

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

Lanyard Power Holdings, LLC,
Complainant,

v.

PJM Interconnection, L.L.C.,
Respondent.

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Docket No. EL26-107-000

ANSWER OF PJM INTERCONNECTION, L.L.C.

Pursuant to Rule 213 of the Federal Energy Regulatory Commission’s (“Commission”) Rules of Practice and Procedure,¹ PJM Interconnection, L.L.C. (“PJM”), submits this Answer to the Complaint filed by Lanyard Power Holdings, LLC. (“Lanyard” or “Complainant”).² The Complaint alleges PJM’s withdrawal of the Application associated with PJM Project Identifier No. C01-2107 (hereafter “Morgantown Battery Project”) was unjust, unreasonable, and unduly discriminatory, and seeks reinstatement of the Morgantown Battery Project into Cycle 01.³ For the reasons set forth below, the Commission should deny the Complaint.

Lanyard alleges that PJM erred in withdrawing the Morgantown Battery Project because it raised “previously undisclosed and alleged deficiencies” as the basis for withdrawal.⁴ This claim is not accurate. Lanyard fails to disclose in the Complaint that its

¹ 18 C.F.R. § 385.213.

² *Lanyard Power Holdings, LLC v. PJM Interconnection, L.L.C.*, Complaint Requesting Fast Track Processing of Lanyard Power Holdings, LLC, Docket No. EL26-107-000 (Sep. 9, 2026) (“Complaint”). The Complaint was brought pursuant to Federal Power Act (“FPA”) sections 206, 306, and 309. 16 U.S.C. §§ 824e, 825e, 825h. Capitalized terms not defined herein shall have the meaning set forth in the PJM Open Access Transmission Tariff (“Tariff”).

³ Complaint at 5,8.

⁴ Complaint at 5.

Application model was incomplete. In fact, the dynamic model Lanyard submitted with its Application was missing several key modules and, when PJM reviewed the complete model Lanyard submitted later as a cure package, errors were discovered in the cure modules being seen by PJM for the first time.⁵ The Complaint’s story of “previously undisclosed” deficiencies that Lanyard could have corrected if it had been notified of the problems is simply not true.

The fact is that Lanyard’s initial submission was flawed and it was not able to correct its submission sufficiently in its one opportunity to cure. The Tariff provides only one opportunity to correct deficiencies because, among other things, PJM must incorporate an individual project’s respective models into the overall model for the Cycle within the requisite timeframe.⁶ Doing as Lanyard suggests and allowing multiple iterations of deficiency and cure with Applicants would drastically expand the study process for each Cycle, delaying the construction of critically needed generation resources.

Not only does Lanyard fall short of meeting its burden under FPA section 206 to show that PJM acted in an unjust, unreasonable, or unduly discriminatory fashion, the

⁵ The Complaint’s Tariff arguments are similarly misplaced. Lanyard acknowledges that it had notice of PJM’s Dynamic Model Development Guidelines (“DMDG”) and cites to PJM’s posting of the DMDG on its website. *See* Complaint at 7; *see also* Interconnection Analysis and Interconnection Planning Analysis Departments, *PJM Dynamic Model Development Guidelines for Interconnection Analysis*, PJM Interconnection, L.L.C., (rev. 2.1, Mar. 10, 2026), <https://www.pjm.com/-/media/DotCom/planning/services-requests/pjm-dynamic-model-development-guidelines.ashx> [<https://perma.cc/96Z3-EGPN>] (“DMDG”). The DMDG is the type of implementation detail that need not be specified in the Tariff, but is understood to be part of the express requirements of the Tariff.

⁶ Interconnection Projects Department, *PJM Manual 14H: New Service Requests Cycle Process*, PJM Interconnection, L.L.C., section 2.9 (rev. 07, Aug. 19, 2026), <https://www.pjm.com/-/media/DotCom/documents/manuals/m14h.pdf> [<https://perma.cc/P92Y-JGP8>] (“PJM Manual 14H”) (“During the Application Review Phase, and at least 30 days prior to initiating Phase I of the Cycle, PJM will post the Phase I base case data for review. Specifically, the [Power System Simulator for Engineering (“PSSE”)] summer peak base case model for the Cycle will be available to comply with Tariff, Part VII, Subpart E, section 318 or Tariff, Part VIII, Subpart E, section 416.”). Phase I will begin on September 28, 2026. *See Cycle Timeline*, PJM Interconnection, L.L.C., <https://www.pjm.com/planning> [<https://perma.cc/ELR3-HWF3>] (Scroll to Cycle Timeline chart at bottom of website page, select Cycle 01 in the “Select Cycle” window) (last visited Sep. 28, 2026).

Complaint does not propose an appropriate just and reasonable remedy. Lanyard’s requested remedy—reinsertion of the Morgantown Battery Project in Cycle 01 after Lanyard has been given additional time to correct its dynamic model—is not just and reasonable given the significant impact such reinsertion would have both on other projects in the Cycle that are dependent on timely processing, and the overall goal that the Commission has directed to drive even faster processing of interconnection requests.⁷ Delaying Cycle 01 to accommodate reinstatement of the Morgantown Battery Project would inject uncertainty into the interconnection process for all other projects in the process by delaying Cycle 01 by up to two months, which will delay all subsequent cycles. The Commission therefore should deny the Complaint. The response to a deficient submission and inadequate cure should not be to change the Tariff’s single deficiency review and cure period or to reinstate the deficient project, which will cause significant delays and the need to rework the model affecting all other projects that satisfied the filing requirements.⁸

⁷ See, e.g., *Improvements to Generator Interconnection Procedures and Agreements*, Order No. 2023, 184 FERC ¶ 61,054, at P 37 (“Absent reform, the current interconnection process will continue to cause interconnection queue backlogs, longer development timelines, and increased uncertainty regarding the cost and timing of interconnecting to the transmission system. These backlogs and delays, and the resulting timing and cost uncertainty, hinder the timely development of new generation and thereby stifle competition in the wholesale electric markets resulting in rates, terms, and conditions that are unjust, unreasonable, and unduly discriminatory or preferential.” (footnotes omitted)), *limited order on reh’g*, 185 FERC ¶ 61,063 (2023), *order on reh’g & clarification*, Order No. 2023-A, 186 FERC ¶ 61,199, *errata notice*, 188 FERC ¶ 61,134 (2024), *aff’d sub nom. Advanced Energy United v. FERC*, 2026 U.S. App. LEXIS 23001 (D.C. Cir. July 31, 2026).

⁸ The need for finality in the deficiency review process given the tight timelines that PJM must meet as part of its Cycle process is not dissimilar to the Commission’s own deficiency notice process when handling an FPA section 205 filing. Commission staff issue a deficiency notice and the applicant responds. But the Commission is not required to keep issuing follow up notices if it deems the applicant’s response inadequate nor is the Commission limited to ultimately accepting or rejecting the application based solely on issues identified in the Commission staff’s deficiency notice. Just as the Commission provides only a single opportunity to cure to meet its tight 60-day FPA section 205 timelines, so too must PJM act on the response to the deficiency rather than engaging in endless back and forth inquiries that would delay processing of the entire Cycle.

I. BACKGROUND

A. Application Requirements and Deficiency Review Under Tariff, Part VIII

Beginning with Cycle 01, Project Developers seeking to interconnect to the PJM Transmission System are subject to the requirements of Tariff, Part VIII.⁹ To be considered in a Cycle, all Project Developers must submit a Completed Application prior to the Cycle's Application Deadline that includes all information required under the Tariff, as detailed further in the Application and PJM's Manuals.¹⁰ PJM reviews, and validates or rejects, each New Service Request during the Application Phase, prior to proceeding to Phase I of the corresponding Cycle.¹¹ If an Application fails to satisfy the requirements for a Completed Application, it will not proceed beyond the Application Phase of a Cycle.¹²

After the close of the Application Deadline, PJM begins the Application Review Phase, wherein it evaluates all Applications from Project Developers to determine whether deficiencies are present, including deficiencies with the dynamic model. The deficiency review process spelled out in Tariff, Part VIII, Subpart B, section 403, is as follows:

1. [PJM] exercise[s] Reasonable Efforts to inform Applicant of Application deficiencies within 15 Business Days after the Application Deadline.
2. Applicant then has 10 Business Days to respond to [PJM's] deficiency determination.
3. [PJM] exercise[s] Reasonable Efforts to review Applicant's response within 15 Business Days, and then will either validate or reject the Application.¹³

⁹ See generally Tariff, Part VIII, Subpart A, section 401.

¹⁰ Tariff, Part VIII, Subpart B, section 403(A).

¹¹ *Id.*

¹² *Id.* (PJM "will review and validate New Service Requests Only valid New Service Requests will proceed past the Application Phase.").

¹³ Tariff, Part VIII, Subpart B, sections 403(B)(1)(a)-(c).

Although Cycle 01 is the first Cycle to be processed under Tariff, Part VIII, the deficiency review process has not meaningfully changed from PJM’s prior interconnection processes,¹⁴ nor from Transition Cycle Nos. 1 and 2.¹⁵ As PJM explained to the Commission in proposing the reforms that resulted in the Cycle process, the single deficiency review, along with the single response opportunity, serves as a critical gate that is consistent with the goal of moving the interconnection process along faster by embracing and enforcing a “first-ready, first-served” consideration. The single 10-Business Day deficiency review process reinforces the goal of ensuring that submitted New Service Requests meet the requirement to be “first-ready” so that they can be “first-served” through a Cycle process that moves forward consistent with Tariff-imposed deadlines.¹⁶ The deficiency review process is also repeated in future Phases of a Cycle, using the same framework, to prevent non-viable projects from tying up valuable headroom on the Transmission System that potentially could have been used for other viable projects.¹⁷

¹⁴ See, e.g., *PJM Interconnection, L.L.C.*, Tariff Revisions for Interconnection Process Reform, Request for Commission Action by October 3, 2022, and Request for 30-Day Comment Period, Docket No. ER22-2110-000, Appendix 2 (PJM Interconnection Process Filings) at 3 (June 14, 2022) (“IPRTF Filing”) (describing reforms adopted in Docket Nos. ER16-2518-000, -001, in which PJM filed revised tariff provisions to address delays in the interconnection process by revising its application deficiency rules to increase efficiency and shorten the time for an Interconnection Customer to receive a Queue Position (citing *PJM Interconnection, L.L.C.*, Letter Order, Docket No. ER16-2518-000 (Oct. 7, 2016), *order on compliance*, *PJM Interconnection, L.L.C.*, Letter Order, Docket No. ER16-2518-001 (Dec. 20, 2016))).

¹⁵ See Tariff, Part VII, Subpart C, section 306(B).

¹⁶ See IPRTF Filing at 1, 47.

¹⁷ IPRTF Filing at 47 (explaining the need for gating mechanisms to deter speculation); see also *PJM Interconnection, L.L.C.*, 181 FERC ¶ 61,162 (2022) (accepting interconnection process reforms) (“November 2022 Order”), *order on reh’g*, 184 FERC ¶ 61,006 (2023), *aff’d sub nom. Hecate Energy LLC v. FERC*, 126 F.4th 660 (D.C. Cir. 2025).

1. Dynamic Modeling Requirements

As relevant to the Complaint, a Completed Application must “[s]pecify the proposed voltage and nominal capability of new facilities”¹⁸ and “[p]rovide a detailed description of the equipment configuration and electrical design specifications for the project.”¹⁹ In order to produce such specifications, Applicants must submit a dynamic model package for each New Service Request. The dynamic model is used to perform stability studies, which measure disturbances in power flows from the specific generator being studied. Stability studies are essential to ensure that a proposed Generating Facility does not create disturbances on the grid, which could lead to other generators tripping offline in rapid succession and cause reliability concerns. Stability studies also ensure that each Generating Facility in a Cycle is designed and built in accordance with applicable North American Electric Reliability Corporation, PJM, and Transmission Owner standards.²⁰ Once an Applicant’s dynamic model is tested and validated, it is then used to build a model of the entire Cycle (i.e., the Cycle 01 base case), which is used in the interconnection studies in future Phases of the process.

Dynamic model data must be submitted in accordance with the DMDG, which are, as Lanyard concedes, available for public review on the PJM website.²¹ Section 3 of the DMDG provides that power flow and dynamic models provided as representations of the New Service Request must be usable by the software platform used to perform the simulation. PJM uses Siemens’s PSSE²² “to perform transient stability analysis, and

¹⁸ Tariff, Part VIII, Subpart B, sections 403(A)(4)(c).

¹⁹ Tariff, Part VIII, Subpart B, sections 403(A)(4)(d).

²⁰ DMDG, section 2.0.

²¹ *See generally id.*

²² PSSE is an engineering software package produced by Siemens.

dynamic models and files provided must be compatible with the specific version” listed for each Cycle.²³

PJM Manual 14H, which provides additional guidance on Application requirements, further reiterates the importance of complying with the DMDG and specifically states that failure to adhere to the requirements will result in withdrawal.²⁴ Importantly, while revisions to the DMDG have occurred since their adoption in 2023, the substantive requirements have remained largely unchanged.²⁵

Project Developers were fully on notice regarding the dynamic modeling requirements and had ample time to prepare a working model for their applications. PJM provided extensive education for developers and stakeholders on its interconnection process, the required elements of applications, and the DMDG requirements specifically in the months leading up to the Cycle 01’s Application Deadline.²⁶ Of particular relevance to this proceeding:

- On January 26, 2026, during an Interconnection Process Subcommittee (“IPS”) meeting, PJM presented a Cycle 01 readiness checklist setting forth the requirements to submit technical information in NextGen.²⁷

²³ DMDG, section 3 (including a Table 1 chart with the PSSE versions listed by queue/cycle).

²⁴ PJM Manual 14H, section 2.1.2 (“Modeling Data required for Stability analysis must be provided with the submitted application in PJM data submission tool. Project Developers shall follow PJM Dynamic Model Development Guidelines on the PJM website to submit stability data specific to their project. Project Developers should pay special attention to PJM Dynamic Model Development Guidelines to ensure all deliverables are met. If stability data submission is not approved at the end of the deficiency review period, the application will be withdrawn.”).

²⁵ See DMDG, section 1.0 (providing revision history).

²⁶ In addition to written materials, educational training included video engagement. See *PJM Dynamic Model Development Guidelines for Stability Studies*, PJM Interconnection, L.L.C. (Mar. 26, 2024), https://videos.pjm.com/media/Interconnection%20Process%3A%20Stability%20Modeling%20Guidelines/1_jeb0xq8v [<https://perma.cc/Z86C-ALKK>].

²⁷ Stacy Nestel, Lead Engineer, Interconnection Planning Projects, *Cycle 01 Application*, PJM Interconnection, L.L.C. (Jan. 26, 2026), <https://www.pjm.com/-/media/DotCom/committees-groups/subcommittees/ips/2026/20260126/20260126-item-05---cycle-1-application-requirements-and-nextgen-process.pdf> [<https://perma.cc/N58N-2UG5>]. NextGen is PJM’s online platform through which Project

- On February 23, 2026, during an IPS meeting, PJM offered a presentation specifically identifying common dynamic data deficiencies and noting that Project Developers “should pay close attention while submitting project data.”²⁸
- On March 30, 2026, during an IPS meeting, PJM reviewed the deficiency review process and the applicable Tariff timelines.²⁹

B. Review of Lanyard’s Application

While the Complaint includes PJM’s May 29, 2026 deficiency notice to Lanyard and lists several of the identified deficiencies, it omits crucial information that was included in the deficiency notice available to Lanyard in PJM’s NextGen system.³⁰ As the Complaint states, the deficiency notice “included additional comments indicating that the stability data was deficient.”³¹ The Complaint does not explain further, but these stability data deficiencies are the heart of the matter. The deficiency notice states, “[s]tability data is deficient. Please see the comments on the data fields.”³² The screenshot below shows the stability data deficiencies identified in the NextGen data fields for the Morgantown Battery Project.

Developers submit and manage Applications and supporting information, receive PJM comments, respond to identified deficiencies, and monitor Application status.

²⁸ Shekhar Raj Awasthi, Sr. Engineer, Interconnection Planning Analysis, Interconnection Process Subcommittee, *Dynamic Model Application Requirements*, PJM Interconnection, L.L.C., 7 (Feb. 23, 2026), <https://www.pjm.com/-/media/DotCom/committees-groups/subcommittees/ips/2026/20260223/20260223-item-05---dynamic-model-application-requirements.pdf> [<https://perma.cc/7L9Q-2S7Q>].

²⁹ Stacey Nestel, Lead Engineer, Interconnection Planning Projects, *Cycle 01 Application Reminders*, PJM Interconnection, L.L.C. (Mar. 30, 2026), <https://www.pjm.com/-/media/DotCom/committees-groups/subcommittees/ips/2026/20260330/20260330-item-04---cycle-01-application-reminders.pdf> [<https://perma.cc/48ED-P7D4>].

³⁰ As just explained, PJM provided Project Developers with education concerning its NextGen platform, which serves as the data application platform for New Service Requests, and how to use it.

³¹ Complaint at 11.

³² Complaint, Attachment 1 (Initial Deficiency Notice) at 2 (displaying the received May 29, 2026 deficiency notice from PJM’s NextGen).

Deficiency Tracking					
Dynamic File(s)					
	Date	Value	Comment	Entered By	Role
			simulations were carried out in PSS®E 35.6.4. Please clarify this issue.		
🚩	05/07/2026	Morgantown Dynamic Model.zip	Stability - The flat run and LVRT test log, OUT file, and result files must be provided.	Shahabodin Afrasiabi	IA Engineer
🚩	05/07/2026	Morgantown Dynamic Model.zip	Stability - The dynamic model checklist must be provided in the package.	Shahabodin Afrasiabi	IA Engineer
🚩	05/07/2026	Morgantown Dynamic Model.zip	Stability - The PQ curve must be included in the dynamic model package. Please update the package and include the PQ curve.	Shahabodin Afrasiabi	IA Engineer
🚩	05/07/2026	Morgantown Dynamic Model.zip	Stability - The dynamic model package is missing the IDV, SAV, SNP/SNAP, CON, RAW, and SLD files. Therefore, MFO and PF assessment validation is not possible at this stage. For the next round, please upload all required files.	Shahabodin Afrasiabi	IA Engineer
	04/27/2026	Morgantown Dynamic Model.zip	Initial value	Patrick Verdonck	Project Developer Agent
Records Per Page: << < (1 of 1) > >>					
Close					

In short, as detailed in the NextGen data fields for the Morgantown Battery Project, Lanyard's Application contained a dynamic model that was missing key modules and could not be validated:

- Stability - The dynamic model package is missing the IDV, SAV, SNP/SNAP, CON, RAW, and SLD files. Therefore, Maximum Facility Output and Power Factor assessment validation is not possible at this stage. For the next round, please upload all required files.
- Stability - The PQ curve must be included in the dynamic model package. Please update the package and include the PQ curve.
- Stability - The dynamic model checklist must be provided in the package.
- Stability - The flat run and Low Voltage Ride Through LVRT test log, OUT file, and result files must be provided.

Although the Complaint does not reference the content of the data fields and the missing modules, Lanyard apparently read and understood the NextGen comments because its cure package included all the missing files. However, when PJM reviewed the cure package and was seeing many of the stability files for the first time, it identified deficiencies in those files. Those deficiencies were identified in NextGen and included in the August 3, 2026 withdrawal notice.

II. ANSWER TO COMPLAINT

A. Based on the Facts of This Case and the “First-Ready, First-Served” Structure of the PJM Interconnection Reform Tariff, Lanyard Has Not Met Its Burden of Proof to Justify Reinstatement.

Lanyard alleges that PJM unjustly and unreasonably withdrew the Morgantown Battery Project from Cycle 01, in violation of the Tariff.³³ However, as shown below, the Morgantown Battery Project was withdrawn because its initial Application was deficient, and Lanyard failed to correctly cure those deficiencies within the 10 Business Day cure period. As such, the Application for the Morgantown Battery Project remains deficient, and Lanyard therefore cannot sustain the relief it requests—i.e., reinstatement of the Morgantown Battery Project to Cycle 01.

1. The Morgantown Battery Project failed to satisfy the DMDG data requirements and was properly withdrawn.

Lanyard mischaracterizes the bases for removal of the Morgantown Battery Project as “previously undisclosed and alleged deficiencies,”³⁴ which Lanyard claims are not “repetitive or derivative of the deficiencies provided in the [May 29, 2026 deficiency notice] or a result of [Lanyard]’s responses thereto.”³⁵ This characterization entirely ignores the fact that Lanyard’s dynamic model for the Morgantown Battery Project submitted with its Application was incomplete and, crucially, was missing several stability modules. Because its Application dynamic model was incomplete, when Lanyard submitted its cure package, PJM was seeing important stability files for the first time. In

³³ Complaint at 14-15. Notably, RWE does not cite to any provision of the Tariff in support of this allegation.

³⁴ Complaint at 5.

³⁵ Complaint at 13.

that sense, the deficiencies identified in the withdrawal notice are, in fact, directly derived from Lanyard's response to the May 29, 2026 deficiency notice.

PJM's deficiency review process provides only one opportunity to correct identified issues,³⁶ which was a deliberate design choice to speed up processing, and new issues raised by the attempt to cure will result in withdrawal from the Cycle. This is consistent with the "first-ready, first-served" structure of PJM's reformed interconnection process. Lanyard was given the same opportunity every Cycle 01 Applicant was given, but Lanyard submitted an incomplete model with its Application and a flawed, almost complete model³⁷ as a cure package. Lanyard did not meet the modeling and data requirements of the DMDG at any point in the Application and deficiency review and cure processes. PJM therefore was not able to validate Lanyard's Application and withdrew the Morgantown Battery Project from Cycle 01, consistent with the Tariff. Lanyard's Complaint does not demonstrate otherwise.³⁸

The Commission approvingly quoted in its order denying the complaint filed by Oklo Inc. in Docket No. EL26-101-000 its statement that it "generally allows transmission

³⁶ See IPRTF Filing at 45 n.143 (describing the deficiency review process pursuant to Tariff, Part VIII, Subpart B, section 403(B)(1) as "PJM is to use Reasonable Efforts to inform the Applicant of any Application deficiencies within 15 Business Days after the Application Deadline, with the Applicant then having 10 Business Days to respond and correct the deficiency. PJM is then to use Reasonable Efforts to review Applicant's response within 15 Business Days, and then will either validate or reject the Application").

³⁷ As specified in the August 3, 2026 withdrawal notice, the cure package still was missing certain components, such as the winding connection in the SMIB case and achievement of unity power factor in the .sav file. Complaint at 13 (showing the incomplete cure package in Figure 1).

³⁸ Although it is not properly in the record of this proceeding, as it was filed a week after the Complaint leaving little time for PJM to respond, the Affidavit of R. Peter Mackin, P.E. on Behalf of Lanyard Power Holdings, LLC, also does not demonstrate that PJM's withdrawal of the Morgantown Battery Project from Cycle 01 was unjust, unreasonable, or unduly discriminatory. Mr. Mackin also fails to acknowledge that the dynamic model Lanyard submitted with its Application was missing multiple stability files and could not be validated. As such, Mr. Mackin's claims as to how PJM should have handled the deficiencies in those files when it first had an opportunity to review them are irrelevant. *Lanyard Power Holdings, LLC v. PJM Interconnection, L.L.C.*, Motion for Leave to Answer and Answer of Lanyard Power Holdings, LLC, Docket No. EL26-107-000 (Sep. 24, 2026).

providers to exercise their engineering judgment when conducting interconnection studies, including deferring to transmission providers' discretion regarding how to maintain a reliable transmission system.”³⁹ In *Oklo*, the Commission found that “PJM properly withdrew the Project because Oklo failed to satisfy other modeling requirements specified in the DMDG.”⁴⁰ Because Lanyard did not satisfy the modeling requirements of the DMDG, as determined by PJM in its engineering judgment, PJM properly withdrew the Morgantown Battery Project.⁴¹

To the extent Lanyard argues there is significance to the August 4, 2026 statement of PJM’s Senior Engineer for Interconnection Projects that PJM found in its review of the cure package that “the identified issues have not been fully resolved,”⁴² that statement is consistent with the fact that PJM identified stability issues in the dynamic model Lanyard submitted with its Application and those stability issues were not sufficiently corrected in the cure package. The specification of the stability issues shifted from the dynamic model is missing multiple files to the files you have now provided have flaws and are missing pieces. Nevertheless, the stability issues identified in the deficiency review are not fully resolved.

³⁹ *Oklo Inc. v. PJM Interconnection, L.L.C.*, 196 FERC ¶ 61,231, at P 44 (2026) (“*Oklo*”) (quoting *PJM Interconnection, L.L.C.*, 195 FERC ¶ 61,024, at P 71 (2026); *RWE Clean Energy, LLC v. PJM Interconnection, L.L.C.*, 194 FERC ¶ 61,212, at P 42 (2026)).

⁴⁰ *Oklo* at P 44.

⁴¹ Lanyard’s contentions regarding communications with PJM about a scoping meeting are irrelevant to the question of whether PJM properly withdrew the Morgantown Battery Project from Cycle 01. As noted in the Complaint, while PJM was actively reviewing Lanyard’s cure package, it sent a standard email inquiring whether Lanyard was open to waiving the scoping meeting. Complaint at 11; *id.*, Attachment 2-A (Correspondence Regarding Scope Meeting) at 1-2. However, once PJM determined that the cure package was deficient, it marked the Application as “pending withdrawal,” and did not undertake any further efforts on the Application.

⁴² Complaint at 14 (quoting *id.*, Attachment 3 (Correspondence with PJM Staff at 1)).

The bottom line here is that PJM could not validate the Lanyard Application based on the incomplete dynamic model Lanyard submitted with the Application. Many of the validation checks for stability that PJM performs could not be conducted during the deficiency review of the Application because multiple files were missing. PJM's review of the cure package, which was more complete than the initial submission, was more substantial, but still revealed deficiencies. And those deficiencies were directly derived from the cure package, which presented the full model for the first time.

B. Reinstatement of the Morgantown Battery Project Will Substantially Delay Cycle 01 and May Adversely Affect Future Cycles.

Lanyard requests that the Commission direct PJM to “reinstate the Morgantown Battery Project into Cycle 01” and claims, without evidence, that its requested relief “can be implemented without impact on any other stakeholder” because Phase I of Cycle 01 has not commenced.⁴³ That was true when the Complaint was filed, but no longer is the case. PJM commenced Phase I of Cycle 01 on September 28, 2026. Thus, reinstatement of the Morgantown Battery Project would not only delay Cycle 01, but Project Developers in future Cycles could be adversely affected by such a delay. Lanyard's requested relief should be denied, and its proposed Tariff waiver rejected.

Simply put, a delay to Phase I of Cycle 01, which is what would happen if PJM has to reinsert the Morgantown Battery Project in Cycle 01 after it already has commenced Phase I, then re-build the model for Phase I and post it for the required 30-day review period, will have a cascading effect on all Cycle 01 deadlines. PJM posted the Phase I

⁴³ Complaint at 24.

Base Case Data on August 28, 2026,⁴⁴ and, after the 30-day review period, commenced Phase I of Cycle 01 on September 28, 2026.

Reinstatement of the Morgantown Battery Project at this point would require PJM first to provide Lanyard with a stand-alone deficiency review process for its Application. PJM must be able to validate the Morgantown Battery Project's dynamic model, a process that may take multiple requests and weeks to complete given Lanyard's challenges to date. PJM will then need to rebuild and test its Base Case models with the Morgantown Battery Project included, and repost its Phase I Base Case Data for the required 30-day period. Only then will PJM be in a position to re-commence Phase I of Cycle 01. If the Complaint is granted, PJM will lose its progress up to the date the Complaint is granted. The delay caused by reinstating the Morgantown Battery Project could be at least two months, as PJM works with Lanyard to validate the Morgantown Battery Project's model, rebuilds the cycle model with the Morgantown Battery Project included, provides the 30-day posting period for the rebuilt model, and re-commences Phase I. That same estimated two-month delay will affect all subsequent Cycle 01 deadlines and ripple on to delay projected timelines for future Cycles. Such delays are precisely the kinds of inefficiencies that the deficiency review process was designed to avoid.

Moreover, inserting the Morgantown Battery Project in the Cycle 01 Base Case model at this time may change outcomes for other Cycle 01 projects. The 30-day period to review the Base Case model has ended and PJM currently is running the Phase I study. Now that Phase I has begun, it is too late for Project Developers to withdraw from Cycle

⁴⁴ See *Cycle Timeline*, PJM Interconnection, L.L.C., <https://www.pjm.com/planning> [<https://perma.cc/ELR3-HWF3>] (Scroll to Cycle Timeline chart at bottom of website page, select Cycle 1 in the "Select Cycle" window) (last visited Sep. 28, 2026) (providing Cycle 01 Phase I Base Case posting date).

01. If PJM must rebuild and repost its model to include the Morgantown Battery Project, certain Project Developers may conclude that they should have withdrawn before Phase I started due to changes to the model spurred by the addition of the Morgantown Battery Project that was not previously included. If those Project Developers withdraw due to the changes to the Base Case model caused by insertion of the Morgantown Battery Project, they may be required to forfeit their Readiness Deposits, even though they reasonably relied on the model PJM posted on August 28, 2026.⁴⁵ Alternatively, certain Project Developers that withdrew may conclude that they should not withdraw based on the revised Base Case model. PJM would then need to reinstate those New Service Requests, as the conditions under which they withdrew would now be invalid, and the model would again have to be re-run. These potential re-runs would only compound delays to Phase I.

Critically, Lanyard has not justified the need to be reinserted into Cycle 01 because its claims that PJM should not have withdrawn the Morgantown Battery Project or that the withdrawal was unjust, unreasonable, and unduly discriminatory are incorrect and have no support. Further, Lanyard is not without recourse. It is free to resubmit its New Service Request for review in a subsequent Cycle or in PJM's Expedited Interconnection Track. Because Lanyard is free to seek another path for the Morgantown Battery Project, and because the harm that would be caused to all other Cycle 01 Project Developers (hundreds of projects that have met all requirements to date and have a reasonable expectation of

⁴⁵ Without an additional 30-day review period, Project Developers may be unable to fully assess the impacts of the model revisions before Phase I begins. Consequently, they may face withdrawal decisions only after a portion of Readiness Deposit 1 has become subject to forfeiture.

having their projects evaluated consistent with the current Cycle 01 deadlines) is patently unjust and unreasonable, the Commission should not adopt Lanyard's proposed remedy.⁴⁶

C. PJM Withdrew the Morgantown Battery Project Pursuant to the Application Requirements of the Tariff

Lanyard alleges that PJM's withdrawal of the Morgantown Battery Project based on the DMDG requirements is unjust, unreasonable, and unduly discriminatory because the DMDG is not in the Tariff or in PJM's Manuals, and therefore violates the rule of reason and the filed rate doctrine.⁴⁷ This is not correct. PJM withdrew Lanyard's Application because Lanyard's Application was deficient and continued to be deficient after the Tariff-required cure opportunity. Nonetheless, the DMDG requirements should not be filed in the Tariff.

Decisions regarding whether an item should be placed in a tariff or in a business practice manual are guided by the Commission's rule of reason policy, under which "provisions that 'significantly affect rates, terms, and conditions' of service, are readily susceptible of specification, and are not generally understood in a contractual agreement must be included in the tariff, while items better classified as implementation details may be included only in the business practice manual."⁴⁸ The Commission recognized that "it is no more possible to set forth *all* of the practices affecting rates . . . than it is to set forth *all* of the terms and conditions of a contract, leaving nothing whatever to be

⁴⁶ To the extent Lanyard has requested alternate relief in the form of a waiver request (as shown in Complaint at 25), the Commission must deny that request because of the demonstrable harm a waiver would cause to third parties.

⁴⁷ Complaint at 7.

⁴⁸ *Energy Storage Ass'n v. PJM Interconnection, L.L.C.*, 162 FERC ¶ 61,296, at P 103 (2018) ("*Energy Storage*") (citing *Cal. Indep. Sys. Operator Corp.*, 122 FERC ¶ 61,271, at P 16 (2008)).

implied.”⁴⁹ The Commission has “broad discretion” in this regard, and, as the United States Court of Appeals of the District of Columbia Circuit (“D.C. Circuit”) has affirmed, tariffs do not need to include specifiable practices.⁵⁰

By way of example, in *Energy Storage*, while finding that PJM’s methodology for calculating a benefits factor must be in PJM’s Tariff, the Commission agreed with PJM that it must retain operational flexibility and that implementation and operational details were better suited in its PJM Manuals.⁵¹ The Commission has upheld this same standard in accepting PJM’s interconnection process reform Tariff revisions.⁵²

Moreover, the D.C. Circuit has held that “even specifiable practices that significantly affect rates need not be included [in a tariff] if they are clearly implied by the tariff’s express terms.”⁵³ Tariff, Part VIII, Subpart B, section 403(A) explicitly requires Project Developers to submit a Completed Application that includes all information required under the Tariff (i.e., “a detailed description of the equipment configuration and electrical design specifications for the project”⁵⁴), as described further in the Application and PJM’s Manuals.⁵⁵ Moreover, PJM Manual 14H provides additional guidance on Application requirements, reiterating the importance of complying with the DMDG and

⁴⁹ *Hecate Energy Greene Cnty. 3 LLC v. FERC*, 72 F.4th 1307, 1312 (D.C. Cir. 2023) (“*Hecate*”) (citing *City of Cleveland v. FERC*, 773 F.2d 1368, 1370 (D.C. Cir. 1985)).

⁵⁰ *Hecate*, 72 F.4th at 1314 (“[E]ven specifiable practices that significantly affect rates need not be included if they are clearly implied by the tariff’s express terms.” (citing *City of Cleveland*, 773 F.2d at 1376)).

⁵¹ The Commission also noted that “complex algorithms and proprietary software code underlying its [regulation] signals are not appropriate for inclusion in its Tariff,” and thus did “not require PJM to include such details in its Tariff.” *Energy Storage* at P 108.

⁵² The Commission found that PJM provided sufficient detail in its Tariff on its proposed site control requirements, and that further implementation details are appropriately addressed in PJM’s Manuals. November 2022 Order at P 102.

⁵³ *Hecate*, 72 F.4th at 1314 (citing *City of Cleveland v. FERC*, 773 F.2d at 1376).

⁵⁴ Tariff, Part VIII, Subpart B, section 403(A)(4)(d).

⁵⁵ Tariff, Part VIII, Subpart B, section 403(A)(1).

specifically stating that failure to adhere to the requirements will result in withdrawal.⁵⁶

Thus, compliance with the DMDG is more than implied; it is an express requirement of the Tariff. The extraordinary number of Applications—over 700—that advanced through the Cycle 01 Application Review Phase attests to the widespread understanding of this requirement among Project Developers.

III. CORRESPONDENCE AND COMMUNICATIONS

Correspondence and communications with respect to this filing should be sent to, and PJM requests the Secretary to include on the official service list, the following:⁵⁷

Craig Glazer
Vice President – Federal Government Policy
PJM Interconnection, L.L.C.
1200 G Street, NW, Suite 600
Washington, DC 20005
(202) 423-4743
craig.glazer@pjm.com

Christopher B. Holt
Managing Counsel
PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403
(610) 666-2368
christopher.holt@pjm.com

Wendy B. Warren
Andrew T. Swers
Elizabeth P. Trinkle
Wright & Talisman, P.C.
1200 G Street, NW, Suite 600
Washington, DC 20005
(202) 393-1200
warren@wrightlaw.com
swers@wrightlaw.com
trinkle@wrightlaw.com

⁵⁶ PJM Manual 14H at section 2.1.2 (“Modeling Data required for Stability analysis must be provided with the submitted application in PJM data submission tool. Project Developers shall follow PJM Dynamic Model Development Guidelines on the PJM website to submit stability data specific to their project. Project Developers should pay special attention to PJM Dynamic Model Development Guidelines to ensure all deliverables are met. If stability data submission is not approved at the end of the deficiency review period, the application will be withdrawn.”).

⁵⁷ To the extent necessary, PJM requests waiver of Rule 203(b)(3) of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.203(b)(3), to permit all of the persons listed to be placed on the official service list for this proceeding.

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

Pursuant to Rule 213(c)(2)(i) of the Commission's rules of Practice and Procedure,⁵⁸ PJM's admissions and denials are set forth above in the answer, and, subject to amendment and supplementation, PJM affirms that any allegation in the Complaint that is not specifically and expressly admitted above is denied.

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

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

1. Lanyard, as the Complainant, has failed to satisfy its burden of proof under FPA section 206 (16 U.S.C. § 824e).

VI. CONCLUSION

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

Respectfully submitted

/s/ Elizabeth P. Trinkle
Wendy B. Warren
Andrew T. Swers
Elizabeth P. Trinkle
Wright & Talisman, P.C.
1200 G Street, NW, Suite 600
Washington, DC 20005
(202) 393-1200
warren@wrightlaw.com
swers@wrightlaw.com
trinkle@wrightlaw.com

Craig Glazer
Vice President – Federal Government Policy
PJM Interconnection, L.L.C.
1200 G Street, NW, Suite 600
Washington, DC 20005
(202) 423-4743
craig.glazer@pjm.com

Christopher B. Holt
Managing Counsel
PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403
(610) 666-2368
christopher.holt@pjm.com

***Counsel for
PJM Interconnection, L.L.C***

September 29, 2026

⁵⁸ 18 C.F.R. § 385.213(c)(2)(i).

CERTIFICATE OF SERVICE

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

Dated at Washington, D.C., this 29th day of September 2026

/s/ Elizabeth P. Trinkle
Elizabeth P. Trinkle
Wright & Talisman, P.C.
1200 G Street, NW, Suite 600
Washington, DC 20005
(202) 393-1200

***Attorney for
PJM Interconnection, L.L.C.***