 billion (plus interest on the amounts re-allocated) in project costs for the over 1,200 projects allocated using the solution-based DFAX method over this period. Given the sheer number of projects and the time that has elapsed, it is nearly certain that *every* Responsible Customer—and every ratepayer—in the PJM Region will be affected.

Thus, the equities against resettlements are stark, especially given how complicated and challenging the Order on Remand’s vague directives are to implement. At a time when inflation and energy costs are front of mind in the PJM Region,³¹ is it equitable for an

Commission may have such authority under FPA sections 206 and 309, the Commission’s failure to draw on such authority is error.

³⁰ See section V.A.

³¹ See, e.g., *Statement of Principles Regarding PJM*, Department of Energy (Jan. 16, 2026), <https://www.energy.gov/documents/statement-principles-regarding-pjm> (Department of Energy Secretary Wright and PJM Governors setting forth a statement of principles for PJM reforms that include protecting residential customers from capacity price increases); *PJM Interconnection, L.L.C.*, Letter from Representative Frank Pallone, Jr., Docket No. ER26-1556-000, at 1 (Mar. 20, 2026) (“New Jersey families are facing an electricity cost crisis and they deserve immediate relief . . . the typical New Jersey household saw their annual electricity bill *increase* by more than \$300 per year.” (footnote omitted)); *PJM Interconnection, L.L.C.*, Comments of Office of Illinois Attorney General, Docket No. ER26-1556-000, at 2

ordinary ratepayer in Ohio to be subject to payments for revisions to retrospective cost responsibility assignments (in the form of surcharges (with interest)) for projects located in northeastern New Jersey in a case that started over 11 years ago and has spanned appellate dockets and multiple Commission complaints, without understanding why their bill is higher? Should ratepayers be paying a premium cost (i.e., interest) for the time it took for the Commission and appellate courts to build a record and reach decisions on these complex issues? Indeed, the Commission’s decision on settlements (with interest) may lead to unintended consequences at a time when energy affordability is already a challenge due to, among other things, increased demand from data centers to power artificial intelligence applications, and PJM and other regions are working through delicate cost-sensitive issues to maintain reliability at affordable prices. The Order on Remand’s failure to consider these issues and the other relevant equities is error, and the Commission should grant rehearing.

In addition, PJM requests that the Commission utilize FPA Section 206 discretion in crafting remedies so as to not require PJM to update entirely retrospective historical Tariff records with revised cost responsibility assignments, because the administrative burden and cost to ratepayers outweighs any associated benefit.

PJM recognizes the interactive nature of the three discrete pleadings contained in this document addressing issues with calculating revised cost responsibility assignments, filing those revisions with the Commission, and then rebilling based on those revisions.

(Mar. 20, 2026) (“Documented market distortions caused by the unique and unprecedented demand for electricity from large load customers, overwhelmingly data centers, continue to affect PJM capacity auctions, which translate into higher prices for PJM customers.” (footnote omitted)).

To facilitate the Commission’s review and understanding, PJM concisely summarizes the issues in this document in Table 1 below.

Table 1: Summary of PJM’s Requests and Ability to Implement Order on Remand

Pleading / Issue	Request / PJM Action	PJM Limitations Even if Request is Granted
Motion for Extension	Issue an order by May 1, 2026 confirming that PJM may wait to begin recalculations and resettlement until Commission acts on: <ol style="list-style-type: none"> (1) this Request for Rehearing and Motion for Clarification, or other requests for rehearing that may be filed, and (2) any requests for rehearing on paper hearing. 	
Alternative Motion for Extension	Issue an order by May 1, 2026 allowing PJM to follow the proposed Resettlements Schedule, where: <ol style="list-style-type: none"> (1) PJM Recalculates Cost Responsibility Assignments (270 days total)* (2) Transmission Owners Provide Updated Revenue Information (3) PJM Calculates Refunds/Surcharges with Interest and Bills Responsible Customers (12-24 months after obtaining updated revenue information, depending on clarifications) 	<ul style="list-style-type: none"> • *Cannot calculate revised cost responsibility assignments between June 18, 2015 – December 31, 2019 until action on Clarification 1 on simplified approach. • *Cannot calculate revised cost responsibility assignments until action on Clarification 2 on projects: <ol style="list-style-type: none"> (1) not yet being billed, and (2) that Tariff requires PJM to recalculate cost responsibility assignments prior to upgrades being billed.
Revised Cost Responsibility Assignments and Tariff Records	Until Commission acts on Motion for Extension and Alternative Motion for Extension: <ol style="list-style-type: none"> (1) PJM will initiate steps required to recalculate cost responsibility assignments (2) PJM will prioritize recalculation of assignments that can be completed without requested clarifications 	<ul style="list-style-type: none"> • Cannot calculate revised cost responsibility assignments for the entire period within 90 days. • Cannot prepare Tariff records before cost responsibility assignments are calculated. • Cannot calculate revised cost responsibility assignments between June 18, 2015 – December 31, 2019 until action on Clarification 1.

Pleading / Issue	Request / PJM Action	PJM Limitations Even if Request is Granted
		<ul style="list-style-type: none"> Cannot calculate revised cost responsibility assignments until action on Clarification 2 for projects: <ol style="list-style-type: none"> not yet being billed, and that Tariff requires PJM to recalculate cost responsibility assignments prior to upgrades being billed until clarification on not in-service projects.
Resettlements	Until Commission acts on Motion for Extension and Alternative Motion for Extension: <ol style="list-style-type: none"> PJM will initiate steps required to correct billings based on recalculated cost responsibility assignments 	<ul style="list-style-type: none"> Cannot complete resettlement within 90 days. Cannot begin resettlements until revised cost responsibility assignments are finalized and clarification on: <ol style="list-style-type: none"> PJM’s surcharge authority (Clarification 3), PJM’s refund authority is limited to amounts collected (Clarification 4), the universe of entities to be rebilled (Clarification 5), and whether PJM should also rebill ICTRs, certain Firm Point-to-Point Transmission Services, and Reliability-Must Run (“RMR”) costs (Clarifications 6-7).
Rehearing	PJM asks the Commission to rescind directives to: <ol style="list-style-type: none"> resettle all prior periods, or in the alternative, apply interest on resettlements, and file revised historical tariff records. 	

II. BACKGROUND

The complaints giving rise to the issues addressed in the Order on Remand regarding solution-based DFAX method issues are rooted in projects located solely in Northern New Jersey, not spanning the entire scope of PJM’s entire footprint.³² On November 7, 2014, Consolidated Edison of New York, Inc. (“ConEd”) filed a complaint

³² See *Consol. Edison Co. of N.Y., Inc.*, Complaint of Consolidated Edison Company of New York, Inc., Docket No. EL15-18-000, at 30-35 (Nov. 10, 2014) (“ConEd Complaint”) (“Thus, the Commission does not need to scrap DFAX to grant Con Edison’s complaint.” *Id.* at 7.)

challenging the cost responsibility assignments for the Bergen-Linden Corridor Project and the Sewaren Project, contending that the solution-based DFAX method, including the *de minimis* threshold exemption, resulted in unjust and unreasonable cost responsibility assignments for these projects.³³ On May 22, 2015, Linden VFT, LLC (“Linden”) filed a complaint challenging the cost responsibility assignments for the same Northern New Jersey projects, similarly arguing that the solution-based DFAX method, including the *de minimis* threshold exemption led to unjust and unreasonable results.³⁴ On April 28, 2017, Linden filed a second complaint against PJM regarding revised cost responsibility assignments filed by PJM.³⁵ On June 18, 2015, the Commission denied the ConEd Complaint;³⁶ on April 22, 2016, denied the Linden Complaint;³⁷ and on February 20, 2020, the Commission denied the Second Linden Complaint.³⁸ Appeals of these complaint denials followed.

On August 9, 2022, the U.S. Court of Appeals for the District of Columbia Circuit (“D.C. Circuit”), among other things, vacated the Commission’s orders in these three complaints and remanded for further proceedings on two issues: the *de minimis* threshold

³³ ConEd Complaint, Docket No. EL15-18-000, at 30-35.

³⁴ *Linden VFT, LLC*, Complaint and Request for Fast Tracking of Linden VFT, LLC, Inc., Docket No. EL15-67-000, at 32-34 (May 22, 2015) (“Linden Complaint”).

³⁵ Second Linden Complaint, Docket No. EL17-68-000, at 1-2.

³⁶ *Consol. Edison Co. of N. Y., Inc. v. PJM Interconnection, L.L.C.*, 151 FERC ¶ 61,227 (2015), *reh’g denied*, 155 FERC ¶ 61,088 (2016), *vacated in part and remanded in part*, *Consol. Edison Co. of N.Y., Inc. v. FERC*, 45 F.4th 265 (D.C. Cir. 2022).

(“ConEd Complaint Order”).

³⁷ *Linden VFT, LLC v. PJM Interconnection, L.L.C.*, 155 FERC ¶ 61,089 (2016) (“Linden Complaint Order”), *reh’g denied*, 170 FERC ¶ 61,122 (2020) (“Linden Complaint Rehearing Order”), *vacated in part and remanded in part sub nom.*, *Consol. Edison Co. of N.Y., Inc. v. FERC*, 45 F.4th 265 (D.C. Cir. 2022).

³⁸ The Second Linden Complaint was filed in in Docket No. EL17-68-000. *Linden VFT, LLC v. PJM Interconnection, L.L.C.*, 170 FERC ¶ 61,123, *reh’g denied*, 172 FERC ¶ 61,176 (2020) (“Linden Second Complaint Rehearing Order”), *vacated in part and remanded in part sub nom.*, *Consol. Edison Co. of N.Y., Inc. v. FERC*, 45 F.4th 265 (D.C. Cir. 2022).

exemption and the allocation of costs of projects to address short-circuit reliability issues.³⁹ After this remand was pending for over three and half years, on March 6, 2026, the Commission issued the Order on Remand addressing these and other related proceedings.⁴⁰ As relevant here, in the Order on Remand, the Commission found that the *de minimis* threshold exemption from cost responsibility assignment under PJM’s solution-based DFAX method was unjust and unreasonable.⁴¹ The Commission then found that the just and reasonable replacement rate is the elimination of the *de minimis* threshold exemption.⁴²

Regarding relief, the Commission directed the following:

Because we have made a finding on the *de minimis* threshold exemption and established a just and reasonable replacement rate, we find it appropriate to require PJM to correct its billing and provide relief to the parties at this time. We therefore require PJM, on behalf of the PJM Transmission Owners, to recalculate the cost allocations in Schedule 12 and correct the billing (with interest calculated pursuant to section 35.19(a) of the Commission regulations) within 90 days of the date of this order for all projects back to June 18, 2015, the date on which the Commission committed legal error by denying the [ConEd] Complaint.⁴³

Through a footnote, the Commission also directed PJM to “to make cleanup filings through eTariff to correct the cost allocations for each cost allocation and reminded PJM to use a higher Record Effective Priority Order to ensure the correct tariff record is listed as effective on that date.”⁴⁴

³⁹ *Consol. Edison Co. of N.Y., Inc. v. FERC*, 45 F.4th 265, 290 (D.C. Cir. 2022). In the Order on Remand, the Commission set for paper hearing procedures the method for allocation costs of projects resolving short circuit violations. Order on Remand, 194 FERC ¶ 61,179, at PP 72-76.

⁴⁰ Order on Remand, 194 FERC ¶ 61,179.

⁴¹ Order on Remand, 194 FERC ¶ 61,179, at PP 23, 33.

⁴² Order on Remand, 194 FERC ¶ 61,179, at P 58.

⁴³ Order on Remand, 194 FERC ¶ 61,179, at P 92 (footnote omitted).

⁴⁴ Order on Remand, 194 FERC ¶ 61,179, at P 92 n.178.

III. REQUEST FOR EXPEDITED ACTION ON MOTION FOR EXTENSION OF TIME BY MAY 1, 2026

As detailed below, PJM requests additional time to respond to the Commission's Compliance Directive given the immense complexity and scope of such resettlements over a nearly 11-year period. The need for this Request for Expedited Action on Motion for Extension of Time would of course be obviated should the Commission grant PJM's primary request for rehearing and decline to require PJM to implement resettlements.

A. Good Cause Exists to Grant This Request for Expedited Action on Motion for Extension of Time

Consistent with the Commission's authority under Rule 2008 of its Rules of Practices and Procedures,⁴⁵ PJM respectfully requests that the Commission grant this Request for Expedited Action on Motion for Extension of Time for good cause shown following the requisite five-day answer period.⁴⁶ Regarding the directive to recalculate historical cost responsibility assignments and file revised historical Tariff sheets dating back to June 18, 2015, as discussed below and in detail in the accompanying affidavits, such directive will require PJM's Transmission Planning, Market Simulation, and Legal Departments to expend substantial time, resources, and money to ensure it is done accurately. PJM estimates that 475 versions of the Tariff, Schedule 12 Appendices will require revisions to add the recalculated cost responsibility assignments. This will result

⁴⁵ "Except as otherwise provided by law, the time by which any person is required or allowed to act under any statute, rule, or order may be extended by the decisional authority for good cause, upon a motion made before the expiration of the period prescribed or previously extended." 18 C.F.R. § 385.2008(a).

⁴⁶ "If a motion requests an extension of time or a shortened time period for action, then answers to the motion to extend or shorten the time period shall be made within 5 days after the motion is filed, unless otherwise ordered. 18 C.F.R. § 385.213(d)(1)(i).

in a significantly large filing that will consist of approximately 10,000 redlined pages of Tariff records alone.⁴⁷

Regarding resettlements, as discussed below and detailed in the accompanying affidavits, it is technically impossible for PJM to accurately process the resettlements back to June 18, 2015 within 90 days as directed in the Order on Remand. Among a great many other challenges, PJM will be required to gather historical data for each of over 1,200 projects affected by the elimination of the *de minimis* threshold exemption;⁴⁸ cost information may be needed from Transmission Owners in order to accurately reflect the updated cost responsibility assignments for billing purposes; resettlement information for each of the over 1,200 projects to be reallocated will need to be reviewed and revised manually multiple times for each year covered by the Compliance Directive;⁴⁹ and time and resources will be diverted from other PJM priorities for a significant period of time since this resettlement will require the involvement of multiple PJM departments.⁵⁰

Thus, as Dr. Niu and Ms. Holter testify, performance of the activities necessary to complete the resettlement process will require PJM to expend significant resources—both in work hours and cost.⁵¹ Further, PJM will need to reprioritize PJM’s employees away from their primary tasks of transmission planning, market simulations, and accurate and

⁴⁷ For frame of reference, in Docket No. ER26-1800, PJM recently filed revisions to 41 current and historical versions of Tariff, Schedule 12, Appendix A, and the filing included over 2200 pages of clean and redlined Tariff records. See *PJM Interconnection, L.L.C.*, Revision to Incorporate Cost Responsibility Assignments for Regional Transmission Expansion Plan Baseline Upgrades; 30-Day Comment Period Requested of PJM Interconnection, L.L.C., Docket No. ER26-1800-000 (Mar. 16, 2026); Niu Aff. ¶ 19.

⁴⁸ Niu Aff. ¶¶ 9-13.

⁴⁹ Holter Aff. ¶ 25.

⁵⁰ See Niu Aff. ¶ 25; Holter Aff. ¶ 45.

⁵¹ See Niu Aff. ¶¶ 23 & 24; Holter Aff. ¶¶ 6, 39-40.

timely issuance of settlement invoicing for the PJM transmission, energy, capacity, and ancillary service markets.⁵²

The Commission has, on many occasions, granted extensions of time to implement refunds where there have been demonstrated technical challenges, where refunds were delayed pending rehearing, or where issuing refunds would be excessively time-consuming for limited personnel.⁵³ Given the incredible complexity and effort required to comply with the Compliance Directive, the Commission should grant this motion as it did in these other proceedings for good cause shown.

B. The Unprecedented Scope, Scale, and Complexity of This Resettlement Would Require PJM to Divert Resources from PJM's Transmission Planning Responsibilities, System Reliability, and Other Critical Priorities

The resettlement required by the Order on Remand is by far the largest resettlement of transmission charges in PJM's history in terms of number of projects affected and time

⁵² See Niu Aff. ¶ 25; Holter Aff. ¶¶ 43-46.

⁵³ See *Ass'n of Bus. Advocating Tariff Equity v. Midcontinent Indep. Sys. Operator, Inc.*, Notice of Extension of Time, Docket No. EL14-12-016 (issued Apr. 2, 2026) (granting extension of time from May 1, 2026 to July 31, 2026); *Midwest Indep. Transmission Sys. Operator, Inc.*, Notice of Extension of Time, Docket Nos. ER05-6-118 et al. (Nov. 19, 2015) (granting extension of time until 180 days after the Commission's issuance of a final order on issues set for hearing and settlement judge procedures, to file refund reports); *PJM Interconnection, L.L.C.*, Notice Granting Request for Extension of Time (June 13, 2018) (granting extension of time to recalculate cost allocations for over 100 baseline projects that would require PJM to (1) perform and complete the analyses and calculations, (2) revise the tariff records, and (3) prepare the compliance filing); *Black Oak Energy, L.L.C., et al. v. PJM Interconnection, L.L.C.*, Notice of Extension of Time EL08-14-002, et al., (Oct. 26, 2009) (notice granting request to extend refund deadline due to limited personnel and technical resources); *Martha Coakley, et al. v. Bangor Hydro-Elec. Co., et al.*, Notice of Extension of Time, Docket Nos. EL11-66-000, et al. (Apr. 10, 2015) (notice granting request to extend refund deadline because additional time is needed to re-settle and calculate transmission charges for the refund); *SFPP, L.P.*, 144 FERC ¶ 61,002, at P 10 & ordering para. (D) (2013) (order granting request to extend refund deadline because the rate was subject to change); *Entergy Serv., Inc.*, 142 FERC ¶ 61,010 (2013) (refunds postponed until the issues involving certain prior filings have been resolved and a final rehearing order is issued); *OREG 1, Inc., et al.*, Notice Extending the Date to Make Refunds, Docket Nos. EL11-22-000, et al. (June 15, 2011) (notice extending refund deadline until after the Commission acts on rehearing); *City of Holland, Mich. v. Midwest Indep. Transmission Sys. Operator, Inc.*, Notice Granting Extension of Refund Date, Docket Nos. EL05-55-002, et al. (June 30, 2008) (granted extension of refund date where request for extension detailed technological challenges, limited expertise and personnel, and time needed); *Panhandle E. Pipe Line Co.*, 107 FERC ¶ 61,319, at P 9 & ordering para. (B) (2004) (order granting request to delay refund payments until after the Commission acts on rehearing).

period (nor does it appear that the Commission has ever ordered such a large resettlement). On its face, the Order on Remand would require PJM to evaluate the cost responsibility assignments of over 1,200 projects over the course of nearly 11 years. Previously, PJM was party to a settlement involving approximately 140 projects over a nine-year historical period.⁵⁴ PJM has also previously calculated cost responsibility assignments and filed revised Tariff sheets for 44 projects within 60 days, and it billed charges one calendar year per month for six months, with credits issued on a one-month lag.⁵⁵

Relatedly, the associated historical Tariff revisions that need to be filed with the Commission will likely be on the order of magnitude of approximately 10,000 redlined pages of detailed revisions that the Commission will need to review. Accurately recalculating cost responsibility assignments and associated resettlement amounts will require an unprecedented amount of time, labor, inter-department coordination, and expense on the part of PJM and its staff.⁵⁶

While the two main departments within PJM leading this effort will be Transmission Planning (to recalculate the cost responsibility assignments) and Market Settlements (to issue bills for refunds/surcharges), there are many other departments that will need to dedicate significant time and resources to see it through. For example, the Legal Department will be providing constant support throughout this entire process,

⁵⁴ See *PPL Elec. Ut. Corp., et al.*, Offer of Settlement of PPL Electric Utilities Corporation, et al., Docket No. EL05-121-009 (June 15, 2016) (submitting an offer of settlement by PPL Electric Utilities Corporation on behalf of the Settling Parties to PJM Interconnection, L.L.C., Docket No. EL05-121-009); *PJM Interconnection, L.L.C.*, 163 FERC ¶ 61,168 (2018) (order accepting offer of settlement).

⁵⁵ See *PJM Interconnection, L.L.C.*, 168 FERC ¶ 61,133 (2019).

⁵⁶ Niu Aff. ¶ 23-24; Holter Aff. ¶¶ 6 & 38 (explaining “the work required to implement the Rebilling Directive would involve PJM staff from several functional areas, including Market Settlements, Credit and Risk Department, Transmission Planning, Treasury, and Legal”); *id.* ¶¶ 39 & 40 (estimating that “complying with the Rebilling Directive would require approximately 1,452 – 4,400 hours across various PJM internal divisions at a cost to ratepayers in an amount estimated between \$182,342 – \$552,752”).

including revising and filing of over approximately 10,000 redlined pages of Tariff records to reflect the updated historical cost responsibility assignments. Market Simulation will be re-running any modeling and simulations necessary to help reconstruct the missing or incomplete datasets, and this will take significant hours of both staff time and time spent having the simulations run.⁵⁷ The compliance efforts provided by Transmission Planning and Market Simulation will unfortunately need to divert their attention away from other important PJM priorities such as RTEP planning and other transmission-related efforts that require the use of these modeling tools,⁵⁸ plus Market Settlements will be pulled away from their regular tasks, including weekly and monthly billing.⁵⁹

In support of Market Settlements, the Credit and Risk Department will be closely involved throughout the whole effort for calculating resettlement amounts to help mitigate any adverse impacts on Responsible Customer credit and collateral issues. PJM's Treasury Department will be closely involved in the calculation of interest, as well as in the tracking of any uncollected surcharges. In addition, PJM may need to augment its staffing to provide support for this effort. More detail on time and expense incurred is provided in the Affidavits of Dr. Niu and Ms. Holter. Dr. Niu testifies that it will take 3,600 to 6,480

⁵⁷ Niu Aff. ¶ 16 (explaining “simulations must be performed for each project to calculate the annual directional flow percentages. . . . Further, Market Simulation’s software may need to be modified to accommodate any changes necessary to run these simulations accurately. This work cannot be completed by Transmission Planning without the assistance of Market Simulation.”).

⁵⁸ Niu Aff. ¶ 15 (“[A] critical and highly time-consuming part of the recalculation effort that requires Transmission Planning to work with Market Simulation.”).

⁵⁹ Holter Aff. ¶¶ 42-43 (explaining Market Settlements is responsible for “the accurate and timely issuance of settlement invoicing for transmission costs plus the energy, capacity, and ancillary service markets;” “designing, testing, and implementing the various market settlement procedures and systems as well as overseeing the maintenance and enhancements required for the settlement systems;” “ensuring the markets data, dispatch activity, transmission projects, and auction results are transmitted completely;” communicating “proactively [with] the Credit and Risk Department, . . . accurately shar[ing settlements] with our Controller and Treasury Departments . . . and [] convey[ing] [changes and/or significant items] to our Client Management Department.”).

hours, at \$452,088 to \$813,758 cost, to recalculate cost responsibility assignments, and, with input from PJM's Legal team, that it will take 2,900 hours, at \$419,920 cost to revise and file the historical and current tariff records.⁶⁰ Ms. Holter testifies that it will take 1,452 to 4,400 hours, at \$182,342 to \$552,752 cost to resettle all affected projects back to June 18, 2015. These costs will be passed onto the ratepayers in the PJM Region.

C. The Commission Should Allow PJM to Defer Its Compliance with the Order on Remand Until Final Commission Orders on (1) This and Any Other Request for Rehearing and Motion for Clarification, and (2) Any Request for Rehearing on Paper Hearing Procedures.

1. Recalculating all solution-based DFAX method allocations and resettling all prior period over- and under-allocations is extremely labor-intensive and time-consuming and cannot be achieved within 90 days

PJM cannot complete the resettlements directed by the Commission in the Order on Remand within 90 days. In fact, it is technically impossible for PJM to complete even one of the components of the Compliance Directive within 90 days. As discussed below, the work involved in such a large-scale resettlement may be looked at as: (a) recalculating cost responsibility assignments, (b) filing revised Tariff records, and (c) resettling all over- and under-allocations (with interest). Each of these tasks takes a tremendous amount of labor, at considerable cost, and would require reprioritizing resources away from their primary tasks (e.g., regional transmission planning and settling energy markets on a weekly and monthly basis).

⁶⁰ See Niu Aff. ¶¶ 23-24.

- a. Recalculating cost responsibility assignments requires PJM to do extensive work to recreate original files and ultimately arrive at the recalculations of cost responsibility assignments.

To calculate the updated cost responsibility assignments reflecting the elimination of the *de minimis* threshold back to June 18, 2015, PJM must engage in a laborious effort to, among other things, discover prior period data, validate it, and re-create modeling. As discussed in greater detail in Dr. Niu’s Affidavit, the first steps require PJM to replicate how the original cost responsibility assignments were calculated.⁶¹ This will create a benchmark against which to run simulations applying the new rule, i.e. the solution-based DFAX method without a *de minimis* threshold exemption. In order to replicate these original cost responsibility assignments, PJM will need to gather a significant amount of historical data, which will take time. Since the *de minimis* threshold rules have changed over the years,⁶² PJM will need to ensure that it applies the correct version of these rules to accurately replicate the original cost responsibility assignments.⁶³

Further, there may be instances where original data or programs are not available, and in such instances, PJM will need to develop appropriate proxy data and processes, and then ultimately reconstruct the original datasets. Once these original cost responsibility assignments are replicated and verified by other departments, PJM will need to run market simulations to reconstruct the missing or incomplete datasets. Plus, PJM updates cost

⁶¹ Niu Aff. ¶¶ 9-10.

⁶² See, e.g., *PJM Interconnection, L.L.C., et al.*, 179 FERC ¶ 61,176 (2022) (accepting an suspending proposal to modify the *de minimis* threshold); *PJM Interconnection, L.L.C.*, Letter Order, Docket No. ER20-776-000 (Mar. 4, 2020) (accepting proposed revisions to Schedule 12 of the PJM Tariff to revise the cost assignment methodology for Required Transmission Enhancements that relieve one or more economic constraints); *PJM Interconnection, L.L.C.*, 154 FERC ¶ 61,096 (2016) (accepting proposed tariff revisions Schedule 12 of the PJM Tariff to allocate 100 percent of the costs of transmission projects that are included in the PJM RTEP).

⁶³ Niu Aff. ¶ 12.

responsibility assignments for projects that are in service or expected to be in service for a calendar year on an annual basis, meaning that for any of these projects that fall into either category, PJM will need to run simulations for them each year from June 18, 2015 onward. This amount of simulation re-runs will take substantial computing power and time. PJM will need to run market simulations for these projects because when the *de minimis* rule was applied historically, there were of course projects under the threshold, and PJM did not have to run market simulations for these projects. Now, PJM will need to run these simulations for each upgrade to ensure that flow percentages are captured.⁶⁴

Once the simulations are run and the reconstructed datasets have been verified, PJM must modify its legacy tools and software to remove the *de minimis* logic and to process the reconstructed datasets. Extensive testing is required to ensure accuracy. It is only at this point that the cost responsibility assignments can be recalculated across all historical periods.

Dr. Niu details more precisely the steps that must be taken. Specifically, she outlines that PJM must undertake at least the following 6 steps to determine and file reasonably accurate historical cost responsibility assignments:⁶⁵

1. Data Discovery: Locate and compile historical files, models, and supporting documentation. Identify the assumptions, procedures, and software used in the original analyses. Assess the availability and applicability of legacy procedures and tools.
2. Data Validation: Cross-check historical upgrade data and cost allocations against settlement and legal records. Coordinate with Legal and Markets Settlement teams to confirm alignment and establish protocols for addressing discrepancies or missing data.
3. Data Reconstruction: Reconstruct missing or incomplete datasets using available models or appropriate alternative approaches, all based on best

⁶⁴ Niu Aff. ¶ 16.

⁶⁵ Niu Aff. ¶¶ 8-21.

engineering judgment. Ensure that any reconstruction methodology is consistent with legal and regulatory requirements. Run simulations in coordination with other departments.

4. Tool Modification: Remove *de minimis* logic from legacy tool/software and enable full granularity in calculations. Enhance calculation tools to process reconstructed datasets. Perform testing and validation to ensure accuracy.
5. Recalculation of Cost Responsibility Assignments: Execute recalculations across all required historical periods using the updated methodology and reconstructed datasets. Validate and compare recalculated cost allocations to the original allocations to identify variances. Conduct final review with Legal and Markets Settlements to support re-billing and ensure compliance.
6. Updating Tariff Sheets: Review the Tariff, Schedule 12 Appendices to identify Tariff records that became effective on or after June 18, 2015, and contain projects that require a cost allocation recalculation. Conduct research to confirm which projects will require updated cost responsibility assignments. Revise the relevant Tariff records to reflect the recalculated cost responsibility assignments, create clean and marked versions of such records, and upload the revised Tariff records to FERC's eTariff website with the relevant metadata and filing details. Prepare a transmittal letter and accompanying exhibits, including as necessary affidavits, to explain and support the proposed revised Tariff records.

PJM estimates that these efforts—plus developing the revised historical Tariff records, which is discussed next—can be completed in approximately 270 days.⁶⁶

- b. Revising current and historical Tariff records to reflect recalculated cost responsibility assignments would require an immense level of time, effort, and expense.

In order to accurately revise the pertinent Tariff sheets to reflect updated cost responsibility assignments consistent with the Commission's Compliance Directive, PJM

⁶⁶ Dr. Niu testifies that completion of these six steps will take between 6,500 to 9,380, which is a range of 812 to 1,172 eight-hour work days. Niu Aff. ¶¶ 23-24. Notwithstanding, PJM estimates that it can complete these tasks with 270 days, as some tasks will be performed by different personnel in different departments, and some tasks can be performed simultaneously, e.g., Legal's review of the historical Tariff can begin while Dr. Niu is performing some recalculations. PJM's 270-day time estimate is further premised on the Commission granting the requested clarifications (see Section IV), which would permit a more streamlined process and correspondingly reduce staff hours.

will need to engage in an multi-step process consisting of the following: (1) conduct a review to identify the pertinent Tariff records, (2) revise the relevant Tariff records to reflect the recalculated cost responsibility assignments, and (3) draft a transmittal letter and prepare any associated supportive exhibits or affidavits to describe PJM's compliance.

First, PJM will need to review each section of the Schedule 12, Appendices to identify the Tariff records that became effective on or after June 18, 2015, and contain projects that require a recalculation of cost responsibility assignments. PJM currently estimates that there are approximately over 475 current and historical Tariff records that will require revisions. Tariff, Schedule 12, Appendix A alone consists of 36 sections, and each section has various historical versions associated with it. For example, one section of Tariff, Schedule 12, Appendix A contains over 100 historical versions, and the currently effective version contains 94 pages. If PJM is required to review current versions and all historical versions of such section, this would entail reviewing approximately 9,400 pages of detailed Tariff sheets. Even assuming most sections contain only 50 historical versions, and each version is approximately 50 pages, this would still lead to 2,500 pages to review. This over the course of these 36 sections would be *90,000 pages* that would need to be reviewed and approved for Tariff, Schedule 12-Appendix A. Further, each historical version is associated with a particular docket, and PJM will need to review relevant pleadings (e.g., transmittal letters, Commission orders, and court opinions) in that docket to help confirm which upgrades Transmission Planning has identified will require an updated cost responsibility assignment. Assuming it takes up to three hours to review each of the roughly 475 current and historical versions that may include projects that require a

cost allocation recalculation, this would take nearly 1,500 hours or of research, at an estimated cost of \$217,200.⁶⁷

Once PJM identifies the current and historical versions of the Tariff, Schedule 12 Appendices that have projects that require recalculated cost responsibility assignments, PJM will need to revise such records with these updated cost responsibility assignments and create clean and marked versions to be filed. PJM will also need to upload each Tariff record and include the relevant metadata and filing details in eTariff. PJM estimates that it would take well over 1,400 hours to complete this step, at an estimated cost of \$202,720.⁶⁸

In light of this immense level of time, effort, and expense, the Commission should grant PJM's request to not file revised historical Tariff records until Commission action on (1) PJM's enclosed Request for Rehearing and Motion for Clarification as well as any other requests for rehearing that may be filed in this proceeding that would affect PJM's ability or need to complete resettlements, and (2) any request for rehearing that may arise from the paper hearing procedures established in the Order on Remand regarding allocation of costs for solutions addressing short circuit issues.⁶⁹

- c. Resettling all over- and under-allocations for each billing period over nearly 11 years will require a labor-intensive, time-consuming process and must be done thoughtfully to minimize adverse credit impacts

Next, PJM needs to take the updated cost responsibility assignments developed to remove the application of the *de minimis* threshold and begins to apply them to each

⁶⁷ Niu Aff. ¶ 20.

⁶⁸ The total estimated cost of revising current and historical Tariff records to reflect recalculated cost responsibility assignments is \$419,920. *See* Niu Aff. ¶ 23 tbl. 1.

⁶⁹ Alternatively, instead of directing PJM to submit historical Tariff records, the Commission could direct PJM to post as publicly available on its website the revised historical cost responsibility assignments.

individual project. This must be done manually, and as Ms. Holter explains, it is incredibly time-intensive and detailed work.⁷⁰ Specifically, PJM must take the updated percentages and manually revise the allocation for each upgrade. If a project is allocated across more than one transmission zone, changing the assignment for one transmission zone will also change the assignment for all the other zones. This must be done on a project-specific basis for each year since June 18, 2015, and in many instances this will need to be done multiple times for each year depending upon how each Transmission Owner updates its revenue information.⁷¹

Through this process, PJM will have to determine, for each project, whether the costs of the project were collected by the Transmission Owner through TECs⁷² or the Transmission Owner's NITS⁷³ rate ("NITS Rate").⁷⁴ PJM does not maintain billing records that directly associate NITS charges that are collected by the Transmission Owner with the

⁷⁰ Holter Aff. ¶ 30.

⁷¹ Holter Aff. ¶ 28.

⁷² TEC charges compensate Transmission Owners for specific Required Transmission Enhancements. PJM posts monthly TEC settlements worksheets ("TEC Worksheets") on its website under the "Transmission Enhancement Worksheets" section of the PJM Billing, Settlements & Credit web page: PJM – Billing, Settlements & Credit, <https://www.pjm.com/markets-and-operations/billing-settlements-and-credit> (last visited Apr. 1, 2026). As Ms. Holter explains, the TEC Worksheets list, on a project-specific basis: (i) the project's transmission revenue requirement, as provided by the relevant Transmission Owner; (ii) the approved cost allocation assignments identifying the zones responsible for the costs of the transmission facility; and (iii) the applicable monthly cost responsibility by zone used to allocate costs to individual LSEs.

⁷³ NITS is the mechanism by which Transmission Owners recover their annual transmission costs and revenue requirements from PJM network customers. Transmission Owners set their rates using either a fixed/stated NITS Rate to recover their costs or a forward-looking formula-based rate. Each Transmission Owner's individual filed rate is set forth in a section of Tariff, Attachment H.

⁷⁴ Tariff, Schedule 12, section (a) obligates PJM Settlements to collect on behalf of Transmission Owner(s) any charges established by the Transmission Owners to recover the costs of Required Transmission Enhancements. Transmission Owners are permitted to choose whether to assess costs to wholesale customers as a standalone charge (i.e., the TEC charge) or to incorporate the costs into the Transmission Owner's NITS Rate. See Market Settlements Development Department, *PJM Manual 27: Open Access Transmission Tariff Accounting*, sections 10.1 & 10.2 (Rev. 103, July 23, 2025), <https://www.pjm.com/-/media/DotCom/documents/manuals/m27.pdf>. As Ms. Holter explains, generally speaking, when costs are allocated within a single transmission zone, they are generally recovered through NITS Rates, whereas when costs are assigned on a project-specific basis – often across multiple zones – they are generally recovered through TEC charges. Holter Aff. ¶ 11.

costs of any individual transmission facility. Because NITS Rates recover aggregated transmission revenue requirements on a load-ratio basis, PJM cannot trace amounts billed or collected through this rate back to specific projects.⁷⁵ By contrast, TEC charges are calculated and billed to Responsible Customers on a project-specific basis. TEC charges reflect the costs of individual transmission facilities and are assigned directly to Responsible Customers on a zonal basis. As a result, unlike NITS charges, TEC charge billing records identify the specific facilities for which costs are being recovered and the corresponding amounts charged to each Responsible Customer.⁷⁶

It may be the case, for example, that as PJM is applying the updated cost responsibility assignments to each project, it is identified that there is currently no transmission revenue requirement in the Market Settlements system for a particular upgrade.⁷⁷ This could be the case, for example, if a Transmission Owner has a project whose cost is 100% assigned to its own transmission zone and the Transmission Owner is recovering the cost through the zonal NITS Rate, meaning that PJM likely has no visibility into the requirement for that upgrade whatsoever.⁷⁸ Another reason PJM may not have a transmission revenue requirement for the project is because the project is not yet in service or the Transmission Owner has not yet otherwise begun recovering the cost of that project.

In these instances, PJM will need to contact the appropriate Transmission Owner to get further information to determine why there is no project-specific revenue information available on the PJM side. If the cost responsibility assignment for an upgrade was

⁷⁵ Holter Aff. ¶ 9.

⁷⁶ Holter Aff. ¶ 10.

⁷⁷ The use of stated rates by some Transmission Owners during part of the resettlement period provides an additional level complexity in determining the revenue information for specific projects.

⁷⁸ Holter Aff. ¶ 9.

included in the NITS Rate, and the updated cost responsibility assignments result in new allocations that shift a portion of the costs to other transmission zones, portions of costs previously recovered through the NITS Rate would then need to be recovered through TECs, and PJM will need updated information from the Transmission Owners so that it knows what reallocations are flowing in and out of TECs.⁷⁹ This will give PJM the information it needs in order to know who to surcharge/refund and how much. If an upgrade is not currently billed through a TEC, PJM will take the updated cost responsibility assignment and work with each affected Transmission Owner to determine the correct revenue information. As Ms. Holter explains, this information is needed in order for PJM to understand the upgrade costs for recovery from transmission customers.⁸⁰

Once PJM has the necessary revenue information, PJM can begin issuing resettlements. But as described in detail by Ms. Holter, this will entail another series of time-consuming, labor-intensive steps.⁸¹

With the updated revenue information, PJM will be able to recreate all applicable TEC Worksheets for each of the over 1,200 projects at issue. And this work must be done manually, one project and one allocated Zone at a time.⁸² Further, this must be done for each relevant file, and for some upgrades there could be multiple files per year, for each of the nearly 11 years at issue. Then, PJM must also enter the resulting values into its billing system, project-by-project, and Zone-by-Zone. Billing will then be re-run for the

⁷⁹ Holter Aff. ¶¶ 19 & 24.

⁸⁰ Holter Aff. ¶ 19.

⁸¹ Holter Aff. ¶¶ 20, 28-30.

⁸² TEC Worksheets are currently the only publicly available document that provides a unified view of the transmission revenue requirement and the zonal cost responsibility assignment for each upgrade. Transmission customers rely upon this document to forecast costs and also understand what portion of a project's costs are being borne by other transmission customers, all in a format in which transmission customers are accustomed. PJM is open to exploring ways to update this process in a collaborative manner.

applicable period, where the calculations could take weeks to complete. Next, interest must be calculated outside of the Market Settlements system via spreadsheets for each of the reallocated projects, and research must be done to identify the correct interest rate for the applicable billing period, given that that interest rate is updated quarterly. Interest is then entered manually into PJM's database, and billing statements are executed.⁸³

In sum, once Market Settlements has received any necessary updated revenue information from Transmission Owners, PJM will take the following steps to accurately effectuate billing, as detailed by Ms. Holter:⁸⁴

1. Compare New Cost Responsibility Allocations to Historical Project Billing, on a Project-by-Project Basis, to Determine if Project Revenue is Available. This step is iterative and was begun before reaching out to the Transmission Owners.
2. If Project is Currently Not Billed Through TEC Charges, Market Settlements Must Reach Out to the Transmission Owner to Determine Applicable Project Revenue Information, if Any.
3. Market Settlements Must Recreate TEC Worksheets Manually. Upon receiving updated revenue requirements from the Transmission Owners, PJM can recreate these worksheets. This will need to be done for each project, and in many instances it will need to be done multiple times a year for each of the nearly 11 years if new cost updates have been provided to PJM more than once a year.
4. Format and Enter Resulting Cost Responsibility Assignments and Revenue Requirements into Billing System Database Manually. The updated information in these worksheets will need to be formatted for upload into PJM's billing system database, project-by-project, cell-by-cell.
5. Rerun Billing for Affected All Months/Years. Billing will be rerun over the appropriate period of time, and this could take PJM's systems weeks to complete.⁸⁵

⁸³ Holter Aff. ¶¶ 31-32.

⁸⁴ Holter Aff. ¶¶ 18-32.

⁸⁵ These steps do not contemplate how PJM will handle only paying refunds in amounts limited by the amounts collected through surcharges. To the extent the Commission rules on clarification that PJM must resettle with LSEs billed during the prior billing period, *see* Motion for Clarification (Section IV.E), PJM will need to build a different billing approach to address that risk.

6. Assess Billing Adjustments and Calculate Resulting Interest Manually. PJM will review the information from the billing reruns and begin calculating interest. This must be done outside of the Market Settlements system in spreadsheets, and requires PJM to also go back to identify the correct historical interest rates, which vary quarterly each year. Interest amounts must also be entered manually into the billing system database.
7. Execute Billing Statements. With all the information finally in hand, PJM can begin executing billing statements. However, this must be done on a schedule that spreads out billing in order to ensure that Responsible Customers do not suffer from bill shock or have adverse impacts to their credit or collateral requirements. Multiple PJM departments will need to be involved in this effort. If this step is implemented in a way that generates significant default risk, there will need to be additional coordination around the financial settlement process, including but not limited to tracking which surcharges were not paid after being invoiced, outreach to attempt to collect the funds, tracking what refunds should not be paid, and/or addressing how any default would need to be socialized.

To minimize the adverse effects related to bill shock, PJM anticipates needing approximately 12-24 months to complete processing the resettlements and spread them out so they are as minimally disruptive as possible. In doing so, multiple departments within PJM will need to work together to manage this process to help mitigate impacts to LSEs.⁸⁶

2. *Given the tremendous amount of work required, the Commission should allow PJM to defer all aspects of compliance until final FERC Orders*

As just discussed, the work necessary for PJM to comply with the Order on Remand's Compliance Directive is multifaceted and very complex. This complexity could be further amplified if PJM takes initial steps to implement the Resettlement Schedule discussed in Section III.D below, only to have that work need to be changed or outright reversed based on the outcome of rehearing of the Order on Remand. In addition, it is possible that any outcome of the paper hearing procedures on short-circuit issues could lead to additional, secondary resettlements covering nearly 11 years for the affected

⁸⁶ Holter Aff. ¶¶ 32 & 46.

projects, which may create duplicative or overlapping work for the resettlements related to solution-based DFAX method.

To avoid the inefficiency and unnecessary administrative burden and expense of iterative implementation of remedies, as experienced in the *Black Oak Energy, L.L.C.* proceedings,⁸⁷ MISO's Seams Elimination Cost Adjustment ("SECA") proceedings,⁸⁸ and MISO's revenue sufficiency guarantee proceedings,⁸⁹ the Commission should defer its Compliance Directive that PJM implement any remedial resettlements until final orders are issued on rehearing of the Order on Remand and the paper hearing. As discussed above,

⁸⁷ In *Black Oak*, the Commission ordered PJM to issue refunds in 2009. *Black Oak Energy, L.L.C., et al. v. PJM Interconnection, L.L.C.*, 125 FERC ¶ 61,042 (2008), *clarified*, *Black Oak Energy, L.L.C., et al. v. PJM Interconnection, L.L.C.*, 126 FERC ¶ 61,164 (2009). The Commission subsequently reversed course in its July 21, 2011 order and decided to not require PJM to pay refunds and again in May 11, 2012. *Black Oak Energy L.L.C., et al. v. PJM Interconnection, L.L.C.*, 136 FERC ¶ 61,040, at P 25 (2011), *reh'g denied*, *Black Oak Energy, L.L.C., et al. v. PJM Interconnection, L.L.C.*, 139 FERC ¶ 61,111 (2012). The Commission then reordered refunds in November 19, 2015 following remand from D.C. Circuit. *Black Oak Energy L.L.C., et al. v. PJM Interconnection, L.L.C.*, 153 FERC ¶ 61,231, at P 1 (2015), *reh'g denied*, 155 FERC ¶ 61,013 (2016). Finally, in 2019, then reversed refund determinations made through the preceding cited series of four orders in 2011, 2012, 2015, and 2016. *Black Oak Energy L.L.C., et al. v. PJM Interconnection, L.L.C.*, 167 FERC ¶ 61,250, at P 14 (2019).

⁸⁸ In the MISO's SECA proceedings, which started in 2006 and ended in 2018, the Commission ordered MISO and PJM to collect surcharges and issue refunds for a period of time between 2004 and 2006 when SECA mechanisms were in place. *Midwest Indep. Transmission Sys. Operator, Inc.*, 152 FERC ¶ 61,213, at PP 2 & 7 (2015). Between 2015 and 2018, PJM and MISO requested and the Commission granted two extensions of time to file the required Refund Reports. *Midwest Indep. Transmission Sys. Operator, Inc.*, Notice of Extension of Time, Docket Nos. ER05-6-118 et al. (Nov. 19, 2015) (granting extension of time until 180 days after the Commission's issuance of a final order on issues set for hearing and settlement judge procedures, to file refund reports) and *Midwest Indep. Transmission Sys. Operator, Inc.*, Notice of Extension of Time, Docket Nos. ER05-6-118 et al. (May 31, 2017) (granting extension of time until September 17, 2017, to file refund reports). In 2018, the Commission accepted MISO and PJM's Refund Report, which included over 70 settlement agreements and affected approximately 20,000 LSEs. *Am. Elec. Power Serv. Corp. v. Midcontinent Indep. Sys. Operator, Inc.*, 164 FERC ¶ 61,186, at P 49 (2018).

⁸⁹ *Midwest Indep. Transmission Sys. Operator, Inc.*, 115 FERC ¶ 61,108, at P 2 (the Commission initially requiring refunds), *order on reh'g*, 117 FERC ¶ 61,113, at P 95 (2006) (the Commission reversing its decision, deciding not to require MISO to issue refunds on a retroactive basis upon rehearing), *reh'g denied*, 118 FERC ¶ 61,212, at P 87 (the Commission explaining its reasoning for not requiring refunds), *reh'g denied*, 121 FERC ¶ 61,131, at P 18 (2007) (the Commission stating that refunds applied prospectively in the second rehearing order).

the Commission has previously granted a variety of motions for extension of time in similar circumstances, and the same treatment is warranted here.⁹⁰

The scope, scale, and complexity of the resettlements directed by the Commission are substantial. PJM estimates that, since June 18, 2015, the solution-based DFAX method with the *de minimis* threshold exemption has been applied to over 1,200 projects. Given this, PJM estimates that reallocations will affect *all* load served in the PJM Region, and almost all LSEs would be receiving refunds or surcharges. Based on a very preliminary analysis, PJM anticipates that the total amount of costs that have been billed and will need to be reallocated is between \$1.5 and \$2 billion—before interest is applied.

D. In the Alternative, the Commission Should Extend the Compliance Deadline to Afford PJM Sufficient Time to Follow the More Methodical Timeline PJM Proposes Herein

In the event the Commission declines to defer compliance until there is more certainty in the outcome and the need for resettlements, PJM requests that the Commission allow PJM to implement the Compliance Directive in a more methodical manner so as to ensure reasonable accuracy in the revised historical cost responsibility assignments and the determination of the resettlements, minimize bill shock and adverse credit impacts on Responsible Customers being invoiced for nearly 11-year-old under-allocations (with interest), and minimize the need to reprioritize resources away from their important ongoing tasks. To do so, PJM proposes a three-step Resettlement Schedule that allows for sufficient time to complete all of the necessary work described above. Each step identifies specific tasks which must be completed before the next step can begin. PJM requests that

⁹⁰ See *supra* note 53.

the Commission approve this Resettlement Schedule regardless of when PJM begins implementing the Compliance Directive.

Step 1: Recalculate Cost Responsibility Assignments and File Revised Tariff Records. As discussed above in Section III.C.1.b, PJM will need to do extensive work to recreate original files and ultimately arrive at the recalculations of cost responsibility assignments. PJM estimates that Step 1—plus developing the revised historical Tariff records—can be completed in approximately 270 days. That is, PJM believes that it can complete the data discovery, validation, reconstruction, tool modification, and ultimately recalculation of revised cost responsibility assignments, plus revising nearly 10,000 redlined tariff pages in 270 days.⁹¹

Step 2: Transmission Owners Provide Updated Revenue Requirement Information. Once Market Settlements receives the updated cost responsibility assignments, it will begin manually comparing each new assignment for each upgrade to historical data. In cases where there appear to be issues with the revenue amounts in PJM's records or where a specific project has been recovered through a NITS Rate, PJM will need to reach out to the appropriate Transmission Owner individually to obtain updated revenue information.⁹²

Step 3: PJM Calculates Refunds/Surcharges With Interest and Bills Responsible Customers. Upon receiving any necessary updated revenue information

⁹¹ As noted, PJM's 270-day time estimate is premised on, among other things, the Commission granting the requested clarifications (see Section IV), which would permit a more streamlined process and correspondingly reduce staff hours.

⁹² Holter Aff. ¶¶ 9 & 21. While PJM will remain engaged in discussions with Transmission Owners on such issues, PJM cannot compel Transmission Owners to provide this information on any specific schedule, leading to uncertainty as to when this step could be completed.

from Transmission Owners, Market Settlements will be able to follow the seven-part process Ms. Holter details in her Affidavit and as described above in Section III.C.1.c.⁹³

PJM believes it could complete Steps 2 and 3 within 12-24 months.

E. If the Commission Does Not Permit PJM to Defer Action Until After Commission Action as Described in Section III.C, the Commission Should Permit PJM to (a) Generally Complete Step 1 and File Revised Tariff Records Within 270 Days of the Order on Remand, and (b) Begin Steps 2 and 3 upon Commission Action on the Motion for Clarification

Even if the Commission declines to grant PJM's request to defer action until after Commission action on the requests for rehearing and Motion for Extension, given the complexities of this process, PJM cannot issue resettlements in 90 days as directed by the Order on Remand. This scope, scale, and complexity of the directed resettlements is unprecedented, and PJM must have sufficient time to ensure that this work is done accurately and in a manner that mitigates adverse effects on Responsible Customers and downstream ratepayers.

Indeed, the production of billing statements at the end of Market Settlements' seven-part process cannot be the final consideration. As a general rule, any refunds owed would be funded by surcharges collected.⁹⁴ Therefore, PJM generally would need to receive funds through surcharges before it can resettle any refunds owed and PJM should also take efforts to minimize bill shock and adverse credit impacts. With these issues in mind, the need for a methodical process becomes obvious. Thus, in order to balance the need for PJM to have enough time to accurately and responsibly issue resettlements with

⁹³ Holter Aff. ¶¶ 18-32.

⁹⁴ See *Black Oak Energy*, 167 FERC ¶ 61,250, at P 24 (“The surcharges to other customers are necessary only because, as a not-for-profit entity, PJM must obtain those funds [needed for refunds] from the overpaid customers.”).

the Commission's interest in doing so in a timely manner, PJM therefore makes the following requests for extension in the alternative.

First, PJM alternatively seeks an extension of time from 90 days to a total of 270 days from the date the Order on Remand was issued (i.e., by December 1, 2026) to complete, subject to the caveats described herein, (1) Step 1 of the Resettlement Schedule (Recalculate Cost Responsibility Assignments) and (2) filing revised Tariff records. PJM cannot file revised Tariff sheets until it has updated the cost responsibility assignments, so these two requests must be considered together. However, as discussed below in the Motion for Clarification (Section IV), PJM will not begin updating cost responsibility assignments between June 18, 2015 – December 31, 2019 until it receives clarification from the Commission regarding Clarification 1⁹⁵ (simplified approach). Also, PJM will not calculate updated cost responsibility assignments for the 2015-2019 period nor for not-being-billed projects until it receives clarification from the Commission on Clarification 2 (treatment of projects not yet in service).⁹⁶ But, PJM will endeavor to complete recalculating cost responsibility assignments for all other in-service projects within 270 days from the date the Order on Remand was issued.

Second, PJM alternatively seeks an extension of time until it receives clarification from the Commission on Clarifications 3 (surcharge authority),⁹⁷ 4 (PJM responsibility for covering surcharge amounts),⁹⁸ 5 (which LSEs are subject to resettlement),⁹⁹ and 6-7

⁹⁵ See *infra* Section IV.A.

⁹⁶ See *infra* Section IV.B.

⁹⁷ See *infra* Section IV.C.

⁹⁸ See *infra* Section IV.D.

⁹⁹ See *infra* Section IV.E.

(ICTRs, certain Firm Point-to-Point Transmission Services, and RMR costs).¹⁰⁰ It is impossible to begin Steps 2 (Transmission Owners Provide Updated Revenue Requirement Information) or 3 (PJM Calculates Refunds/Surcharges With Interest and Bills Responsible Customers) which will directly inform those processes until PJM receives these clarifications. Further, there is extensive uncertainty as to whether there will be any changes in cost responsibility assignments that result from the paper hearing procedures on short-circuit issues. While PJM estimates that it could complete Steps 2 and 3 within 12-24 months of receiving clarifications from the Commission, this timing depends upon the nature of such clarifications.

F. Expedited Request for Action by May 1, 2026

PJM respectfully requests that the Commission act expeditiously on this Motion for Extension of Time by **May 1, 2026**. Action by that date is important so that PJM knows how best to allocate its resources to meet its obligations to the parties affected by the Commission’s resettlement directive and the Commission. If the Commission does not act on this request by May 1, 2026, PJM will need to divert increasing resources towards attempting to meet the original 90-day deadline and away from other critical PJM priorities such as planning a reliable transmission system.¹⁰¹ If the Commission declines to grant the

¹⁰⁰ See *infra* Sections IV.F & G.

¹⁰¹ See Niu Aff. ¶¶ 22 (“[T]he work required to implement the Recalculation Directive would involve PJM staff from several functional areas, including Transmission Planning, Market Simulation, Market Settlements, and Legal. Each of these groups plays a distinct role in PJM’s ongoing planning, market, settlement, and compliance activities, and the tasks described above will require contributions from each.”) & 25; Holter Aff. ¶¶ 43-45. “[P]erforming the work necessary to resettle these prior periods would require Credit and Risk Department, Transmission Planning, Market Simulation, and Legal to reprioritize their respective workloads away from their regular day-to-day obligations. Such would delay completion of their expected tasks while supporting this labor-intensive directive.” *Id.* ¶ 44. “Simply put, dedicating the resources necessary to implement the directive would require reprioritization of existing workstreams and obligations. This reprioritization would necessarily divert resources from ongoing planning, operational, and regulatory activities that are core to maintaining the reliability of the PJM Transmission System.” *Id.* ¶ 45.

requested extension altogether, PJM will be forced to bring certain other work, including certain Transmission Planning activities, to a near halt to perform the required tasks as quickly as possible. Further, PJM will need to develop a very abbreviated resettlement process that will not accurately reflect the actual refunds/surcharges owed, and LSEs will almost certainly experience bill shock and have their creditworthiness and collateral requirements adversely affected.

IV. MOTION FOR CLARIFICATION

PJM requires clarification of certain issues as to how PJM should implement the Compliance Directive. PJM requires clarification on the following issues before it can properly complete the processes for recalculating cost responsibility assignments and performing resettlements.

A. Clarification 1: The Commission Should Clarify that PJM Can Utilize a Simplified Approach to Recalculating Cost Responsibility Assignments.

PJM seeks clarification to implement a simplified approach to recalculating the cost responsibility assignments made effective for the period from June 18, 2015, through December 31, 2019. The requested approach would reduce the time and effort for PJM to conduct extensive data discovery and tool/model reconstruction. In so doing, this approach would accelerate the timeline upon which PJM could provide resettlements.

Under this simplified approach, PJM would divide the time from June 18, 2015, through the present into two periods of time: (1) June 18, 2015 – December 31, 2019 (“Phase 1”), and (2) January 1, 2020 – present (“Phase 2”). For Phase 1, PJM would rely upon the power flow models/transmission system topology/datasets that were effective on December 31, 2019, and use that to update cost responsibility assignments removing the *de minimis* threshold back through June 18, 2015. For Phase 2, PJM would use the power

flow models/transmission system topology/datasets for each respective year.

This approach is reasonable for several reasons. Generally speaking, the further back in time the analysis extends, the much more challenging and time-consuming it becomes to recover or reconstruct original data and programming because software may become obsolete or data formats might have changed. For example, PJM's primary production cost software, PROMOD, is not likely able to be re-run for years in Phase 1. This is because (1) due to security concerns, PJM's Information Technology Department will not create virtual Windows machines with older versions of Windows, (2) any version of PROMOD that has been removed from the PJM software catalog will have to undergo the current standard security tests, software board approval, packaging, etc.; and (3) PJM may not even be able to install and run older PROMOD versions at all because the Windows upgrades since then may have rendered older versions of PROMOD incompatible with current Windows version.¹⁰² In addition, during the Phase 1 time period, the solution-based DFAX method changed multiple times, creating numerous intervals that will need to be evaluated individually—based on the then-effective solution-based DFAX method—and have data recovered or recreated for each interval.

Importantly, as explained in the Affidavit of Dr. Niu, using the 2020 power flows to recalculate cost responsibility assignments for the Phase 1 period would result in recalculations that are reasonably accurate and that, when considered in light of the extra time it would take to recreate/reconstruct data sets for each interval in Phase 1, should be considered acceptable by the Commission in terms of balancing the equities in this case.¹⁰³

¹⁰² See Niu Aff ¶ 16.

¹⁰³ See Niu Aff. ¶¶ 28-29.

PJM estimates that grant of this requested clarification would reduce the total amount of time required for PJM to recalculate the revised cost responsibility assignments by roughly one third.

B. Clarification 2: The Commission Should Clarify that PJM Does Not Need to Calculate Updated Cost Responsibility Assignments or Revise Tariff Records for Projects that Are Not Yet in Service and Do Not Have Rate Incentives Allowing for Recovery Before In-Service Date.

PJM has determined that of the over 1,200 projects that are implicated by the Order on Remand’s Compliance Directive, 44% of these projects are already in service, 52% are not yet in service, and 4% have been canceled.¹⁰⁴ As a general matter, Transmission Owners do not begin recovering costs associated with transmission facilities until those facilities are placed in service, unless the Commission has authorized recovery of pre-in-service rate incentives, such as CWIP. As such, PJM does not bill for projects that are not in service unless the Commission has granted the CWIP rate incentive. Thus, except for those projects not yet in-service for which the Commission has granted the CWIP incentive,¹⁰⁵ PJM is not yet billing for over 600 projects.

The cost responsibility assignments for these not-being-billed projects are wholly illustrative at this time. That is, Tariff, Schedule 12, Section (b)(iii)(H) requires PJM to calculate “preliminary” cost responsibility assignments at the time the projects are incorporated into the RTEP and added to Schedule 12-Appendix A.¹⁰⁶ Then, “[b]eginning

¹⁰⁴ See Niu Aff. ¶ 11. PJM does not intend to update canceled projects unless directed to do so by the Commission.

¹⁰⁵ As a general matter, PJM does not track Transmission Owner rate incentive authorizations or the associated projects for which Transmission Owners have been authorized to recover CWIP-related costs. However, given that transmission rate incentives are typically granted for transmission facilities that have some kind of heightened risk or complexity, based on its knowledge of projects that are not yet-in service, PJM anticipates that the projects that are collecting CWIP will be a relatively small portion of the more than 600 not-yet-in-service projects.

¹⁰⁶ Tariff, Schedule 12, section (b)(iii)(H).

with the calendar year in which [the project] is scheduled to enter service, and thereafter annually,” PJM is required to update the project’s cost responsibility assignments “using the values and inputs used in the base case of the most recent Regional Transmission Expansion Plan approved by the PJM Board prior to the date of the update.”¹⁰⁷ Thus, there is little practical meaning in the illustrative, preliminary cost responsibility assignments stated in the Tariff for the over 600 not-being-billed projects, as the cost responsibility assignments will be updated prior to the project going into service and being billed. On the other hand, requiring PJM to recalculate cost responsibility assignments for these not-being-billed projects would lead to a significant amount of administrative churn and potential disputes with no corresponding real-world impact. PJM estimates that granting this clarification and not requiring PJM to calculate these updated cost responsibilities at this time would save between 2,640 to 4,752 hours for Transmission Planning.

Accordingly, PJM requests clarification that PJM is not required to update the cost responsibility assignments for these not-being-billed projects and therefore also not file revised Tariff records at this time, but may, in accordance with the Tariff, wait until the calendar year in which the project is scheduled to enter service to recalculate the cost responsibility assignments without application of the *de minimis* threshold.¹⁰⁸ Denial of this clarification would require PJM to expend scarce resources updating allocations that will never be used, while grant of it would accelerate the timeline for resettling projects that were billed using the prior allocation approach.

¹⁰⁷ Tariff, Schedule 12, section (b)(iii)(H)(2).

¹⁰⁸ As previously stated, PJM will work with Transmission Owners to identify projects with CWIP rate incentive and will recalculate cost responsibility assignments for those projects.

C. Clarification 3: The Commission Should Clarify that PJM Is Authorized to Assess and Collect Surcharges for Prior Periods Back to June 18, 2015.

To conduct resettlements as directed here, PJM must surcharge for prior period under-allocations and provide refunds for prior period over-allocations, going back all the way to the billing period for June 18, 2015. But, PJM requires additional explicit authorization from the Commission. First, PJM's authority to correct bills is limited under Tariff, Section 10.4.¹⁰⁹ Therefore, PJM needs explicit authority from the Commission to resettle, including surcharge for period directed by the Order on Remand. Second, PJM requires the authority to surcharge because PJM does not have shareholders to draw from to fund amounts to be refunded.¹¹⁰ Therefore, PJM must be authorized by the Commission to surcharge in order to effectuate any resettlements.

PJM is seeking such clarification because, while Ordering Paragraph (F) mentions surcharges,¹¹¹ the body of the Order on Remand does not mention or otherwise discuss surcharges.¹¹² Also, PJM understands that the Commission's authority to direct surcharges

¹⁰⁹ See Tariff, Part I, section 10.4 ("No adjustment in the billing for any service, transaction, or charge under the Tariff may be asserted by PJM, PJMSettlement, or any Member or Participant with respect to a month, if more than two years has elapsed since the first date upon which the billing for that month occurred. PJMSettlement, on behalf of itself or as agent for PJM may make no adjustment to a Member's or Participant's bill with respect to a month for any service, transaction, or charge under this Tariff, if more than two years have elapsed since the first date upon which the billing for that month occurred, unless 1) a claim made by a Member or Participant in writing and addressed to the President of PJMSettlement seeking such adjustment has been received by PJMSettlement prior thereto or 2) PJM and/or PJMSettlement have notified the Member or Participant in writing of the need to make such an adjustment prior thereto.").

¹¹⁰ *Black Oak Energy*, 167 FERC ¶ 61,250, at P 24 ("The surcharges to other customers are necessary only because, as a not-for-profit entity, PJM must obtain those funds [needed for refunds] from the overpaid customers.").

¹¹¹ Order on Remand, 194 FERC ¶ 61,179, at PP 91-92 & ordering para. (F) ("PJM is hereby directed, within 90 days of the date of this order, to recalculate the cost responsibility assignments for the Transmission Enhancement Charges for the period beginning June 18, 2015 to reflect the elimination of the *de minimis* threshold exemption in the calculation of cost responsibility assignments, and to assess refunds and surcharges, including interest, as discussed in the body of this order.").

¹¹² See Order on Remand, 194 FERC ¶ 61,179, at PP 91-92.

is rooted in FPA Section 309,¹¹³ but the Order on Remand does not cite any authority for the resettlement directive. Accordingly, grant of the requested clarification would ensure that PJM can surcharge and is properly authorized to do so for the entire prior period.

D. Clarification 4: The Commission Should Clarify that PJM Is Only Responsible for Refunding Amounts It Is Able to Collect Through Surcharges and Will Not Be Responsible for Refunds Until PJM Actually Collects Such Amounts.

To the extent the Commission clarifies that PJM is authorized to assess and collect surcharges, PJM seeks further clarification that PJM's obligation to provide refunds for any prior period over-allocation is limited to the amounts it collects through surcharges for the corresponding prior period under-allocation. In other words, PJM is not responsible for paying refund amounts it cannot collect through surcharges. This clarification is consistent with Commission precedent that PJM and other regional transmission organizations do not have corporate funds to pay refunds and thus, may only issue refunds based on the surcharges collected from entities who previously underpaid.¹¹⁴ Additionally, the Operating Agreement precludes PJM from distributing more funds than the amount

¹¹³ See, e.g., *Verso Corp.*, 898 F.3d at 10-11 (“The reallocation of [] costs, including through surcharges, is well within FERC’s remedial authority under [FPA] Section 309, read in harmony with [FPA] Section 206 and the filed rate doctrine.”).

¹¹⁴ See, e.g., *Black Oak Energy, L.L.C.*, 139 FERC ¶ 61,111, at P 28 (“[T]he question of refunds and surcharges are inextricably intertwined, particularly in the case of a regional transmission organization (RTO) like PJM, and surcharges are simply the antipodes of refunds. As the Commission stated in the July 21, 2011 Rehearing Order: ‘Were the Commission to require refunds without such surcharges, PJM would suffer a loss of revenue and an under-recovery of legitimate costs.’” (footnote omitted)); *id.* at P 28 n.40 (“PJM, which is a limited liability, non-stock company, has no corporate funds of its own to pay refunds, and it would have to acquire such funds either through surcharges or through an up-lift charge to all members.”); *Sw. Power Pool, Inc.*, 170 FERC ¶ 61,125, at P 63 (2020) (“[Southwest Power Pool, Inc.], as a not-for-profit regional transmission organization entity, has no independent funds and must recoup the refunds . . . through charges to its members.” (footnote omitted)); *Sw. Power Pool, Inc.*, 156 FERC ¶ 61,057, at P 17 (2016) (clarifying that Southwest Power Pool, Inc. does not have to issue refunds until it received payments from the parties due its not-for-profit status); *Pub. Serv. Comm’n of Wis. v. Midcontinent Sys. Indep. Operator, Inc.*, 156 FERC ¶ 61,205, at P 79 (2016) (“[I]n order to provide interest on refunds, as required by the Commission’s regulations, MISO must logically charge mathematically corresponding interest on surcharges; MISO, as a non-profit entity, must fund the refunds entirely through surcharges.” (footnote omitted)).

PJM recovers and from distributing funds before receiving them.¹¹⁵ Accordingly, the Commission should clarify that PJM is merely the collector and distributor of the funds, rather than the payor of the funds and that PJM is limited by the funds it can collect (surcharges) as to the refunds it can distribute pursuant to Commission precedent and the terms of the Operating Agreement. Further, the Commission should clarify that any shortfall in surcharge collections should be borne (pro rata) by those owed refunds. The Commission should further clarify that this limitation on PJM's obligation to issue refunds extends to interest amounts.

E. Clarification 5: The Commission Must Clarify the Classes of LSEs that PJM Should Surcharge and Refund: Historical LSEs or Current LSEs.

Effectuating resettlements for prior periods raises the question of: which LSEs should PJM surcharge and refund? Should the subject of the invoices be the same LSEs that were over- or under-allocated costs during each prior period, or should they be the current group of LSEs serving generally the same loads?

In evaluating these questions, the Commission should keep in mind that, over the past 11 years, there will be many instances in which the LSEs participating in PJM are no longer active in the PJM markets. For example, based on a preliminary review of the data in Market Settlements system, PJM has found that around 175 Responsible Customer accounts from just 2016 are no longer active in the PJM markets. A review of the other 10 years in the resettlement period will likely show many more deactivated Responsible Customer accounts.¹¹⁶ These entities may have gone out of business, merged with other

¹¹⁵ See Operating Agreement, section 14B.4(e)(i) (“The liability of PJMSettlement to make payments during the settlement period shall be limited so that the aggregate of such payments does not exceed the aggregate amount of payments that has been paid to or recovered by PJMSettlement, from Members (including by way of realization of financial security) in respect of that settlement period.”).

¹¹⁶ Holter Aff. ¶ 13.

companies, or simply elected to no longer serve load in the PJM Region.¹¹⁷ Thus, an approach that attempts to resettle those entities that paid the cost allocations during the prior periods will necessarily prevent PJM from collecting all amounts associated with under-allocations, and consequently prevent PJM from issuing refunds commensurate with any over-allocations for the same prior period. On the other hand, an approach that surcharges and refunds to the existing class of LSEs would avoid the issue of missing LSEs but would raise the equity issues associated with those being surcharged may not necessarily be the entities that were under-allocated, while those provided refunds may not be the entities that overpaid due to over-allocations.

Accordingly, PJM seeks clarification that, in identifying entities to receive refunds or be surcharged, PJM may do so based on current Responsible Customers, including existing LSEs, rather than taking time to find Responsible Customers no longer participating in the PJM Region. This approach will significantly reduce the amount of time needed to complete the billing and financial settlement of these rebillings as it significantly reduces the risk of non-collection and the work attendant to that process. PJM cannot commence any resettlements without clarity as to whom PJM should invoice.

F. Clarification 6: Absent Commission Guidance Otherwise, PJM Interprets the Compliance Directive to Include Resettlements of ICTRs and Certain Firm Point-to-Point Transmission Service Charges/Credits Keyed to Project Cost Responsibility Assignments.

Under PJM's Tariff, ICTRs are keyed to certain project's respective cost responsibility assignments.¹¹⁸ ICTRs are costs allocated to Interconnection Customers for

¹¹⁷ Attempting to track down previous LSEs would require additional complexity—and time and cost—to the already involved resettlement process.

¹¹⁸ The PJM Tariff defines ICTRs as “a Capacity Transfer Right allocated to a Generation Interconnection Customer or Transmission Interconnection Customer obligated to fund a transmission facility or [project], to the extent such [project] or facility increases the transmission import capability into a Locational

funding transmission facilities or projects if that facility or project increases the Import Capability in a Locational Deliverability Area.¹¹⁹ The Tariff requires PJM to “allocate to each Responsible Customer a share of the [ICTRs] associated with each Incremental Rights-Eligible Required Transmission Enhancement for which the Responsible Customer has been assigned cost responsibility pursuant to Tariff, Schedule 12,” and to re-allocate ICTRs annually based on annual changes to cost responsibility assignments.¹²⁰ In plain language, this means that if the percentage of the cost of projects being allocated to a Responsible Customer changes, that Responsible Customer will be allocated different ICTR amounts as well.

It is therefore evident that an entity’s share of ICTRs is directly and inextricably tied to the cost responsibility assignments for a given project. Based on the clear intent of the Tariff, PJM intends to resettle any ICTRs associated with a project for which PJM is also rebilling—unless the Commission directs otherwise on clarification.

Similarly and for the same reasons, PJM intends to resettle Firm Point-to-Point Transmission Service invoices for Merchant Transmission Facilities with Firm Transmission Withdrawal Rights. This is because under Tariff, Schedule 7, Section 11(a), such entities receive a discount on their Firm Point-to-Point Transmission Service equal to the ratio of their allocated TECs to the total revenue requirement used to determine the Border Yearly Charge. Given this, to the extent a Merchant Transmission Facility is issued any resettlement (surcharge or refund) for revised cost responsibility assignments, PJM

Deliverability Area, or a Capacity Transfer Right allocated to a Responsible Customer in accordance with Tariff, Schedule 12A.” Tariff, Part I, Definitions – I – J – K.

¹¹⁹ Tariff, Attachment DD.5.16(a).

¹²⁰ Tariff, Schedule 12A, section (b)(iv).

should also adjust the discount they received on their Firm Point-to-Point Transmission Service charges. Likewise, PJM should adjust the Firm Point-to-Point Transmission Service credits in an equal and offsetting amount. PJM will do this as part of any resettlement in this proceeding, unless the Commission directs otherwise.

Finally, to the extent the resettlements affect a Transmission Owner's NITS Rate, whether a stated rate or formula, that rate may need to be adjusted correspondingly. However, whether any such changes to a Transmission Owner's current or historical rate need to be made is beyond PJM's purview.

G. Clarification 7: The Commission Should Clarify Whether the Compliance Directive Includes Resettlements of Costs for Retaining Deactivating Generation Resources.

Under PJM's Tariff, costs associated with cost of service agreements for generation resources retained for transmission reliability purposes under Tariff, Part V, colloquially known as "Reliability-Must Run costs" or "RMR costs"¹²¹ are allocated in the same manner as "the reliability upgrades necessary to alleviate the reliability impact that would result from the Deactivation of the generating unit."¹²² Stated another way, PJM uses the cost responsibility assignments associated with the transmission project necessary to resolve the issues that drive the need to retain the generation resource to allocate RMR costs. Accordingly, it follows that if the transmission project's cost responsibility assignments change, the RMR cost allocation may also need to change. Counterbalancing that consideration is the fact that RMR costs in PJM have been determined in accordance with

¹²¹ RMR is shorthand for "reliability-must run" agreements. RMR is a common industry term for cost of service agreements for retained generation resources.

¹²² Tariff, Part V, section 120.

settlements.¹²³ Such settlements were negotiated in the context of using pre-existing cost responsibility assignments for allocating RMR costs and are generally “black box” agreements. Thus, changing the cost allocation retrospectively may affect the settled expectations of the settling parties.

Accordingly, PJM seeks clarification as to whether it is required to resettle RMR costs associated with reallocated projects. PJM will wait for Commission guidance before resettling RMR costs.

V. LIMITED REQUEST FOR REHEARING AS TO REMEDY

A. *The Commission Should Grant Rehearing Because It Erred in Ordering Refunds Without Exercising Its Broad Remedial Discretion and Balancing the Specific Facts and Equities in This Case*

The Commission has “broad authority to fashion equitable remedies.”¹²⁴ Indeed, the Commission’s “ordering of refunds is not mandatory but rather is discretionary.”¹²⁵ Thus, the Commission must “establish that its [remedial] decision represents a ‘reasonable accommodation of the relevant factors’ and that the [remedy] is ‘equitable under the circumstances.’”¹²⁶ “Customer refunds are a form of equitable relief, akin to restitution,

¹²³ See *H.A. Wagner LLC, et al.*, 191 FERC ¶ 61,098 (2025) (approving contested offers of settlement among parties including PJM for the provision of RMR service); *NRG Bus. Mktg. LLC, et al.*, 190 FERC ¶ 61,026 (2025) (approving contested offer of settlement among parties including PJM for the provision of RMR service).

¹²⁴ See *Transcon. Gas Pipe Line Corp. v. FERC*, 485 F.3d 1172, 1180 (D.C. Cir. 2007) (quoting *Columbia Gas Transmission Corp. v. FERC*, 750 F.2d 105, 109 (D.C. Cir. 1984)).

¹²⁵ *Bos. Edison Co.*, 53 FERC ¶ 61,160, at 61,583 (1990) (citing *Second Taxing Dist. of Norwalk v. FERC*, 683 F.2d 487, 490 (D.C. Cir. 1982); *Laclede Gas Co. v. FERC*, 670 F.2d 38, 42 (5th Cir. 1982); *Nantahala Power and Light Co. v. FERC*, 727 F.2d 1342, 1349-50 (4th Cir. 1984); *North Penn Gas Co. v. FERC*, 707 F.2d 763, 769 n.10 (3d Cir. 1983)); see also *XO Energy Ma, LP v. FERC*, 77 F.4th 710, 716 (D.C. Cir. 2023) (explaining “In fashioning remedies, the Commission’s discretion is at its ‘zenith.’ . . . The Commission has broad discretion to determine remedies for violations of the statutes it administers . . . and that discretion extends to denying refunds.” Further, “the use of ‘may’ in [the FPA sections 205, 206, and 309] indicates that the Commission has the authority, but not the obligation, to provide a remedy for a statutory violation.” (internal citations omitted)).

¹²⁶ *Pub. Util. Comm’n of Cal.*, 143 F.3d at 617 (alteration in original) (quoting *Koch Gateway Pipeline*, 136 F.3d at 816).

and the general rule is that agencies should order restitution only when ‘money was obtained in such circumstances that the possessor will give offense to equity and good conscience if permitted to retain it.’”¹²⁷ For this reason, “not every decision invalidating an agency order is given full retroactive effect.”¹²⁸ A decision on the equities “requires the development of factual matters . . . as well as a *broad and penetrating analysis* of ‘the factors pro and con a refund, and its amount or extent, in arriving at an equitable conclusion.’”¹²⁹ In other words, the Commission must balance the equities in arriving at a lawful remedy.

The Order on Remand made no attempt to explain why requiring and surcharges, with interest, for a nearly 11 year period is an equitable remedy in this case,¹³⁰ let alone conduct a “broad and penetrating analysis” of the record.¹³¹ Indeed, the Commission failed to weigh the relevant equity interests and provide a rational basis for its remedial action requiring PJM to “correct the billing (with interest[])] . . . for *all* projects back to June 18, 2015.”¹³² Order on Remand Paragraphs 91 and 92 present the entirety of the Order on

¹²⁷ *Towns of Concord, Norwood & Wellesley v. FERC*, 955 F.2d 67, 75 (D.C. Cir. 1992) (quoting *Atl. Coast Line R.R. v. Fla.*, 295 U.S. 301, 309 (1935); *Public Serv. Comm’n v. Econ. Regulat. Admin.*, 777 F.2d 31, 36-38 (D.C. Cir. 1985)).

¹²⁸ *Consumer Fed’n of Am.*, 515 F.2d at 359.

¹²⁹ *Consumer Fed’n of Am.*, 515 F.2d at 359 (emphasis added).

¹³⁰ Order on Remand, 194 FERC ¶ 61,179, at PP 2, 92, & ordering para. (F) (requiring interest with no explanation).

¹³¹ *Consumer Fed’n of Am.*, 515 F.2d at 359.

¹³² Order on Remand, 194 FERC ¶ 61,179, at P 92 (emphasis added). See *Motor Vehicle Mfrs. Ass’n of U.S., Inc. v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 43 (1983) (“[T]he agency must examine the relevant data and articulate a satisfactory explanation for its action including a ‘rational connection between the facts found and the choice made.’” (quoting *Burlington Truck Lines, Inc. v. U.S.*, 371 U.S. 156, 168 (1962))); *Koch Gateway Pipeline*, 136 F.3d at 816 n.14 (“In assessing the propriety of FERC’s remedial orders, we have in past cases alluded both to an abuse of discretion standard of review, and to an arbitrary and capricious standard. Because both standards, at least in the context of FERC’s remedial authority, require FERC to have a rational basis for its actions, we see no reason to distinguish between them here.” (internal citations omitted)).

Remand’s discussion on fashioning a remedy. Notwithstanding that this discussion imposed the broadest possible scope in terms of time (back to June 18, 2015) and geography (all projects across PJM allocated using solution-based DFAX method), it is grounded in the single notion that the underlying complaints were “not limited to the cost allocations for the Bergen-Linden Corridor Project and Sewaren Project” in northern New Jersey but to the *de minimis* threshold generally.¹³³ That’s it. Nowhere does the Order on Remand consider the impact of its remedy on ratepayers throughout the PJM Region. Nowhere does the Order on Remand cite any record evidence, statute, or precedent to support its decision. Nowhere does the Order on Remand “examine the relevant data and articulate a satisfactory explanation for its action including a ‘rational connection between the facts found and the choice made’”¹³⁴ or otherwise balance the equities as required when ordering an equitable remedy like resettlements.¹³⁵ This is clear error. At a minimum, the Commission should have established a paper hearing to determine whether, and if so, how to exercise its discretion with respect to remedial action in response to its finding that the *de minimis* rule is not just and reasonable.¹³⁶

However, no further procedures are warranted. As demonstrated below, had the Commission performed the required balancing of the equities, the Commission would have

¹³³ Order on Remand, 194 FERC ¶ 61,179, at P 91.

¹³⁴ See, e.g., *Motor Vehicle Mfrs. Ass’n of U.S., Inc.*, 463 U.S. at 41; *Koch Gateway Pipeline*, 136 F.3d at 816 n.14.

¹³⁵ See *Southern Cal. Water Co. v. FERC*, 433 F.3d 840, 846 (D.C. Cir. 2005); *Pub. Util. Comm’n of Cal. v. FERC*, 143 F.3d 610, 617 (D.C. Cir. 1998) (quoting *Koch Gateway Pipeline*, 136 F.3d at 816); *Towns of Concord, Norwood & Wellesley*, 955 F.2d at 75.

¹³⁶ See, e.g., *Am. Mun. Power, Inc. v. PJM Interconnection, L.L.C.*, 188 FERC ¶ 61,055, at PP 117-121 (2024) (establishing paper hearing procedures “to determine whether, and if so, how,” the Commission should exercise its discretion in fashioning a remedy); *PJM Interconnection, L.L.C.*, 175 FERC ¶ 61,137, at P 111 (2021) (directing PJM to submit “information to enable the Commission to determine whether the equities warrant refunds and surcharges” and “reserving judgment as to whether or not to impose refunds” until reviewing such information).

found that they weigh against ordering resettlements (with interest). The unprecedented scope—in both number of projects, their costs, and the timeframe—will produce dollar amounts to be surcharged that are very likely to result in bill shock by Responsible Customers throughout the entire PJM Region, and may adversely affect the creditworthiness of some LSEs. Given the complexity of how these updated cost responsibility assignments are calculated, the entities to be surcharged had—and continue to have—no idea as to their potential liabilities. In the nearly 11 years since these proceedings began, these entities rationally made economic decisions using amounts that would now be due to be surcharged. Those decisions cannot be undone now that the Commission has elected to impose resettlements going back over a decade.¹³⁷ Plus, not every entity that initially paid an under-allocation is still available for PJM to surcharge, meaning that PJM would not be able to collect sufficient amounts to refund the amounts entities were over-allocated. Considered together, these equities militate against resettlements.

1. Reallocating costs (plus interest) for over 1,200 projects within a nearly 11-year span will result in bill shock

There will be bill shock for many Responsible Customers and, by extension, ratepayers, when PJM begins to collect the necessary surcharges to recover historical under-allocations. The factual setting of the complaints is a small corner of New Jersey in the far northeastern portion of the PJM Region. While the scope of the issue complained of may be broad in scope, it is likely that most entities throughout the rest of the PJM Region did not pay close attention to these proceedings involving allocation of costs for

¹³⁷ This is completely different from an FPA section 205 rate proceeding where the utility can track the scope of its potential liability as the difference between its pre-existing rate and the proposed rate and is therefore able to book its potential refund liability in preparation for providing refunds.

projects in northern New Jersey to entities in New York. Further, even if an entity paid attention to these complaints when filed, the 11 nearly 11 more than ten-year lifespan of the proceeding likely outlasted most attention spans, especially in light of staff turnover and other salient proceedings in the PJM Region. Thus, PJM invoicing surcharges reallocating bills issued nearly 11 years ago likely will result in bill shock.

While all were on legal notice that the solution-based DFAX method's *de minimis* threshold might change, the nature of the change and importantly the scope of the effects of any change was uncertain.¹³⁸ Indeed, even today, no party—not even PJM—knows with certainty the extent of the change in allocations that will result when the *de minimis* threshold is removed from the solution-based DFAX method. As discussed in the Motion for Extension of Time, PJM is still determining the effects of removing the *de minimis* threshold from the allocations. And while that may be uncertain, one thing is clear—determining those impacts is very, very difficult and requires a highly technical understanding of the models, tools, and data to evaluate. Expecting each relevant entity to have evaluated the cost responsibility assignments for over 1,200 projects allocated using the solution-based DFAX method with a *de minimis* threshold and monitored its dollar exposure is unrealistic. Indeed, Dr. Niu's Affidavit, submitted in support of the Motion for Extension of Time and Request for Expedited Action by May 1, 2026 (Section III), details the complexity of such calculations, demonstrating that it is infeasible for those entities

¹³⁸ See *Tex. E. Transmission Corp., et al. v. FERC*, 769 F.2d 1053, 1066 (5th Cir. 1985) (“As part of this overall scheme of retroactive allowances, the exclusion of interest results from a reasonable balancing of the equities. This is so, because while the purchasers were on notice as of 1980 that allowances would eventually be promulgated, they were not on notice as to the amount.”). See also ConEd Complaint, Docket No. EL15-18-000, at 7 (“Thus, the Commission does not need to scrap DFAX to grant Con Edison’s complaint.”) & 30-35.

that would be surcharged for past under-allocations to have any idea of their potential liability starting in 2015. Requiring surcharges in such instance is unfair.

Further, many entities will be allocated for the first time costs going back nearly 11 years, and some of the re-allocations will be significant. To perform resettlements, these new cost responsibility assignments will need to be recovered relatively quickly. As explained in the Motion for Extension of Time and Request for Expedited Action by May 1, 2026, such bill shock could have deleterious effects on the creditworthiness of some Responsible Customers, particularly those in retail choice states that are not the providers of last resort.

2. *Refunds for cost allocation remedies are evaluated under a different standard because customers cannot change past economic decisions based on the prior, incorrect cost allocation.*

This case is about cost allocation, not cost recovery. There is no allegation that any utility over-recovered its costs that would tilt the balance of equities in favor of refunds. This factor has long supported the Commission policies against ordering refunds in cost allocation cases.¹³⁹ The Commission has explained that “[i]f a utility has collected revenues from its customers that it is not entitled to under its tariff, fairness dictates that the excess revenues should be refunded to customers,” but “in cases where a cost allocation or rate design has been found unjust and unreasonable, but where no over-collection of revenue has occurred, other factors come into play.”¹⁴⁰

¹³⁹ See, e.g., *Black Oak Energy*, 136 FERC ¶ 61,040, at P 25 (“When a case involves a company over-collecting revenues to which it was not entitled, the Commission generally holds that the excess revenues should be refunded to customers. By contrast, in a case where the company collected the proper level of revenues, but it is later determined that those revenues should have been allocated differently, the Commission traditionally has declined to order refunds.” (footnotes omitted)).

¹⁴⁰ *La. Pub. Serv. Comm’n v. Entergy Corp.*, 155 FERC ¶ 61,120, at P 27 (2016).

In particular, the Commission has recognized that “in cost allocation and rate design cases, a different cost allocation or rate design could have led to different decisions by consumers or a utility, including utility operating companies within a holding company system,”¹⁴¹ and that retroactive reallocations arrive “too late to alter the decisions that were in fact made.”¹⁴² Accordingly, the Commission has determined that “retroactive implementation of the new [cost allocation] may be unfair to utilities or customers who cannot alter their past purchase or sale decisions in light of that new rate.”¹⁴³ Courts have affirmed this rationale, finding that “since the object of sound cost allocation is to influence customer behavior by making those who ‘cause’ the incurrence of costs to bear those costs and adjust their consumption accordingly (so that costs will be incurred only up to the point that is justified by customer benefit, evidenced by the customer’s willingness to pay), we may fairly infer that their purchase decisions reflected that principle.”¹⁴⁴ In short, the fact that “past economic decisions cannot be revisited [] justifies denying refunds.”¹⁴⁵

The same holds true here. Responsible Customers throughout the PJM Region have been making economic decisions based on the cost allocations resulting from PJM’s application of the solution-based DFAX method with the *de minimis* threshold exemption in place since 2013. Entities have made investment decisions that cannot be undone.

¹⁴¹ *La. Pub. Serv. Comm’n*, 155 FERC ¶ 61,120, at P 28 & n.61 (citing *Southern Co. Servs., Inc.*, 64 FERC ¶ 61,033, at 61,332 (1993) (denying refunds in part because “operational decisions made while the operating companies’ proposed cost classification was in effect, and thus made in reliance on that classification, cannot be undone”)).

¹⁴² *La. Pub. Serv. Comm’n*, 155 FERC ¶ 61,120, at P 28 (citing *Commonwealth Edison Co.*, 25 FERC ¶ 61,323, at 61,732 (1983)).

¹⁴³ *La. Pub. Serv. Comm’n*, 155 FERC ¶ 61,120, at P 28 (citing *Union Elec. Co.*, 64 FERC ¶ 61,355, at 63,468 (1993)).

¹⁴⁴ *La. Pub. Serv. Comm’n v. FERC*, 883 F.3d 929, 934 (D.C. Cir. 2018).

¹⁴⁵ *La. Pub. Serv. Comm’n*, 883 F.3d 929 at 934.

Further, entities could not set aside amounts to cover their potential exposure over the past nearly 11 years as the scope of the reallocations remains unknown, even today.

3. *To the extent the Commission declines clarification, the effectiveness of resettlement as a remedy is undercut by the erosion over time of Market Participants available for PJM to surcharge and collect amounts for refunds.*

Further, as noted above in the Motion for Clarification, since June 18, 2015, a significant number of Responsible Customers likely are no longer Market Participants, precluding PJM from being able to re-bill these entities for surcharge and refund purposes. This fact plus mergers, acquisitions, and other changes in Market Participants' ownership and structures over the nearly 11-year period mean that "it could be difficult to ensure that the correct parties were paying surcharges and receiving refunds, thus lessening the remedial value of such refunds."¹⁴⁶ Such changes in Market Participant composition will frustrate PJM's ability to collect all surcharges for each under-allocation, preventing PJM's ability to refund the appropriate amounts to entities that were over-allocated costs.¹⁴⁷

Thus, to the extent the Commission, in response to the Motion for Clarification, clarifies that PJM should surcharge those entities that were temporally under-allocated costs for projects, it would be infeasible for PJM to fully recoup amounts previously under-allocated and fully shift those amounts to entities that were over-allocated costs.¹⁴⁸ This

¹⁴⁶ *PJM Interconnection, L.L.C.*, 178 FERC ¶ 61,079, at P 59 (2022) (footnote omitted). *See also La. Pub. Serv. Comm'n*, 883 F.3d 929 at 935 ("[T]he Commission noted an additional equity militating against refunds . . . given the passage of time, surcharges would fall on current . . . customers for benefits enjoyed by 'past customers, or a prior generation of customers.'" (internal citations omitted)).

¹⁴⁷ This statement assumes that the Commission confirms (1) PJM is authorized to surcharge and (2) PJM's ability to refund is limited to the amounts it collects via surcharges, consistent with Operating Agreement, section 14B.4(e). *See supra* Motion for Clarification at section IV.C.

¹⁴⁸ To the extent the Commission clarifies that PJM can surcharge *current* LSEs for past period under-allocations, the Commission should weigh against resettlements the fact that the current LSEs would be paying amounts owed by the prior period entities.

militates against ordering resettlements. That is, the entities surcharged will still bear the brunt of paying (with interest) any amounts associated with the newly determined under-allocations for projects going nearly 11 years, while those obtaining refunds may not be made fully whole as intended.

4. *Because the exercise of performing resettlements for the nearly 11-year period will be extremely labor-intensive and time-consuming, it will take months to complete and at considerable expense.*

PJM will need to expend a substantial amount of time and effort to go back in time nearly 11 years for over 1,200 projects, recover historical data, recreate missing data, attempt to modify software to re-run models/simulations, and ultimately finalize the updated cost responsibility assignments. As explained, this effort alone cannot be accomplished in 90 days, and even once completed, PJM would then need to gather information from Transmission Owners to update revenue information, in order to begin the resettlements process, which takes extensive manual data entry for entering and reviewing thousands of datapoints. It will also require multiple departments within PJM to dedicate substantial time thereby taking away efforts to support other priorities such as transmission planning. This would all ultimately come at the cost of ratepayers. Indeed, the entire exercise – the recalculations, Tariff filing, and resettlements combined – is estimated to take 7952 to 13,780 hours, at cost of between \$1,054,350 to \$1,786,430.¹⁴⁹

In light of all this, the Commission could on this basis alone choose to deny resettlements. The Commission has previously found that, where the work necessary to determine refunds “would take months to complete,” “would come at considerable expense,” and such expense “would presumably be passed on to transmission ratepayers,”

¹⁴⁹ Niu Aff. ¶¶ 23-24; Holter Aff. ¶¶ 39-40.

such facts militate against ordering refunds.¹⁵⁰ This is more than applicable to the situation at hand where PJM is faced with the largest resettlement it has ever been required to implement. The Commission should grant rehearing, exercise its discretion and decline to require resettlement because of the exorbitant amount of work it would take to complete this effort, at ratepayer expense.

5. *On balance, the equities favor not directing resettlements for over 1,200 projects going back nearly 11 years*

The “basic consideration in ruling on refunds is one of fairness”¹⁵¹ and it would be extremely unfair to surcharge entities throughout the entire PJM Region from a case that has been concentrated in northern New Jersey, deals with issues so complex it is not feasible for most entities to understand the scope of their potential liabilities, and, given the passage of time, it is not possible to identify and surcharge all the entities previously under-allocated costs.

PJM recognizes that, with recent court holdings that FPA Section 309 affords the Commission authority to direct surcharges to undo the Commission’s legal error (although the Order on Remand does not cite to such authority),¹⁵² the Commission has stepped away from its general policy of not requiring resettlements in cases of cost allocation or rate design.¹⁵³ However, that change in general approach does not excuse the Commission from the requirement that it conduct “a broad and penetrating analysis of ‘the factors pro

¹⁵⁰ *PJM Interconnection*, 178 FERC ¶ 61,079, at P 59.

¹⁵¹ *La. Pub. Serv. Comm’n*, 155 FERC ¶ 61,120, at P 27.

¹⁵² *Xcel Energy Servs. v. FERC*, 815 F.3d 947, 954 (D.C. Cir. 2016) (“Section 309 authorizes the Commission ‘to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders . . . as it may find necessary or appropriate to carry out the provisions of [the FPA].’” (alteration in original) (quoting 16 U.S.C. § 825h)); *Verso Corp.*, 898 F.3d at 10-11 (“The reallocation of [] costs, including through surcharges, is well within FERC’s remedial authority under [FPA] Section 309, read in harmony with [FPA] Section 206 and the filed rate doctrine.”).

¹⁵³ See, e.g., *Black Oak Energy*, 167 FERC ¶ 61,250, at PP 15-27.

and con a refund, and its amount or extent, in arriving at an equitable conclusion.”¹⁵⁴ Regardless of any general policy, the Commission is obliged to explain how its decision in this case to reallocate costs for transmission projects *approved nearly 11 years ago* across the entire PJM Region is just and reasonable and not an abuse of discretion.¹⁵⁵

Such approach—to the extent, it exists as an overall policy—must be applied to the facts of each case. The Commission just a few years ago weighed the equities in a rate design case¹⁵⁶ and exercised its remedial discretion to *not* award refunds “based on a balancing of the equities and in consideration of the practical issues raised by PJM.”¹⁵⁷

There, the Commission found the following factors weighed against refunds:

- there would be “significant difficulty and expense of calculating refunds,”¹⁵⁸
- such “efforts would come at considerable expense” to ratepayers and would nonetheless not allow refunds to be calculated accurately,¹⁵⁹ and
- given the nearly 4.5 year refund period during which mergers, acquisitions, and other changes in market participants’ ownership and structure may have occurred, there would be difficulties in ensuring that the correct parties were paying surcharges and receiving refunds.¹⁶⁰

¹⁵⁴ *Consumer Fed'n of Am.*, 515 F.2d at 359 (emphasis added).

¹⁵⁵ See *Koch Gateway Pipeline*, 136 F.3d at 816 n.14 (“In assessing the propriety of FERC’s remedial orders, we have in past cases alluded both to an abuse of discretion standard of review, and to an arbitrary and capricious standard. Because both standards, at least in the context of FERC’s remedial authority, require FERC to have a rational basis for its actions, we see no reason to distinguish between them here.” (internal citations omitted)).

¹⁵⁶ Cost allocation is an element of rate design. See *Cost-of-Service Rates Manual*, Federal Energy Regulatory Commission, 39-40 (June 1999), <https://www.ferc.gov/sites/default/files/2020-08/cost-of-service-manual.pdf> (“Rates are designed to recover the jurisdictional cost-of-service which consists of the demand and commodity costs as determined by the cost classification and cost allocation for each service.”).

¹⁵⁷ *PJM Interconnection*, 178 FERC ¶ 61,079, at P 57.

¹⁵⁸ *PJM Interconnection*, 178 FERC ¶ 61,079, at P 59.

¹⁵⁹ *PJM Interconnection*, 178 FERC ¶ 61,079, at P 59.

¹⁶⁰ *PJM Interconnection*, 178 FERC ¶ 61,079, at P 59.

Here, the same factors are present. In fact, each of these factors is *more* pronounced here, as the Commission directed a much more substantial recalculation and resettlement effort, covering a longer period of time, and would come at considerable expense as noted in the affidavits supporting the Motion for Extension of Time,¹⁶¹ without any guarantee that the refunds would cover the amounts entities were initially over-allocated.

B. To the Extent the Commission Declines to Grant Rehearing on Resettlements as Requested Above, the Commission Should Grant Rehearing on Its Determination that Resettlements Be Conducted with Interest

Even if the Commission does not grant the rehearing request to properly balance the equities and eliminate the resettlement requirement, PJM requests that the Commission grant rehearing and exercise its equitable discretion to waive interest. As discussed below, despite long-standing precedent showing how the Commission balances equities before imposing interest—particularly in cases involving legal error—the Commission made no attempt to explain why requiring interest under the specific circumstances of this case is warranted.¹⁶²

It is indisputable that allowance of interest on refunds is an equitable remedy.¹⁶³

The D.C. Circuit has explained that the Commission should weigh the equities in a case

¹⁶¹ Niu Aff. ¶¶ 23-24; Holter Aff. ¶¶ 6, 39-40.

¹⁶² Order on Remand, 194 FERC ¶ 61,179, at PP 2, 92, & ordering para. (F) (requiring interest with no explanation).

¹⁶³ “The allowance of interest on refunds is a matter of equity. Thus, whether to order interest in crafting a remedy is a matter within the Commission’s equitable discretion.” *Panhandle E. Pipe Line Co.*, 69 FERC ¶ 61,048, at 61,189 (1994) (citing *Estate of French v. FERC*, 603 F.2d 1158, 1167-8 (5th Cir. 1979); *Shell Oil Co. v. FERC*, 664 F.2d 79, 83 (5th Cir. 1981)); *Trunkline Gas Co.*, 69 FERC ¶ 61,047, at 61,184 (1994) (“Further, the allowance of interest on refunds is a matter of equity. Thus, whether to order interest in crafting a remedy is a matter within the Commission’s equitable discretion”); *Transcon. Gas Pipe Line Corp.*, 71 FERC ¶ 61,108, at 61,361 (1995) (“Further, the Commission is not required to order that interest be paid on all refunds. Thus, whether to order interest in crafting a remedy is a matter of Commission discretion.”); see also *Niagara Mohawk Power Corp. v. Fed. Power Comm’n*, 379 F.2d 153, 159 (D.C. Cir. 1967) (“[T]he breadth of agency discretion is . . . at [its] zenith when the action assailed relates primarily . . . to the

and engage in the factual record to determine whether a “full” refund is warranted.¹⁶⁴ Interest on refunds has been characterized as a mechanism to make a recipient whole for the time value of money that it would have otherwise received,¹⁶⁵ but that is not the only consideration for the Commission to weigh in awarding interest.¹⁶⁶ While the Order on Remand was silent on the factors supporting interest, a more “broad and penetrating analysis,” which the Commission must perform on rehearing,¹⁶⁷ shows that the balance of equities disfavors interest as a component of any resettlement. Thus, PJM respectfully requests the Commission grant rehearing on its interest determination in light of the considerations below.

fashioning of policies, remedies and sanctions, including enforcement and voluntary compliance programs.” (footnote omitted)).

¹⁶⁴ *Consumer Fed'n of Am.*, 515 F.2d at 359. The factual circumstances weighing in favor of a different result can be broad. As the court explained, although “full refund under an invalid order is a sound basic rule, it may be offset, at least in part, by the lack of a mechanism to restore the full status quo ante, the fact that consumers may have had the benefit of some increase in supply that would not have been forthcoming under § 7 procedures, albeit purchased at an excessive price, and the fact that some portion of the increased prices paid may be discerned as consistent with just and reasonable producer rates.” *Id.*

¹⁶⁵ *H.Q. Energy Servs. (U.S.), Inc. v. N.Y. Indep. Sys. Operator, Inc.*, 113 FERC ¶ 61,184, at P 40 (2005), *order on clarification*, 114 FERC ¶ 61,059 (2006); *PPL Wallingford Energy LLC*, 116 FERC ¶ 61,089 (2006).

¹⁶⁶ Historically, the Commission has considered a range of circumstances, including whether an interest rate would provide just compensation, reflect benefits of those who collected excessive rates, disincentivized prolonged litigation, rewarded parties who chose not to pursue a legal claim, compensated parties for assets for which they have already received a rate of return on equity, among other issues. *See, e.g., Rate of Interest on Amounts Held Subject to Refund*, Order No. 47, 1977-1981 FERC Stats. & Regs., Regs. Preambles ¶ 30,083, 30,546, *order on reh'g*, Order No. 47-A, 1977-1981 FERC Stats. & Regs., Regs. Preambles ¶ 30,099, *order on clarification*, 1977-1981 FERC Stats. & Regs., Regs. Preambles ¶ 30,121 (1979), *aff'd sub nom. United Gas Pipe Line Co. v. FERC*, 657 F.2d 790 (5th Cir. 1981) (discussing goals in setting an interest rate); *Panhandle E. Pipe Line*, 69 FERC ¶ 61,048, at 61,191 (discussing equity of refunding interest in a case when only some parties pursued their legal rights); *Koch Gateway Pipeline Co.*, 85 FERC ¶ 61,236, at 61,993 (1998) (denying interest when “Koch’s customers have already paid a rate of return on the storage volumes during the period before they were replaced”).

¹⁶⁷ *Consumer Fed'n of Am.*, 515 F.2d at 359.

First, the Commission admitted legal error and has previously granted waiver of interest in such cases.¹⁶⁸ Therefore, the Commission is obligated to explain and evaluate whether interest is equitable in this scenario, without reflexively granting it.

Second, the remedy of granting interest is excessively broad and complex in this case. As discussed in the Motion for Extension of Time, *all* customers throughout the PJM Region are likely to be affected by reallocating the costs of over 1,200 projects. Thus, the resettlement ordered here is not the relatively “straightforward” remedy set by the Commission in cases involving single parties or a handful of parties.¹⁶⁹

Indeed, there is nothing “straightforward” about the remedy calculations in this case. Because these calculations must be made manually, requiring interest in this case will compound the adverse effects of the remedy on the “losers” from the cost reallocation and exacerbate the risk of error and factual disputes and potentially lead to further litigation, which is one of the concerns the Commission raised in Order No. 47.¹⁷⁰ As the

¹⁶⁸ See, e.g., *Panhandle E. Pipe Line Co. v. FERC*, 95 F.3d 62, 67 (D.C. Cir. 1996) (denying petition for review in relevant part in a complex case in which principal and interest were roughly equal, “excusing the Pipelines from paying interest” on monies improperly collected and explaining that “the Commission adopted the solution it did primarily because the agency found that ‘there is no way to restore the parties to the positions they would have occupied had there been no Commission error’” (citing *Panhandle E. Pipe Line Co.*, 70 FERC ¶ 61,167, at 61,521 (1995))); see also *Panhandle E. Pipe Line*, 69 FERC ¶ 61,048, at 61,191 (discussing “equitable reasons not to require Panhandle to refund interest”); *Panhandle E. Pipe Line Co.*, 66 FERC ¶ 61,034, at 61,048 (“The fact that the Commission's legal error led Panhandle and Trunkline not to pursue their legal right to seek recovery of these costs in their [purchased gas adjustments], together with the fact that Columbia would then have properly borne at least a portion of these costs, leads us to conclude that it is appropriate, in the exercise of our equitable discretion, not to require Panhandle and Trunkline to refund any interest on the principal amount of their unlawful direct bills.” (footnote omitted)); *Trunkline Gas*, 69 FERC ¶ 61,047 (waiving interest when “[h]ere . . . there is no way to restore the parties to the positions they would have occupied had there been no Commission error.”); *Transcon. Gas Pipe Line*, 71 FERC ¶ 61,108, at 61,361 (requiring Transcontinental Gas Pipe Line Corp. to refund principal amounts but without interest, explaining that “the Commission's legal error was a critical factor in the accumulation of interest in this proceeding”).

¹⁶⁹ See, e.g., *PJM Interconnection, L.L.C.*, 156 FERC ¶ 61,090, P 32 (2016) (granting interest following Commission error for a single party and noting it is “straightforward and will restore West Deptford to its prior position before the Commission’s legal error”).

¹⁷⁰ Order No. 47 at 30,546 (noting concerns that the interest rate should provide just compensation, reflect benefits which were available to companies that collected excessive rates, and not provide incentives for any party to prolong litigation).

Commission is well aware, the applicable interest rate changes quarterly, and PJM would need to make manual calculations of interests, and any applicable compounded interest, over nearly 11 years, using a different interest rate for each quarter.¹⁷¹ As the affidavits supporting the above Request for Expedited Action on Motion For Extension of Time (Section III) illustrate, this undertaking is extremely complex and will require significant time and effort.¹⁷² Dr. Niu explains that the calculations for updating cost responsibility assignments—much of which need to be done manually—will require six separate steps.¹⁷³ Likewise, Ms. Holter explains that the calculations for resettlements will require seven separate steps.¹⁷⁴ Each of these steps will introduce opportunities for dispute and litigation.

Third, the burden of these interest payments will fall on ordinary ratepayers who likely did not have notice for a case as long, complex, and geographically isolated as this one, and are unlikely to understand why they are being surcharged. The Commission has previously denied interest in cases when parties were not on notice as to the “amount” of a future cost.¹⁷⁵ Here, the Commission’s affirmative decision on refunds, which rests on no factual or legal basis, will require reallocating the costs for over 1,200 projects, shifting billions of dollars among ratepayers, and affecting ratepayers and their utility bills across the entire PJM Region.

¹⁷¹ The Commission’s interest requirement for electric public utilities is codified at section 35.19a of the Commission’s regulations, which, as applicable here, provides that interest shall be computed “[a]t an average prime rate for each calendar quarter on all excessive rates or charges held (including all interest applicable to such rates or charges).” 18 C.F.R. § 35.19a.

¹⁷² Niu Aff. ¶ 5; Holter Aff. ¶¶ 6, 39-40.

¹⁷³ Niu Aff. ¶¶ 8-21.

¹⁷⁴ Holster Aff. ¶¶ 18-32.

¹⁷⁵ See *Tex. E. Transmission Corp.*, 769 F.2d at 1066 (“As part of this overall scheme of retroactive allowances, the exclusion of interest results from a reasonable balancing of the equities. This is so, because while the purchasers were on notice as of 1980 that allowances would eventually be promulgated, they were not on notice as to the amount.”).

Finally, in the alternative, if the Commission finds that interest is warranted under the facts of this case, PJM asks that the Commission (i) craft a remedy of a lower interest rate that applies uniformly for the nearly eleven years relevant for refunds, rather than the rate calculated under 18 C.F.R. § 35.19a, which changes quarterly,¹⁷⁶ and (ii) grant rehearing of the requirement to complete the calculation and resettlement of the interest within 90 days, for the reasons laid out in the Motion for Extension of Time above, and instead direct PJM to calculate interest based on the orderly process proposed above.

C. The Commission Should Grant Rehearing and Rescind Its Directive that PJM Update the Historical Tariff Records to Show Revised Cost Responsibility Assignments

Under FPA Section 309, the Commission may order remedies when it finds them “necessary or appropriate to carry out the [FPA].”¹⁷⁷ The Commission has “broad authority to fashion equitable remedies.”¹⁷⁸ The decision as to whether or not to grant a remedy requires the Commission to engage with the “difficult problem of balancing competing equities,” and “the Commission must ‘show that it considered relevant factors and struck a reasonable accommodation among them, and that its order granting or denying [a remedy] was equitable in the circumstances.’”¹⁷⁹

¹⁷⁶ Because interest is an equitable remedy, the Commission has deviated from the calculation under 18 C.F.R. § 35.19a in the past. *La. Power & Light Co.*, 23 FERC ¶ 61,376, at 61,794 (1983) (“[W]e reject Cajun's argument that the amounts refunded should include interest calculated under section 35.19 of the Commission's Regulations (18 C.F.R. § 35.19a) from the time LP&L received the monies from Texaco. The filing before us in this docket is distinguishable from the situation where section 35.19a would apply.”); *Columbia Gas Transmission Corp.*, 67 FERC ¶ 61,384, at 62,313 (1994) (“[T]he Commission has the authority to modify the rate of interest a company must pay on refunds, from that contained in its regulations, when the facts and equities so warrant.” (footnote omitted)).

¹⁷⁷ 16 U.S.C. § 825h.

¹⁷⁸ *Transcon. Gas Pipe Line Corp.*, 485 F.3d at 1180 (quoting *Columbia Gas Transmission Corp.*, 750 F.2d at 109); see also *La. Pub. Serv. Comm'n v. FERC*, 866 F.3d 426, 429 (D.C. Cir. 2017) (“[T]he breadth of agency discretion is, if anything, at zenith when the action assailed relates primarily . . . to the fashioning of policies, remedies and sanctions.” (quoting *Niagara Mohawk Power Corp.*, 379 F.2d at 159)).

¹⁷⁹ *La. Pub. Serv. Comm'n v. FERC*, 772 F.3d 1297, 1302 (D.C. Cir. 2014) (internal citations omitted).

In the Order on Remand, the Commission provided a one-sentence directive – in a footnote – regarding how Tariff records must be updated.¹⁸⁰ However, the impacts of this seemingly simple directive are substantial: this directive will require PJM to review over tens of thousands of pages of Tariff records in order to identify the records that will require their cost responsibility assignments to be updated, and the Commission, in turn, will need to review approximately 10,000 redlined pages of Tariff records on compliance. In light of this significant effort to revise current and *historical* Tariff records, PJM respectfully requests that the Commission grant rehearing and rescind its directive requiring PJM to make these filings.

As discussed above, in order to determine which Tariff records must be revised, PJM must first review each section of the Tariff, Schedule 12 Appendices that became effective on or after June 18, 2015, to identify which Tariff records contain projects that have had their cost responsibility assignment revised. Currently, PJM estimates that approximately 475 Tariff records may need to be revised. Schedule 12, Appendix-A alone has 36 sections, and each section includes a currently effective version and multiple historical versions, with most sections having 50 or more historical versions. For example, one section alone has *over 100* historical versions, and the currently effective version has 94 pages. In this instance, assuming each historical version was similar in length, PJM would need to review approximately 19,000 pages of Tariff records to identify the ones that contain relevant projects. Even if it is assumed that each section has 50 historical versions that have 50 pages each, and this is carried across all 36 sections, PJM could

¹⁸⁰ Order on Remand, 194 FERC ¶ 61,179, at P 92 n.178 (“PJM is required to make cleanup filings through eTariff to correct the cost allocations for each cost allocation and is reminded to use a higher Record Effective Priority Order to ensure the correct tariff record is listed as effective on that date.”).

review 90,000 pages of Tariff records. This is an enormous time-consuming effort that would require hundreds of hours of labor and significant expense. PJM estimates that revising and submitting the historical Tariff records would take 2,900 work hours at a cost of \$419,920.¹⁸¹

To be clear, PJM understands the importance of ensuring that the proper rate is on file.¹⁸² However, except for changes to the currently effective Tariff, the revised Tariff records required to be filed with the Commission are entirely retrospective and would arguably only be practically beneficial for historical purposes. Given these extraordinary circumstances, including that this is the largest resettlement in which PJM has ever engaged, the Commission should exercise its equitable discretion and grant rehearing to rescind the directive to file these historical Tariff records. Here, if the Commission is to balance the competing equities between updating nearly 11 years of historical Tariff records with the enormous review, time, effort, and cost (to the ratepayer) that will be expended by both PJM and the Commission, the equities in this case clearly weigh in favor of rescinding this requirement. Further, PJM would commit to filing a refund report including each revised cost responsibility assignment on which the resettlements were based, and/or PJM could post as public available on its website the revised cost responsibility assignments.

¹⁸¹ See Niu Aff. ¶ 23.

¹⁸² Indeed, PJM regularly submits ministerial clean up filings to ensure the historical versions of the Tariff records properly reflect all Commission-approved language. See, e.g., *PJM Interconnection, L.L.C.*, 186 FERC ¶ 61,148 (2024) (accepting PJM's annual cost responsibility assignments in Schedule 12-Appendix, Schedule 12-Appendix A, and Schedule 12-Appendix C); *PJM Interconnection, L.L.C.*, 190 FERC ¶ 61,094 (2025) (accepting PJM's annual cost responsibility assignments in Schedule 12-Appendix, Schedule 12-Appendix A, and Schedule 12-Appendix C); *PJM Interconnection, L.L.C.*, Letter Order, Docket No. ER25-2897-001 (Oct. 30, 2025) (accepting ministerial cleanup of over 80 current and historical Schedule 12-Appendix, Schedule 12-Appendix A, and Schedule 12-Appendix C tariff records).

D. Statement of Issues and Specifications of Errors

In support of its request for rehearing, PJM provides the following statement of issues and specifies the following errors in accordance with Commission Rules 713(c)(1) and 713(c)(2).¹⁸³

- The Order on Remand’s failure to weigh the relevant equity interests and provide a rational basis for its remedial actions requiring PJM to “correct the billing (with interest[)] . . . for all projects back to June 18, 2015”¹⁸⁴ is abuse of discretion, arbitrary, capricious, and not the product of reasoned decision-making. *See Motor Vehicle Mfrs. Ass’n of U.S., Inc.*, 463 U.S. at 43; *La. Pub. Serv. Comm’n*, 772 F.3d at 1302; *Koch Gateway Pipeline*, 136 F.3d at 816 n.14; *Pub. Util. Comm’n of Cal.*, 143 F.3d at 617; *Towns of Concord, Norwood & Wellesley*, 955 F.2d at 75; *Consumer Fed’n*, 515 F.2d at 359.
- The Order on Remand’s failure to weigh the relevant equity interests and provide a rational basis for its decision to require interest on resettlements is an abuse of discretion, arbitrary, capricious, and not the product of reasoned decision-making. *Consumer Fed’n of Am.*, 515 F.2d at 359; *Panhandle E. Pipe Line*, 69 FERC ¶ 61,048, at 61,189 (citing *Estate of French*, 603 F.2d at 1167-8; *Shell Oil Co.*, 664 F.2d at 83); *Trunkline Gas*, 69 FERC ¶ 61,047, at 61,184; *Columbia Gas Transmission*, 67 FERC ¶ 61,384, at 62,313.
- The Order on Remand’s failure to weigh the relevant equity interests and provide a rational basis for its remedial directive for PJM to updating nearly 11 years of historical Tariff records is an abuse of discretion, arbitrary, capricious, and not the product of reasoned decision-making. *See Motor Vehicle Mfrs. Ass’n of U.S., Inc.*, 463 U.S. 29 at 43; *Koch Gateway Pipeline*, 136 F.3d at 816 n.14; *Pub. Util. Comm’n of Cal.*, 143 F.3d at 617.

VI. CONCLUSION

For the reasons stated above, PJM requests the Commission:

1. ***grant an extension of time no later than May 1, 2026:***
 - a. confirming that PJM can defer its compliance with the Order on Remand until final Commission action on (a) this Request for Rehearing and Motion for Clarification as well as any other requests for rehearing that may be filed in this proceeding that would affect PJM’s ability or need to complete

¹⁸³ 18 C.F.R. §§ 385.713(c)(1) & 385.713(c)(2).

¹⁸⁴ Order on Remand, 194 FERC ¶ 61,179, at P 92.

resettlements and (b) any request for rehearing of an order on the Paper Hearing established in the Order on Remand; or

- b. alternatively, extending the 90-day timeframe by which PJM is required to complete the recalculations and resettlements contemplated by the Order on Remand and confirm that PJM can complete the recalculations and resettlements pursuant to the three-step process proposed herein; and
2. issue an order providing the clarifications requested in PJM's Motion for Clarification; and
3. grant PJM's Limited Request for Rehearing.

Respectfully submitted,

/s/ Ryan J. Collins

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April 3, 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, DC, this 3rd day of April 2026.

/s/ Anne Marie Hirschberger
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Attachment A

**Affidavit of
Dr. Grace Niu on behalf of
PJM Interconnection, L.L.C.**

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

Consolidated Edison Company of New York,) Inc. v. PJM Interconnection, L.L.C.))	Docket Nos. EL15-18-005
Linden VFT, LLC v. PJM Interconnection,) L.L.C.))	EL15-67-005
Linden VFT, LLC v. PJM Interconnection,) L.L.C.))	EL17-68-003
PJM Interconnection, L.L.C.)))))	ER17-950-006 (Not Consolidated)
Neptune Regional Transmission System, LLC) and Long Island Power Authority v. PJM) Interconnection, L.L.C.))	EL21-39-000
PPL Electric Utilities Corporation))	ER22-1606-000
PPL Electric Utilities Corporation) Neptune Regional Transmission System, LLC) Long Island Lighting Co.)	ER22-1606-001 (Consolidated)

**AFFIDAVIT OF DR. GRACE NIU
ON BEHALF OF PJM INTERCONNECTION, L.L.C.**

1. My name is Dr. Grace Niu, and my business address is 2750 Monroe Blvd., Audubon, Pennsylvania, 19403. I am employed by PJM Interconnection, L.L.C. (“PJM”) and my current title is Senior Lead Engineer in the PJM Transmission Planning Department (“Transmission Planning”).

I. QUALIFICATIONS

2. I joined PJM in February 2006 and have been continuously employed there on a full-time basis. Prior to holding my current position, I served in the following roles

at PJM: Senior Analyst in the Market Monitoring Unit, Senior Engineer in the Markets Coordination department, and Senior Engineer in the Interregional Planning Department. Currently, I serve as Senior Lead Engineer in Transmission Planning. I am submitting this affidavit on behalf of PJM in support of PJM's Motion for Extension of Time and Motion for Clarification.

3. As Senior Lead Engineer, I am responsible for determining cost responsibility assignments in accordance with the PJM Open Access Transmission Tariff ("Tariff") as well as a broad range of technical, analytical, and operational functions supporting transmission planning. My responsibilities include managing cost allocation for all transmission baseline upgrades, providing technical guidance to internal teams and external stakeholders, and ensuring the timely execution of cost allocation and related planning activities. I also serve as the project manager and subject matter expert for three key planning applications, overseeing their operation, performance, and ongoing improvements. In addition, I lead several studies for PJM's Regional Transmission Expansion Plan ("RTEP") and contribute to other analyses that support regional transmission planning and evolving grid planning strategies.

4. I hold a Bachelor of Science degree in Electrical Engineering from Harbin Institute of Technology, a Master of Science degree and a Doctor of Philosophy degree in Electrical Engineering, from University of Texas at Austin.

II. PURPOSE AND OVERVIEW OF AFFIDAVIT

5. I am submitting this Affidavit in support of PJM's Motion for Extension and Request for Expedited Action by May 1, 2026, and Motion for Clarification ("Motions") in response to *Consolidated Edison Co. of New York v. PJM Interconnection*,

L.L.C., 194 FERC ¶ 61,179 (2026) (“Order on Remand”) which, as relevant here, requires PJM to recalculate and submit to the Federal Regulatory Energy Commission (“Commission” or “FERC”) within 90 days cost responsibility assignments for transmission facilities included in the RTEP back to June 18, 2015 based on the removal of the *de minimis* threshold exception from the solution-based DFAX method¹ (“Recalculation Directive”).² Specifically, I have been asked to:

- (i) provide a step-by-step explanation of how PJM would recalculate the relevant cost responsibility assignments (see Section III, below);
- (ii) explain the PJM staff resources that will be required to implement the Recalculation Directive, including impacts on personnel and reprioritization of resources, as well as the associated hours and costs (see Section IV, below); and
- (iii) assess whether the work required to complete the Recalculation Directive can be completed within the 90-day timeframe contemplated by the Order on Remand (see Sections V & VI, below).

6. As I explain in this Affidavit, completion of the work required to comply with the Recalculation Directive entails several interdependent steps, including large-scale data retrieval across a lengthy historical period, development or reconstruction of analytical

¹ The solution-based DFAX method assigns costs for new transmission facilities based on power flow modeling that identifies how much each transmission zone’s load contributes to power flows over a particular transmission facility. Under the *de minimis* threshold exception, no cost responsibility was “assigned to a Responsible Zone unless the magnitude of the distribution factor is greater than or equal to 0.01, and any distribution factor of a smaller magnitude shall be set equal to zero.” Tariff, Schedule 12, section (b)(iii)(A)(6). Further, in Docket No. ER22-1606-000, the Commission accepted, effective June 11, 2022, revisions to Schedule 12 providing that this rule would “not apply to the Zone(s) in which the Required Transmission Enhancement is located, which shall be assigned cost responsibility based on its distribution factor, regardless of the magnitude,” but a transmission zone’s contribution to the Order on Remand has now rejected these revisions. See Order on Remand, 194 FERC ¶ 61,179, at P 56 and ordering para. (D).

² It is my understanding that the Commission required that both the Recalculation Directive and a related directive to correct associated billings be completed within 90 days (“Billing Directive”). My colleague Natasha Holter describes the work that will be required to comply with the Billing Directive in her separate affidavit; that work can only be completed at the conclusion of the steps I describe herein. Attachment B, Affidavit of Natasha Holter on Behalf of PJM Interconnection, L.L.C. (“Holter Aff.”). For purposes of this Affidavit, I refer to the 90-day period to demonstrate that not even one of the tasks required by the Order on Remand can reasonably be completed within that timeframe.

tools that are no longer supported in current systems, and execution of complex engineering and data analyses. These tasks must be performed by a limited number of PJM subject matter experts and will require coordination with multiple internal groups to obtain necessary inputs and validate results. The sequencing and resource constraints associated with these steps will materially affect the time required to complete the work. Given these constraints, completing the work required to comply with the Recalculation Directive within the 90-day timeline prescribed by the Order on Remand would require the reprioritization of subject matter experts away from their ongoing responsibility for certain critical functions. That is, as I discuss below, the same subject matter experts needed to perform analyses required to comply with the Recalculation Directive are also responsible for day-to-day work including: planning the PJM Transmission System, developing and maintaining the necessary economic models required for the development of the RTEP; issuing of settlement invoicing for the PJM transmission, energy, capacity, and ancillary service markets; and providing legal support for all aspects of PJM's regional and interregional transmission planning activities, including advising on RTEP processes.³ It is not feasible to perform both day-to-day and Recalculation Directive-related work functions simultaneously at the level of precision required for each.

7. In short, given the volume of data involved and the additional complexities I describe herein, in my opinion, it is not feasible to complete the work needed to comply with the Recalculation Directive within the 90 days required by the Order on Remand. Additionally, allowing more time would enable the required work to be completed in a

³ See *infra* paragraph 25 (a more complete description of the day-to-day work of those that would need to be reprioritized to comply with the Recalculation Directive).

manner that maintains the quality of the analysis while permitting PJM subject matter experts to continue performing their core responsibilities, which are vital to maintaining reliability of the PJM Transmission System. As such, allowing the more methodical approach to comply with the Recalculation Directive (and the Rebilling Directive discussed in Ms. Holter's Affidavit) in accordance with the revised cost responsibility assignments as described in the Motions would produce more accurate outcomes than the quick turnaround approach provided by the Order on Remand.

III. UPDATING COST RESPONSIBILITY ASSIGNMENTS NECESSITATES A CAREFUL, TIME-CONSUMING, STEP-BY-STEP PROCESS

8. PJM cannot go straight to correcting billings and issuing resettlements. Rather, PJM's Transmission Planning will need to work with several other PJM groups and departments, including the Market Simulation group ("Market Simulation"), the Market Settlements group ("Market Settlements"), and the PJM Legal Department ("Legal") to undertake several steps to ensure that the updated cost responsibility assignments are calculated accurately. Based on my discussions with other PJM personnel in these groups, I anticipate that these steps will be extremely time-consuming and will require detailed and careful work. I describe below the high-level steps intended to give a general representation of the work that needs to be done in order to comply with the Recalculation Directive. In addition, it is likely that additional work will need to be undertaken, or steps will need to be repeated, as PJM works through this process.

Step 1: Data Discovery

9. Before PJM is able to determine revised cost responsibility assignments using solution-based DFAX without application of the *de minimis* threshold exemption back to June 18, 2015, it must first identify all of the information that went into developing

the original cost responsibility assignments. This is a necessary step that will allow PJM to have a benchmark with the relevant data against which to apply the new approach, meaning solution-based DFAX without the *de minimis* threshold exemption. Because this analysis requires PJM to go back nearly 11 years, it will require extensive time and effort to recover this information.

10. Transmission Planning must locate and compile every historical file, model, and supporting documentation for how the cost responsibility assignments were calculated originally for each of the 1,255 projects,⁴ added to the RTEP since the solution-based DFAX methodology was first used to assign cost responsibility in January 2013. This requires identifying the assumptions, procedures, and software that were used in the original analysis for each project and assessing the availability and applicability of legacy procedures and tools. This could include original input files on flowgates, participation factors, and subsystem files to identify and define the loads that were being allocated costs. It could also include study files, such as those for the simulations that were performed by Market Simulation to give the hourly flows on the facility. Further, the “original” files may not actually be the final ones that were used for cost responsibility assignments because there are oftentimes “clean-up” revisions or out-of-cycle adjustments were applied. Such adjustments include, without limitation: (i) those accepted through the settlement in Docket No. EL05-121-009;⁵ (ii) the termination of Linden VFT, LLC’s and

⁴ This estimate includes certain Regional Facilities approved before January 2013 listed in Schedule 12-C Appendix A (List of Covered Transmission Enhancements). Per the settlement accepted in Docket No. EL05-121-009, effective January 1, 2016, the cost responsibility assignments for these projects shifted from being based 100% on load-ratio share (“LRS”) to being based 50% LRS and 50% solution-based DFAX allocation, with the solution-based DFAX portion being updated annually. *PJM Interconnection, L.L.C.*, 163 FERC ¶ 61,168 (2018).

⁵ See *PJM Interconnection*, 163 FERC ¶ 61,168.

Hudson Transfer Partners, LLC’s Merchant Transmission Facility Firm Transmission Withdrawal Rights;⁶ (iii) the termination of the wheeling arrangement that enabled Consolidated Edison Company of New York (“ConEd”) to transfer 1,000 megawatts of power over an interface in northern New Jersey for delivery back to ConEd over another interface to New York City;⁷ and (v) on remand of *Old Dominion Elec. Coop. v. FERC*, 898 F.3d 1254 (D.C. Cir. 2018).⁸ Any additional modifications to the original input data that are material to the analysis should be identified. Consideration must also be given to the potential for double counting arising from these clean-up revisions and adjustments.

11. These 1,255 project costs are estimated to be worth approximately 39 billion dollars,⁹ with approximately 26 billion dollars subject to the solution-based DFAX method.¹⁰ Of these 1,255 projects: (i) 44% of these upgrades are in service (with approximately one-third of those projects going into service between 2015 and 2019); (ii) 4% of these projects were canceled; and (iii) 52% are not yet in service (“Not-Billed Projects”).

12. Recalculating cost responsibility assignments for Not-Billed Projects will require significant effort with limited rebilling impact. This is because, per the Tariff, the current cost responsibility assignments for Not-Billed Projects are “preliminary” and will

⁶ See *PJM Interconnection, L.L.C.*, 162 FERC ¶ 61,200 (2018); *PJM Interconnection, L.L.C.*, 162 FERC ¶ 61,201 (2018)

⁷ See *N.Y. Indep. Sys. Operator, Inc., et al.*, 161 FERC ¶ 61,033, at P 7 (2017) (explaining that this wheeling arrangement terminated by its terms on April 30, 2017).

⁸ See *PJM Interconnection, L.L.C.*, 168 FERC ¶ 61,133 (2019).

⁹ These dollar figures are aggregate values that reflect the total estimated cost of the over 1,200 projects at the time they were each approved for inclusion in the RTEP by the PJM Board of Managers (“PJM Board”). The actual costs that will be recovered will vary.

¹⁰ For Regional Projects, only 50% is allocated via solution-based DFAX, while the other 50% is allocated on a LRS basis. See Tariff, Schedule 12, section (b)(i)(A).

never be used for billing purposes,¹¹ unless the Commission has granted the Construction Work In Progress (“CWIP”) rate incentive, which allows for some cost billing prior to the project being placed in service.¹² Rather, the Tariff requires PJM to determine and file new cost responsibility assignments before these projects go into service (and annually thereafter).¹³ Thus, absent the CWIP rate incentive, the “preliminary” cost responsibility assignments will never be used for billing purposes, and likewise revising them as part of the Recalculation Directive would require significant effort and expense with no corresponding benefit. Since June 2015, PJM has submitted revisions to Tariff, Schedule 12-Appendix A (Required Transmission Enhancements Approved By The PJM Board On Or After February 1, 2013, Responsible Customers And Associated Transmission Owner Revenue Requirements) resulting from (i) 44 updates to the RTEP approved by the PJM Board of Managers which each added numerous projects and associated cost responsibility assignments; (ii) 11 annual updates (which also include revisions to certain projects in Schedule 12-Appendix), and (iii) various additional clean-up and out-of-cycle revisions to these Tariff sections. In other words, these Not-Billed Projects appear on a significant amount of historical Tariff records. So in addition to a large volume of work associated with recalculating merely illustrative cost responsibility assignments for the Not-Billed Projects, Legal would need to perform a significant amount of work to revise the historical Tariff records to reflect revised cost responsibility assignments that will never be used. This work represents a substantial portion of the overall scope.

¹¹ See Tariff, Schedule 12, section (b)(iii)(H).

¹² See Tariff, Schedule 12, section (b)(iii)(H)(1).

¹³ See Tariff, Schedule 12, section (b)(iii)(H)(2).

13. Finally, it is critical to recognize that the universe of projects for which PJM must find historical data for purposes of meeting the Commission’s Recalculation Directive is not limited to those projects that have come into service on or after June 18, 2015. Rather, PJM must also perform this exercise for all projects for which solution-based DFAX is used to determine cost responsibility assignments, which includes projects added after February 1, 2013, when the solution-based DFAX method became effective and the projects included in Schedule 12-C Appendix A per Docket No. EL05-121-009 that were still in service as of June 18, 2015 and have their cost responsibility assignments recalculated every year. This historical data would be used to update the cost responsibility assignments effective June 18, 2015.

Step 2: Data Validation

14. Once the data in Step 1 has been gathered, it must be cross-checked against records in Market Settlements and Legal to ensure everything is aligned. For any original data that is missing, unavailable, or incompatible with current systems or processes, Transmission Planning, Market Settlements, and Legal will coordinate with one another to establish protocols for addressing any discrepancies or missing/incompatible data, records, or models. Subject matter experts will use engineering judgment to develop suitable “proxies” for any such missing information. PJM will have to develop a reconstruction methodology and protocols, as needed, that are consistent with applicable legal and regulatory requirements.

Step 3: Data Reconstruction

15. Next, Transmission Planning will begin reconstructing any missing or incomplete datasets using available models or appropriate alternative approaches

consistent with the data reconstruction methodology and protocols. This reconstruction represents a critical and highly time-consuming part of the recalculation effort that requires Transmission Planning to work with Market Simulation.

16. When the *de minimis* threshold exemption was effective, PJM did not need to perform market simulations for certain upgrades because such simulations were not necessary to determine cost responsibility assignments. For example, where no zone exceeded the DFAX threshold, cost responsibility assignments were allocated 100% to the host zone; similarly, where DFAX values exceeding the threshold were in only one direction, annual direction flow percentages did not affect the allocation outcome. In these circumstances, market simulations would not have changed the results and therefore may not have been performed. Now with the *de minimis* exemption eliminated, however, simulations must be performed for each project to calculate the annual directional flow percentages. Under this framework, all zones have DFAX values, regardless of magnitude, and flows in both directions must be considered. As a result, market simulations are now required for all projects and are essential to determining cost responsibility assignments. Further, Market Simulation's software may need to be modified to accommodate any changes necessary to run these simulations accurately. This work cannot be completed by Transmission Planning without the assistance of Market Simulation. Finally, market simulation analysis relies on PROMOD, a vendor-supported software platform. Reproducing simulations for historical periods dating back to 2015 presents material challenges, including the need to replicate legacy system environments, address software compatibility limitations, and comply with the current information security requirements.

These constraints materially increase both the effort and time required to complete the recalculation.

Step 4: Tool Modification

17. Transmission Planning would then need to develop, update, and configure the tools necessary to perform the recalculations. This includes removing the *de minimis* threshold exemption logic from the tools and enabling full granularity in calculations. With respect to the reconstructed datasets discussed above, the tools will need to be enhanced to accommodate the reconstructed datasets and any alternative methodologies developed to address data gaps. This effort is complicated by the fact that legacy tools used for prior cost allocation analyses may not be compatible with current system environments and information technology requirements. In some cases, these tools were developed using outdated platforms and by personnel who are no longer at PJM, with limited available documentation. Accordingly, Transmission Planning would be required to recreate these tools to ensure compatibility with current systems. Then, Transmission Planning will perform testing and validate testing results to ensure accuracy. To the extent any problems are identified through this testing, Transmission Planning will need to diagnose the problem and coordinate with other relevant PJM departments as needed, which could necessitate revisiting earlier steps in the process, resulting in iterative rework and additional time and resource demands.

Step 5: Recalculation of Cost Responsibility Assignments

18. Once Transmission Planning has all of the necessary datasets and software, it can begin recalculating cost responsibility assignments. Transmission Planning will execute the recalculations across all the historical periods back to June 18, 2015, using the

updated methodology and reconstructed datasets. That is, for projects with cost responsibility assignments in the Tariff on June 18, 2015, Transmission Planning will need to perform recalculations as of that date. The recalculated cost responsibility assignments will need to be validated and compared to the original cost responsibility assignments to identify any variances, and then there will be a final review by Market Settlements and Legal.

Step 6: Updating Tariff Sheets

19. Based on my discussions with Legal, it would be a significant effort to file the revised Tariff records reflecting these recalculated cost responsibility assignments for the entire period going back to June 18, 2015. First, Legal will need to go through all of 36 sections of Tariff, Schedule 12-Appendix A to identify tariff records that became effective on or after June 18, 2015, and contain projects that require a cost allocation recalculation. Additionally, Legal will review each of the 25 sections of Tariff, Schedule 12-Appendix to identify tariff records that became effective on or after June 18, 2015, and contain any of the 167 transmission enhancements listed in Tariff, Schedule 12-C Appendix A. PJM is required to modify Schedule 12-Appendix, on a going forward basis commencing on January 1, 2016, to assign cost responsibility to Responsible Customers for each Covered Transmission Enhancement listed in Schedule 12-C Appendix A.¹⁴ Legal will also review Tariff Schedule 12-Appendix C to identify Tariff records that became effective on or after June 18, 2015, and contain projects that require a cost responsibility

¹⁴ See *PJM Interconnection, L.L.C.*, 163 FERC ¶ 61,168, at P 39 (2018) (order accepting contested settlement). The Covered Transmission Enhancements included in the settlement approved by the Commission that were canceled or abandoned before entering service are listed in Schedule 12-C Appendix A.

assignments to be recalculated. Looking at just Schedule 12-Appendix A, each of its 36 sections includes a currently effective version and typically over 50 historical versions. For reference, one section of Schedule 12-Appendix A has over 100 historical versions, and the currently effective version consists of 94 pages. This means that PJM may review 9,400 pages worth of Tariff records. Even assuming most sections contain only 50 historical versions, and each version is approximately 50 pages, this would still lead to 2,500 pages to review. This over the course of 36 sections would be 90,000 pages that would need to be reviewed and approved.

20. Each historical version is also associated with a particular docket, and PJM will need to review relevant pleadings in that docket to help confirm which upgrades will require an updated cost responsibility assignment. Assuming it takes up to three hours to review each of the roughly 475 current and historical versions that may include projects that require a cost allocation recalculation, this would take around 1,500 hours of research.

21. Once each of the 475 current and historical versions of the Tariff, Schedule 12 section records with upgrades that require updated cost responsibility assignments have been identified, PJM will need to revise such records with these updated assignments and create clean and marked versions to be filed. PJM will also need to include the relevant metadata and filing details in eTariff. Assuming it takes up to three hours for each of the roughly 475 versions to revise, generate clean and marked versions, and add each version to eTariff with the relevant metadata, I understand that Legal estimates that it would take well over 1,400 hours to complete this step.

IV. PJM STAFF RESOURCE REQUIREMENTS AND REPRIORITIZATION IMPACTS

22. As I describe above, implementing the Recalculation Directive would require the completion of multiple sequential steps that necessitate coordination across several internal groups and the commitment of substantial staff resources. Specifically, as described, the work required to implement the Recalculation Directive would involve PJM staff from several functional areas, including Transmission Planning, Market Simulation, Market Settlements, and Legal. Each of these groups plays a distinct role in PJM’s ongoing planning, market, settlement, and compliance activities, and the tasks described above will require contributions from each.

23. Table 1 below summarizes the primary tasks associated with implementation of steps 1 through 6, which I describe in Section III, above, and the estimated level of effort required. Table 1 is limited to complying with the Recalculation Directive-specific work and does not include the workload associated with compliance with the Rebilling Directive, which is explained in Ms. Holter’s Affidavit.

Table 1: Work and Cost Associated with Recalculation Directive

Task	Responsible Group(s)	Estimated Hours	Estimated Costs
Step 1: Data Discovery	Transmission Planning (primary) with support from Settlements and Legal	8-16 hours per recalculated cost responsibility ; 60 estimated recalculations	\$60,278.40 - \$120,556.80
Step 2: Data Validation	Transmission Planning (primary) with support from Settlements and Legal	8-20 hours per recalculation; 60 estimated recalculations	\$60,278.40 - \$150,696.00

Step 3: Data Reconstruction	Transmission Planning (primary) with support from Market Simulation	28-40 hours per recalculation; 60 estimated recalculations	\$210,974.40 - \$301,392.00
Step 4: Tool Modification	Transmission Planning (primary) with support from IT	8-16 hours per recalculation; 60 estimated recalculations	\$60,278.40 - \$120,556.80
Step 5: Recalculation of Cost Responsibility Assignments	Transmission Planning (primary) with support from Settlements and Legal	8-16 hours per recalculation; 60 estimated recalculations	\$60,278.40 - \$120,556.80
Step 6: PJM Legal submits revised historical and current-effective Tariff records	Legal (primary) with support from Transmission Planning and Settlements	2,900 hours	\$419,920

24. In total, based on the foregoing, it appears that complying with the Recalculation Directive would require approximately 6,500 to 9,380 PJM staff hours across these groups at a cost of \$872,008.00 to \$1,233,678.40. Because several of the steps must be performed sequentially, the work cannot be fully parallelized to reduce the overall timeline.

25. The efforts set forth in Table 1 would not occur in isolation. That is, the individual staff members from the responsible groups described above are responsible for ongoing, time-sensitive functions. For example:

- The Transmission Planning subject matter experts who would perform the work described above typically support all aspects of PJM’s regional and interregional, short-term and long-term transmission planning activities, including RTEP processes reliability analyses; identify and evaluate transmission system reinforcements required to resolve reliability and operational constraints; assist with the development of new and innovative analysis methods in the planning process; prepare

reports and presentations to support activities of the Transmission Planning; develop recommendations to PJM management on the implementation of new bulk power facilities, programs, procedures, and policies; develop and maintain the necessary transmission system models required for the development of the RTEP; work with transmission owner staff in the development and refinement of the RTEP; work with other members of the System Planning Division to solve complex engineering problems; represent PJM on industry committees, task forces, or stakeholder groups involving topics related to planning and engineering.

- The Market Simulation subject matter experts who would perform the work described above typically lead and conduct Market Efficiency analyses mandated by the PJM Operating Agreement; determine which reliability-based enhancements have economic benefit if accelerated; identify new transmission enhancements that may realize economic benefit; identify economic benefits associated with reliability-based enhancements that are modified to provide economic benefit; conduct all analyses related to the biannual Market Efficiency Long-Term Window; complete annual re-evaluation analysis of previously approved Market Efficiency upgrades; prepare reports and presentations to support activities of the Market Simulation Department; develop and maintain the necessary economic models required for the development of the RTEP; work with members of the System Planning Division to solve complex engineering problems; represent PJM on industry committees, task forces, or stakeholder groups involving topics related to planning and engineering.
- The Market Settlements subject matter experts who would perform the work described above are responsible for the accurate and timely issuance of settlement invoicing for the PJM transmission, energy, capacity, and ancillary service markets. The Market Settlements Operations and Market Settlements Development Departments have daily deadlines that must be met to keep pace with the settlement issuances on a weekly and monthly basis. In order to accomplish this billing, the team is also responsible for the designing, testing, and implementing the various market settlement procedures and systems as well as overseeing the maintenance and enhancements required for the settlement systems. While a large portion of settlements is calculated through the market settlement systems, there is a portion that requires manual intervention to facilitate the appropriate processes. The Market Settlements also take an active role in PJM's stakeholder process in an effort to share information and understand new initiatives which may have an impact on billing. Moreover, the team interacts with a diverse body of participants to field questions and assist with settlement procedures and billing. Given the breadth of their work, the Market

Settlements interface with a multitude of upstream and downstream departments. On a daily basis this requires ensuring the markets data, dispatch activity, transmission projects, and auction results are transmitted completely; any significant billing is communicated proactively to PJM's Credit and Risk Departments; the resulting settlement is accurately shared with our Controller and Treasury departments for financial settlement; and changes and/or significant items are conveyed to our Client Management department for general awareness and member assistance.

- The Legal attorneys who would perform the work described above typically support all aspects of PJM's regional and interregional transmission planning activities, including advising on RTEP processes (including with respect to all phases of competitive solicitation windows from providing guidance on pre-window opening activities through supporting efforts to obtain PJM Board approval of RTEP projects); preparing numerous required filings, including filings to update RTEP cost responsibility assignments following each PJM Board approval of any update to the RTEP and annual RTEP cost responsibility assignment update filings for projects that are in-service or projected to go in-service in the following year; advancing PJM's Order No. 1920 compliance efforts for both regional and interregional compliance; reviewing and negotiating key planning-related agreements such as Designated Entity Agreements and Interconnection Coordination Agreements; and providing legal support related to supporting stakeholder engagement through the Transmission Expansion Advisory Committee and Planning Committee, among other activities. In addition to supporting the Planning attorneys on these issues, the PJM paralegals who would perform the work described above also support other Legal attorneys with respect to ongoing issues related to markets, operations, and other core PJM functions.

Accordingly, dedicating the resources necessary to implement the Recalculation Directive would require reprioritization of existing workstreams and obligations. This reprioritization would necessarily divert resources from ongoing planning, operational, administrative and regulatory activities that are core to maintaining the reliability of the PJM Transmission System.

V. SIMPLIFIED APPROACH

26. However, there is an approach under which PJM could avoid a significant amount of work re-creating the data, tools, and models by focusing recalculations only on in-service projects. Recalculating the cost responsibility assignments for Not-Billed Projects would require substantial effort while providing no billing impact. Where applicable, recalculations for projects involving CWIP would be addressed separately. PJM would address cost allocation updates for Not-Billed Projects through future annual update processes using latest models.

27. The years 2015-2019 present the greatest technical and legal challenges. PJM has the data, tools, and models generally in the appropriate forms for the years 2020 to present. But, as I describe above, those used for years 2015-2019, are largely outdated and incompatible with current systems, requiring significant reconstruction. This period also reflects substantial regulatory and litigation-driven changes, further increasing complexity.

28. To streamline the determination of historical cost responsibility assignments without application of the *de minimis* threshold, PJM requires additional guidance regarding recalculation for 2015-2019, which should be deferred pending completion of rehearing proceedings to avoid duplicative rebilling. Use of 2020 models as a proxy for years 2015-2019 would mitigate the time and complexity associated with data discovery and reconstruction and tool modification.

29. Given the issues that arise over the passage of time and the limitations described above, under either approach, PJM will not be able to recreate the solution-based DFAX values with 100% accuracy relative to what PJM could have determined at that time

had it not applied the solution-based DFAX without any *de minimis* threshold. However, both approaches will yield cost responsibility assignments with a reasonable level of accuracy.

VI. ASSESSMENT REGARDING THE 90-DAY TIMEFRAME SET FORTH IN THE ORDER ON REMAND

30. Based on the scope of the work required to comply with the Recalculation Directive, its sequential nature, and the PJM staff resources described above, it is my opinion that the work cannot reasonably be completed within the 90-day timeframe set forth in the Order on Remand, particularly in a manner that would support accurate and reliable results.

VII. CONCLUSION

31. This concludes my affidavit.

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

Consolidated Edison Company of New York,) Inc. v. PJM Interconnection, L.L.C.))	Docket Nos. EL15-18-005
Linden VFT, LLC v. PJM Interconnection,) L.L.C.))	EL15-67-005
Linden VFT, LLC v. PJM Interconnection,) L.L.C.))	EL17-68-003
PJM Interconnection, L.L.C.)))))	ER17-950-006 (Not Consolidated)
Neptune Regional Transmission System, LLC) and Long Island Power Authority v. PJM) Interconnection, L.L.C.))	EL21-39-000
PPL Electric Utilities Corporation))	ER22-1606-000
PPL Electric Utilities Corporation) Neptune Regional Transmission System, LLC) Long Island Lighting Co.)	ER22-1606-001 (Consolidated)

VERIFICATION

I, Grace Niu, pursuant to 28 U.S.C. § 1746, state, under penalty of perjury, that I am the Grace Niu referred to in the foregoing “Affidavit of Dr. Grace Niu, on Behalf of PJM Interconnection, L.L.C.,” that I have read the same and am familiar with the contents thereof, and that the facts set forth therein are true and correct to the best of my knowledge, information, and belief.

/s/Grace Niu
Dr. Grace Niu

Executed on: April 3, 2026

Attachment B

**Affidavit of
Natasha Holter on behalf of
PJM Interconnection, L.L.C.**

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

Consolidated Edison Company of New York,) Inc. v. PJM Interconnection, L.L.C.))	Docket Nos. EL15-18-005
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PJM Interconnection, L.L.C.)))	ER17-950-006
)	(Not Consolidated)
)	
Neptune Regional Transmission System, LLC) and Long Island Power Authority v. PJM) Interconnection, L.L.C.))	EL21-39-000
PPL Electric Utilities Corporation))	ER22-1606-000
PPL Electric Utilities Corporation) Neptune Regional Transmission System, LLC) Long Island Lighting Co.)	ER22-1606-001
)	(Consolidated)

**AFFIDAVIT OF NATASHA HOLTER
ON BEHALF OF PJM INTERCONNECTION, L.L.C.**

1. My name is Natasha Holter, CIA, CFE, CRMA, and my business address is 2750 Monroe Blvd., Audubon, Pennsylvania, 19403. I am employed by PJM Interconnection, L.L.C. (“PJM”) and my current title is Senior Manager, Market Settlement Operations Department (“Market Settlements”).

I. QUALIFICATIONS

2. I joined PJM in August 2011 as a Senior Specialist, and then Senior Lead Specialist in the Controller Department until I transitioned to my current role as the Senior

Manager – Market Settlements in December 2020. Prior to joining PJM, I was a Senior Auditor for a public accounting firm, and was later employed as a Manager of Internal Audit for an international e-commerce company.

3. In my current role, I am responsible for leading the end-to-end market settlement operations for PJM's wholesale electricity markets and ensuring accurate, timely, and compliant settlement of transmission, energy, capacity and ancillary services. This includes administration of the billing associated with transmission facilities included in the PJM Regional Transmission Expansion Plan ("RTEP") via both Network Integration Transmission Service ("NITS") charges and credits and Transmission Enhancement Charges ("TEC") and credits. I develop and maintain settlement documentation, customer training materials, and administer a dedicated customer support function for settlement and billing issues and inquiries. I oversee and perform the investigation and resolution of potential billing discrepancies and the calculation of billing adjustments through continuous customer and PJM staff interaction. In my role, I work closely with the PJM Legal Department ("Legal") to support and draft new and/or revised tariff and agreement language to accurately interpret and comply with FERC settlement-related orders. At times, I direct and perform data analyses, reports, and presentations to support internal, market participant, and regulatory information requests. Prior to my current position, as Senior Specialist, and then Senior Lead Specialist, I was responsible for the coordination of PJM's System and Organization Controls Report Type 1 audit which covers Market Settlements and associated information technology systems and processes.

4. I am a Certified Internal Auditor and have a Certification in Risk Management Assurance through the Institute of Internal Auditors. I am also a Certified Fraud Examiner through the Association of Certified Fraud Examiners. I received my Bachelor of Science degree in Accounting from Misericordia University.

II. PURPOSE AND OVERVIEW OF AFFIDAVIT

5. I am submitting this Affidavit in support of PJM's Motion for Extension and Request for Expedited Action by May 1, 2026 and Motion for Clarification ("Motions") in response to *Consolidated Edison Co. of New York v. PJM Interconnection, L.L.C.*, 194 FERC ¶ 61,179 (2026) ("Order on Remand"), which, as relevant here, requires that, within 90 days, PJM must correct billings for transmission facilities included in the PJM RTEP back to June 18, 2015, based on the removal of the *de minimis* threshold exception from the solution-based DFAX method ("Rebilling Directive").¹ Specifically, I have been asked to:

- i. Describe how transmission facility costs are recovered through PJM's transmission charges, including the distinction between NITS rates and TEC (see Section III);
- ii. Explain the mechanism by which PJM performs resettlements, including the application of surcharges and refunds to reconcile previously-billed amounts (see Section IV);

¹ It is my understanding that the Commission required that both the Rebilling Directive and a related directive to recalculate cost responsibility assignments for transmission facilities included in the PJM RTEP ("Recalculation Directive") be completed within 90 days. My colleague Dr. Grace Niu describes the work that will be required to comply with the Recalculation Directive in her separate affidavit, and that work must be completed before the initiation of the steps I describe herein. For purposes of this Affidavit, I refer to the 90-day period to demonstrate that not even one of the two tasks required by the Order on Remand can reasonably be completed within that timeframe. Dr. Niu also explains the solution-based DFAX method and the *de minimis* threshold exception in her affidavit. Attachment A, Affidavit of Dr. Grace Niu on Behalf of PJM Interconnection, L.L.C. ("Niu Aff.")

- iii. Describe the steps required to identify, calculate, and implement billing corrections associated with the 1,255 impacted transmission projects² over an approximately 11-year period (see Section V);
- iv. Explain the practical constraints and real-world considerations that affect the ability to perform and implement these calculations, including limitations on available data, changes in market participants over time, and the need to coordinate the collection of surcharges from some entities and distribution of refunds to others, and potential related credit impacts (see Section VI);
- v. Assess the impact that performing this work would have on my regular responsibilities and those of the teams involved, including how complying with the Rebilling Directive would lead to reprioritization of existing work (see Section VII); and
- vi. Evaluate whether this work can reasonably be completed with the 90-day timeframe set forth in the Order on Remand (see Section VIII).

6. As I explain in this Affidavit, completion of the work necessary to comply with the Rebilling Directive will require, among other things, comparing revised cost responsibility assignments to historical billings on a project-by-project basis, obtaining revenue information from transmission owners, manually recreating informational reporting worksheets, and rerunning bills. The steps I describe below—which can only begin after completion of the work addressed in Dr. Niu’s Affidavit—must be performed sequentially and require coordination across multiple internal teams as well as external entities. Additionally, while the precise magnitude of the resulting resettlement amounts is not yet known, it is reasonable to expect that rebilled amounts will be significant—with some entities receiving refunds and others paying surcharges. Accordingly, the work I describe herein must be performed in an orderly manner, both to mitigate internal resource constraints and minimize disruption to the ongoing work of PJM, and to mitigate potential

² See Niu’s Aff. ¶¶ 9-13.

impacts to market participants, including bill volatility and credit risk. As I discuss below, I estimate that the work required to comply with the Rebilling Directive, across multiple departments, will take around 1,452 – 4,400 workhours at an overall cost of \$182,342 – \$552,752, depending on whether the Commission provides certain guidance. Taken together, these considerations demonstrate that the work cannot reasonably be completed within 90 days and that the more structured and phased approach set forth in the Motions is necessary. Indeed, given that PJM estimates that the Rebilling Directive by itself will take *a minimum* of 1,452 hours to complete, requiring working 16.31 hours *per day*. Further, these projections ignore that the Rebilling Directive work cannot be started until the revised cost responsibility assignments are known.

III. NITS RATES AND TEC

7. Per Schedule 12 of the PJM Open Access Transmission Tariff (“Tariff”), PJM Settlements is obligated to collect, on behalf of PJM Transmission Owners, any charges established by the Transmission Owner to recover the costs of transmission facilities included in the RTEP. All network customers and merchant transmission owners pay Transmission Owners for RTEP transmission facilities in accordance with the zonal cost responsibility assignments set forth in the appendices to Tariff, Schedule 12 (which include the cost responsibility assignments that are the subject of the Order on Remand).

8. In PJM, Transmission Owners use two main charges for billing Responsible Customers³ for transmission facilities included in the RTEP: (i) the Network Integrated Transmission Service rate (“NITS Rate”) and (ii) TEC.

³ Tariff, Schedule 12, section (b)(viii) (Responsible Customers are “customers using Point-to-Point Transmission Service and/or Network Integration Transmission Service and Merchant Transmission Facility owners that will be subject to each such Transmission Enhancement Charge”).

9. NITS is a PJM transmission service used by Responsible Customers⁴ to serve their network load. The NITS Rate is the mechanism by which Transmission Owners recover their annual transmission costs and revenue requirements from PJM network customers. The NITS Rate is designed to recover the costs incurred by each Transmission Owner for providing transmission service to its transmission customers,⁵ including the costs of transmission facilities that support the integrated system. PJM does not maintain billing records that directly associate NITS charges that are collected by the Transmission Owner with the costs of any individual transmission facility. Because NITS Rates recover aggregated transmission revenue requirements on a load-ratio basis, PJM cannot trace amounts billed or collected through this rate back to specific projects.

10. By contrast, TEC charges are calculated and billed to Responsible Customers on a project-specific basis. TEC charges reflect the costs of individual transmission facilities and are assigned directly to Responsible Customers on a zonal basis, based on the applicable cost responsibility assignments for each project and the Responsible Customer's load ratio share within the responsible zones. As a result, unlike NITS charges, TEC charge billing records identify the specific facilities for which costs are being recovered and the corresponding amounts charged to each Responsible

⁴ The vast majority of entities who are allocated costs for projects are load-serving entities utilizing network service and pay the NITS Rate. Merchant Transmission Facilities are also allocated costs corresponding to any Firm Transmission Withdrawal Rights and pay TEC. See Tariff, Schedule 12, section (b). In addition, Consolidated Edison Company of New York was allocated project costs associated with its 1000-megawatt wheel prior to termination of that arrangement in 2017. *Linden VFT, LLC v. PJM Interconnection, L.L.C.*, Complaint and Request for Fast Tracking of Linden VFT, LLC, Inc., Docket No. EL17-68-000, at 1 (Apr. 28, 2017). Firm Point-to-Point Transmission customers are also allocated a share of the cost for projects via the inclusion of these costs in the Border Yearly Rate that is assessed to reserved firm transmission capacity.

⁵ Transmission Owners also indirectly recover these costs from Merchant Transmission Owners with Firm Transmission Withdrawal Rights and other Firm Point-to-Point Transmission customers via inclusion of the NITS Rates in the calculation of the Border Yearly Rates assessed to Firm Point-to-Point Transmission reservations.

Customer. Market Settlements maintains publicly-available Excel spreadsheets (the “TEC Worksheets”) which identify, for each project: (i) the project’s transmission revenue requirement, as provided by the relevant Transmission Owner; (ii) the approved cost responsibility assignments identifying the zones responsible for the costs of the transmission facility; and (iii) the resulting total monthly costs per zone that are allocated to an individual Responsible Customer.⁶

11. The determination of whether transmission facility costs are recovered through the NITS Rate or TEC charges is based on the applicable cost allocation rules in PJM’s Tariff. Where costs are allocated on a broad, load-ratio share basis within a single transmission zone, they are generally recovered through NITS Rates. Where costs are assigned on a project-specific basis—across multiple zones—they are generally recovered through TEC charges.

IV. MECHANICS OF FUNDING AND BILLING ADJUSTMENTS

12. PJM does not fund refunds from its own revenues or equity. As a regional transmission organization and administrator of wholesale energy markets, PJM’s role is to administer billing and settlements among market participants. Any refunds associated with corrected billings would therefore need to be funded through corresponding surcharges to the entities that were underbilled during the relevant historical period.

⁶ The TEC Worksheets are posted under the “Transmission Enhancement Worksheets” section of the PJM Billing, Settlements & Credit web page: PJM – Billing, Settlements & Credit, <https://www.pjm.com/markets-and-operations/billing-settlements-and-credit> (last visited April 1, 2026) (archiving TEC Worksheets from 2018 to present day).

13. PJM's billing for the aforementioned transmission-related charges is assessed to Responsible Customers.⁷ Any billing corrections would result in refunds to, and surcharges against, those entities based on their historical responsibilities. In some cases, as I will discuss below, Responsible Customers responsible for historical charges may no longer be active in the market or may have undergone organizational changes, which further complicates the identification and recovery of amounts owed. Similarly, entities to which refunds would be owed may no longer be active in the market or may have undergone organizational changes, creating additional challenges in determining the appropriate recipient of any refunds. In fact, based on a preliminary review of the data in PJM's settlements' system, I found that around 175 Responsible Customer accounts from just 2016 are no longer active in the PJM markets. I believe that a review of the other 10 years in the resettlement period would also show many more deactivated Responsible Customer accounts.

14. As I describe more fully below, to comply with the Rebilling Directive, PJM will be required to first determine, on a project-specific and billing period-specific basis, the difference between amounts previously billed and the new amounts based on the updated cost responsibility assignments (see Section V for a step-by-step explanation for how PJM would calculate these amounts). To the extent a participant was overbilled (i.e., over-allocated costs relative to the revised cost responsibility assignments), that participant would be owed a refund. Conversely, to the extent a participant was underbilled (i.e.,

⁷ Firm Point-to-Point Transmission Service customers are also indirectly assessed NITS and TEC charges. This happens by way of incorporating the NITS and TEC revenue requirements into the calculation of the Border Yearly Rate that all Firm Point-to-Point Transmission Service customers are charged for their reserved transmission capacity. Firm Point-to-Point Transmission Service customers (that are not Merchant Transmission Facilities) will not be impacted by the Rebilling Directive.

under-allocated costs relative to the revised cost responsibility assignments), PJM would need to assess a surcharge to recover the amounts necessary to fund those refunds.

15. These surcharges and credits will be implemented through PJM's billing system, consistent with its standard settlement processes. Unlike typical settlement adjustments which occur on a current or near-term basis, however, the corrections contemplated by the Rebilling Directive would span more than a decade and involve entities that may no longer be active in the market (or even still in existence). As a result, PJM will need to coordinate the timing of surcharge collections and refund distributions, including addressing situations where amounts cannot immediately be recovered from all responsible parties.

16. Because PJM is revenue neutral, the process of issuing refunds would necessarily depend on the successful collection of corresponding surcharges. This creates a need to sequence and potentially stagger the billing adjustments to support refunds while also managing credit risk and minimizing disruption to market participants.

V. CALCULATING RESETTLEMENTS BASED ON THE UPDATED COST RESPONSIBILITY ASSIGNMENTS NECESSITATES A CAREFUL, TIME-CONSUMING, STEP-BY-STEP PROCESS

17. Performing the billing adjustments I described above requires a series of discrete steps that must be completed in sequence, which can only begin after PJM's Transmission Planning Department ("Transmission Planning") updates the cost responsibility assignments as described in Dr. Niu's Affidavit. Following completion of that work, Market Settlements must use the updated cost responsibility assignments to calculate new invoices, whether surcharge or refund (with interest), for each billing period that are ultimately issued to Responsible Customers. This process is extremely time-

consuming and requires an extraordinary amount of detailed work to ensure that the new bills are calculated correctly and consistent with the requirements of the Order on Remand. This step alone could not be completed in the 90 days afforded by the Commission for the entire compliance process, much less afford the time necessary to minimize payment/default risk and otherwise mitigate adverse credit impacts that could result from significant surcharge invoices to recover prior period under-allocations. Below are the high-level steps intended to give a general representation of the work that PJM will need to perform in order to comply with the Rebilling Directive. In addition to what is detailed below, it is likely that additional work will need to be undertaken, or steps will need to be repeated, as PJM works through this process. These steps are based on PJM's present assessment using current Responsible Customers; these steps may change or expand depending on the affected projects, need to address liquidity concerns, complexity of prior billing, the need to find entities that were once Responsible Customers and owe surcharges, etc. I will provide below in Section VII an estimate of the time required to complete each of the steps I describe in this Section.

Step 1: Compare new cost allocation assignments to historical project billing, on a project-by-project basis, to determine if project revenue is available

18. Once Market Settlements obtains the new cost responsibility assignments from PJM's Transmission Planning, Market Settlements will begin the detailed process of reviewing the historical billing for each of the affected 1,255 projects to confirm, as a threshold issue, whether there is any project revenue information available for the projects during the applicable billing periods back to June 18, 2015. This determination is necessary because, as I described above, only TEC charges are calculated on a project-

specific basis and supported by identifiable project-level inputs, and PJM is not provided with project-specific revenue information for any projects whose costs are recovered via the NITS Rate, nor for any projects for which the Transmission Owner has not begun the cost recovery process. As discussed below, this process is not automated, and would require Market Settlements staff to manually review each affected transmission facility on a project-by-project basis to identify the availability and source of relevant data.

19. Therefore, as Market Settlements reviews the project-specific revenue information associated with each individual transmission facility, and there is an instance where there is no revenue information recorded, it is impossible to determine whether that is because there is simply no revenue information associated with that transmission facility, or if the costs were entirely recovered through NITS. Because the removal of the *de minimis* threshold exemption will lead to reallocation of cost responsibility assignments, this may result in the costs associated with specific transmission projects from being recovered through NITS Rates to TEC charges. Where these cost shifts occur between the NITS Rate and TEC charges, PJM will need to obtain information directly from Transmission Owners to ensure that the revenue amount to be reallocated is accurate.

20. Finally, as I have indicated, the resettlements contemplated by the Rebilling Directive will result in significant surcharges and refunds on Responsible Customers, and depending on the amount and relevant billing period any added interest could also be significant. It is therefore a strong possibility that the creditworthiness of individual Responsible Customers may be adversely affected, and additional collateral may be required. Because of this, Market Settlements intends to engage with PJM's Credit and Risk Department to make them aware at this stage which allows them to begin the process

of coordinating any further efforts to minimize the adverse impacts associated with the potential of not being able to collect additional surcharges.

Step 2: If a project is currently not billed through TEC charges, Market Settlements must reach out to the Transmission Owner to determine applicable project revenue information, if any

21. Where, as discussed above, there does not appear to be any revenue information associated with a given project, PJM must obtain or reconstruct the necessary project-level inputs. This process will require Market Settlements to reach out to the appropriate Transmission Owner to determine whether there truly is no revenue information associated with a project, or to obtain historical revenue data and supporting information for each such facility. This step will also be manually done via correspondence with the Transmission Owner.

Step 3: Market Settlements must recreate TEC Worksheets manually

22. Once Market Settlements receives final updated project revenue information from each applicable Transmission Owner, Market Settlements will need to recreate TEC Worksheets for the period associated with the Rebilling Directive.

23. As noted above, the TEC Worksheets identify, for each project: (i) the project's transmission revenue requirement, as provided by the relevant Transmission Owner; (ii) the approved cost responsibility assignments identifying the zones responsible for the costs of the project; and (iii) the resulting total monthly costs allocated to each zone. The TEC worksheets are currently the only publicly available document that provides a unified view of the transmission revenue requirement, the zonal cost responsibility assignment, and the resulting zonal cost for each project. Transmission customers and other interested parties use this document to forecast costs as well as to understand what

portion of a project's costs are being borne by other transmission customers. PJM regularly updates the TEC worksheets each January and June when Transmission Owners submit revised annual transmission revenue requirements, as well as any other time the cost responsibility assignments or revenue requirements change.

24. Recreating the historical TEC Worksheets over the 11-year rebilling period will require PJM to reconstruct, on a project-by-project basis, the inputs and calculations that should have been used to determine the TEC charges during that time. This includes adding the projects that are newly shifting from NITS cost recovery to TEC cost recovery based on a shift to multi-zonal cost responsibility, updating the cost responsibility assignments for all impacted projects (as recalculated in response to the Recalculation Directive), and calculating the resulting monthly cost by zone for each billing interval.

25. This process is not automated, as PJM does not maintain historical TEC Worksheets for all prior periods in a form that can simply be re-run with updated inputs. As a result, Market Settlements will need to manually recreate the TEC Worksheets for each affected transmission facility and for each relevant billing period, ensuring that the reconstructed calculations accurately reflect the inputs and methodologies applicable at that time per these directives. This is a time-intensive process given the need for attention to detail and accuracy. Depending on the volume of this order and the timeline, PJM may need to find alternative ways to present the data to members. While PJM believes the TEC worksheets are valuable to our participants as a data organization and reporting tool providing the cost allocations by zone in a succinct way, the timeline may warrant the consideration of other reports.

Step 4: Format and enter resulting cost allocation responsibilities and revenue requirements into billing system database manually

26. Once all of the TEC Worksheets have been manually updated, Market Settlements will need to enter the final updated data points into the main billing system database in order to rerun settlements for the affected periods. These data points consist of the recalculated, project-specific revenue information and associated cost responsibility assignments which will translate into charges (i.e., surcharges or refunds) assigned to each Responsible Customer for each billing interval, as derived from the reconstructed TEC Worksheets.

27. Entering these values will require Market Settlements to translate information in the TEC worksheets into the format required by PJM's settlement systems and to input them at the appropriate levels of granularity, including by project, Responsible Customer, and billing period. This step will ensure that the billing system reflects the corrected cost responsibility assignments and enables PJM to recompute the amounts that should have been billed. This process is also not automated, and the data must be added project-by-project for each of the 1,255 projects affected.

Step 5: Rerun billing for all affected months and years

28. Market Settlements will then rerun the settlement process for each day, month and year going back to June 18, 2015. This will involve executing the billing system using the updated inputs to determine the amounts that should have been billed to each Responsible Customer. These calculations may take weeks for PJM's systems to process given the scope of the resettlements at issue. The timing and duration of the billing will be determined by PJM, particularly with Market Settlements and the Credit and Risk

Department to attempt to minimize any adverse impacts on credit or collateral requirements for affected Responsible Customers.

Step 6: Assess billing adjustments and calculate resulting interest manually

29. Following the determination of surcharge and refund amounts, PJM must calculate applicable interest on those amounts. This requires applying the applicable Commission-required interest rate to each over- or under-collected amount over the relevant time period, beginning from the date of the original billing through the date of repayment. These interest calculations are not automated within PJM's systems for purposes of large-scale resettlements of this nature. Market Settlements will therefore need to gather the resulting adjustments from the settlement systems to work with PJM's Treasury Department as necessary to calculate interest via spreadsheets, taking into account the applicable interest rates for each period, the date on which each of the original monthly charges were paid, and the duration over which interest must accrue. Because the resettlements span multiple billing periods and involve numerous Responsible Customers and transmission facilities, these calculations must be performed individually for each affected charge and time interval. This process will require careful validation to ensure that interest is applied accurately and consistently across all affected amounts.

30. Once interest amounts have been calculated, PJM must enter those values into its billing system database so that they can be incorporated into the resettlement process. Entering these values requires PJM staff to manually reformat the calculated interest amounts in the format required by PJM's settlement systems so it can be uploaded into the system. This step ensures that the billing system reflects both the underlying

resettlement amounts and the associated interest. Again, this will be a very time-intensive task.

Step 7: Execute billing statements

31. PJM must execute updated billing statements for the affected periods. This involves issuing revised charges to Responsible Customers that reflect the recalculated charges, as well as any associated surcharges or refunds. These billing statements incorporate both the principal resettlement amounts and the calculated interest.

32. I understand that PJM's Credit and Risk Department will need this information in order to more thoroughly evaluate any adverse impacts on the credit or collateral for affected Responsible Customers. PJM, as part of its ongoing risk evaluation of Market Participants, will review the impacts of the impending charges, once known, on each entity to determine the entity's ability to pay the invoices and take appropriate risk management efforts to assist Market Participants to meet their obligation and as well protect PJM Markets from any potential loss.

VI. ADDITIONAL COMPLEXITIES AND CONSIDERATIONS

33. In addition to the steps I describe above, the implementation of resettlements presents a number of additional complexities that must be addressed to ensure accurate and complete billing outcomes. For example, as I previously mentioned, it is possible that Responsible Customers that were previously billed for transmission charges are no longer active participants in PJM. In these cases, PJM must determine whether and how to issue refunds or collect surcharges, which may require coordination with successor entities, default service providers, or other mechanisms to appropriately allocate the

amounts. This has the potential to significantly increase the complexity of the Rebilling Directive, adding time well beyond the estimates outlined herein.

34. Another complexity relates to changes over time regarding Responsible Customer participation, customer migration, or other structural changes in the market. These changes may affect how costs and corresponding adjustments are allocated across current market participants, particularly where original counterparties are no longer present.

35. PJM will have to address these and other unknown issues on a case-by-case basis, requiring additional manual review and coordination beyond the standard resettlement process. Chief among these unknown issues to be addressed are determining potential successors in interest to refunds and the disposition of potential refunds to entities where a successor no longer exists.

36. Another important consideration is that implementing a resettlement of this magnitude within a compressed timeframe will likely result in significant bill volatility for affected Responsible Customers and, ultimately, ratepayers. Because the recalculated amounts would be applied over a limited number of billing cycles, Responsible Customers could face large, unanticipated charges or refunds in a single billing period, rather than over a more gradual timeframe. In practice Responsible Customer would be required to pay current weekly and monthly invoices in addition to the charges stemming from the settlement simultaneously. PJM monitors an entities' credit exposure through different measures, including its current market activity and peak market activity, both of which are affected by additional invoices and could result in a need to post Collateral. To avoid disruption and shock to PJM markets, sufficient notice and an orderly process are required

to allow affected Responsible Customers time to plan accordingly to minimize defaults and other disruptions.

37. Relatedly, implementing a large-scale resettlement of this nature over a short timeframe may create credit and liquidity challenges for affected Responsible Customers. PJM's billing and credit framework is designed to manage routine charges and expected variability, but significant, unplanned surcharges arising from the resettlements contemplated by the Order on Remand may increase payment obligations beyond Responsible Customers' expectations. As explained in Paragraph 36 above, responsible Customers simply may not be able to meet the current invoices, the impending charges and potential Collateral requirements in the resettlement occurs during a compressed period of time without providing entities an opportunity to plan their capital. Further, the imposition of these resettlement charges has the potential for the lenders and others who provide capital to restrict cash available to them for their operations.

VII. PJM STAFF RESOURCE REQUIREMENTS AND REPRIORITIZATION IMPACTS

38. As I describe above, implementing the Rebilling Directive would require the completion of multiple sequential steps that necessitate coordination across several internal groups and the commitment of substantial staff resources. Specifically, as described, the work required to implement the Rebilling Directive would involve PJM staff from several functional areas, including Market Settlements, Credit and Risk Department, Transmission Planning, Treasury, and Legal. Each of these groups plays a distinct role in PJM's ongoing planning, and compliance activities, and the tasks described above would require contributions from each. Additionally, this approach may need to be adjusted depending on the Commission's response to PJM's Request for Clarification and/or

Rehearing as well as PJM’s best judgment as it begins collecting and analyzing the appropriate data.

39. Table 1 below summarizes the primary tasks associated with implementation of the steps I describe in Section V, above, and the estimated level of work required. The Market Settlements work described in this affidavit is limited to helping with the Recalculation Directive-specific work, while the work associated with determining the revised cost allocations is described in Dr. Niu’s Affidavit.

Table 1

Task	Responsible Group(s)	Estimated Hours	Estimated Costs	Notes
Step 1: Compare new cost allocation assignments to historical project billing, project-by-project, to determine if project revenue is available	Market Settlement Operations	352	\$44,204	Must be completed before subsequent steps.
Step 2: If a project is currently not billed through TEC charges, Market Settlements must reach out to the Transmission Owner to determine applicable project revenue requirement, if any.	Market Settlement Operations and the Transmission Owner(s)	32	\$4,018	
Step 3: Market Settlements must recreate TEC Worksheets manually	Market Settlement Operations	476 – 1,160	\$59,776 – \$145,672	The variance in this step is dependent upon the individual project complexities of the prior billing; the effort required to create

				transparent, easy to follow reporting, and availability of data.
Step 4: Format and enter resulting cost allocation responsibilities and revenue requirements into billing system database manually	Market Settlement Operations and Market Settlement Development	256 – 756	\$32,148 – \$94,938	
Step 5: Rerun billing for all affected months and all years	Market Settlement Operations and Market Settlement Development	128 – 880	\$16,074 – \$110,510	Tasks required in this step could increase dependent on a finalized billing approach.
Step 6: Assess billing adjustments and calculate resulting interest	Market Settlement Operations and Treasury	176 – 956	\$22,102 – \$120,254	Tasks required in this step could increase dependent on a finalized billing approach.
Step 7: Execute billing statements	Market Settlement Operations (exclusive of Credit and Risk work)	32 – 264	\$4,018 – \$33,153	

40. In total, PJM estimates that complying with the Rebilling Directive would require approximately 1,452 – 4,400 hours across various PJM internal divisions at a cost to ratepayers in an amount estimated between \$182,342 – \$552,752. The low range assumes, among other things, that the Commission permits PJM to only use current Responsible Customers for billing purposes, consistent with PJM’s Motion for Clarification, and that the majority of the data needed for resettlement is readily available.

Should the Commission determine that the original Responsible Customers (i.e., the “historical load-serving entities” discussed in PJM’s Motion for Clarification) should be used, this estimate could increase. It is very difficult to assess the actual time required without further clarity requested in this filing, having a clear list of the impacted projects and working through Step 1 above. The high range, however, is likely a more accurate reflection of the actual time and costs, conservatively allowing for the lack of data availability, complexities of prior billing, and ensuring the proper controls are in place for accuracy. Because several of the steps must be performed sequentially, the work cannot be fully parallelized to reduce the overall timeline.

41. The efforts set forth in Table 1 would not occur in isolation. That is, the individual staff members from the responsible groups described above are responsible for ongoing, time-sensitive functions.

42. For example, the Market Settlements staff who would perform the work described above are responsible for the accurate and timely issuance of settlement invoicing for transmission costs plus the energy, capacity, and ancillary service markets. This team has daily deadlines that must be met to keep pace with the settlement issuances on a weekly and monthly basis. In order to accomplish this billing, the team is also responsible for designing, testing, and implementing the various market settlement procedures and systems as well as overseeing the maintenance and enhancements required for the settlement systems. While a large portion of settlements is calculated through the market settlement systems, there is a portion that requires manual intervention to facilitate the appropriate processes.

43. The Market Settlements team also take an active role in PJM's stakeholder process in an effort to share information and understand new initiatives which may have an impact on billing. Moreover, the team interacts with a diverse body of participants to field questions and assist with settlement procedures and billing. Given the breadth of their work, the Market Settlements team interface with a multitude of other upstream and downstream departments. On a daily basis this requires ensuring the markets data, dispatch activity, transmission projects, and auction results are transmitted completely; any significant billing is communicated proactively to the Credit and Risk Department; the resulting settlement is accurately shared with our Contoller and Treasury Departments for financial settlement; and changes and/or significant items are conveyed to our Client Management Department for general awareness and member assistance.

44. The Market Settlements team is capable and willing to enact orders in partnership with the Commission. But a resettlement of this size and complexity is extremely difficult and requires prioritization away from the usual day-to-day work. Frankly, while resettlement is not feasible on the short-term rebilling cycle required by the Commission, to the extent the Commission grants the requested extension of time, then PJM expects to be able to re-prioritize other initiatives and/or augment its staffing to assist with these efforts. In addition, performing the work necessary to resettle these prior periods would require Credit and Risk Department, Transmission Planning, Market Simulation, and Legal to reprioritize their respective workloads away from their regular day-to-day obligations. Such would delay completion of their expected tasks while supporting this labor-intensive directive.

45. Simply put, dedicating the resources necessary to implement the directive would require reprioritization of existing workstreams and obligations. This reprioritization would necessarily divert resources from ongoing planning, operational, and regulatory activities that are core to maintaining the reliability of the PJM Transmission System.

VIII. ASSESSMENT OF THE 90-DAY TIMEFRAME SET FORTH IN THE ORDER ON REMAND

46. Based on the steps I describe above and the associated complexities, it is my opinion that the Rebilling Directive cannot be completed within the 90-day timeframe established by the Order on Remand, particularly in a manner that would support accurate and reliable results. A longer timeframe of 12 to 24 months would allow for a more orderly and methodical process and would enable PJM to complete the required activities on a timely basis consistent with its established billing cycles, including rolling out resulting charges in a manner that avoids rate shock and mitigates potential credit impacts. This includes the opportunity for PJM to establish and publish a schedule upon which each rate year will be resettled, as well as to publish the revised cost responsibility assignments in advance of conducting the resettlement. This will give Market Participants the much-needed ability to forecast the resulting refund or surcharge resulting from the resettlement prior to having to pay such invoice and to take the appropriate measures to support payment of such amounts, if needed.

IX. CONCLUSION

47. This concludes my affidavit.

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

Consolidated Edison Company of New York,)	Docket Nos. EL15-18-005
Inc. v. PJM Interconnection, L.L.C.)	
)	
Linden VFT, LLC v. PJM Interconnection,)	EL15-67-005
L.L.C.)	
)	
Linden VFT, LLC v. PJM Interconnection,)	EL17-68-003
L.L.C.)	
)	
PJM Interconnection, L.L.C.)	ER17-950-006
)	
)	(Not Consolidated)
)	
)	
Neptune Regional Transmission System, LLC)	EL21-39-000
and Long Island Power Authority v. PJM)	
Interconnection, L.L.C.)	
)	
PPL Electric Utilities Corporation)	ER22-1606-000
)	
PPL Electric Utilities Corporation)	ER22-1606-001
Neptune Regional Transmission System, LLC)	
Long Island Lighting Co.)	(Consolidated)

VERIFICATION

I, Natasha Holter, pursuant to 28 U.S.C. § 1746, state, under penalty of perjury, that I am the Natasha Holter referred to in the foregoing “Affidavit of Natasha Holter, on Behalf of PJM Interconnection, L.L.C.,” that I have read the same and am familiar with the contents thereof, and that the facts set forth therein are true and correct to the best of my knowledge, information, and belief.

/s/Natasha Holter
Natasha Holter

Executed on: April 3, 2026