UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Exelon Corporation Complainant,	)	
	)	Docket No. EL27-11-000
v.	)	
PJM Interconnection, L.L.C. Respondent.	)	

PRELIMINARY ANSWER OF PJM INTERCONNECTION L.L.C. OPPOSING FAST-TRACK PROCESSING AND MOTION FOR EXTENSION OF TIME TO ANSWER

Pursuant to Rules 213, 212 and 2008 of the Federal Energy Regulatory Commission's ("Commission") Rules of Practice and Procedure,[1] PJM Interconnection, L.L.C. ("PJM") respectfully submits this Preliminary Answer to the Complaint Requesting Fast-Track Processing ("Complaint") filed by Exelon Corporation ("Exelon") on November 3, 2026,[2] and moves for an extension of time, through December 21, 2026, to submit its answer to the Complaint. This Preliminary Answer only contests the Complaint's request for fast-track processing. PJM also requests a four-week extension of time to answer the Complaint on the merits. As discussed further below, the Complaint raises complex issues that warrant careful consideration, and PJM is currently devoting significant resources to ongoing efforts within the PJM Region to develop and file substantial revisions to multiple PJM governing documents by the end of the year.[3]

[1] 18 C.F.R. §§ 385.213, 385.212 and 385.2008.

[2] *Exelon v. PJM*, Complaint Requesting Fast Track Processing of Exelon Corporation, Docket No. EL27-11-000 (Nov. 3, 2026) ("Complaint").

[3] Capitalized terms used herein and not otherwise defined have the meaning used in the Open Access Transmission Tariff, the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C., the PJM Reliability Assurance Agreement, or the PJM Manuals.

Granting the requested extension will allow PJM to have a meaningful opportunity to fully address the issues raised in the Complaint, thereby facilitating a complete and well-developed record for Commission consideration.

PJM further requests that the Commission apply the five-day comment period applicable to motions for extension of time, such that responses would be due on November 9, 2026.[4] PJM also respectfully requests that the Commission establish the schedule for answering the Complaint as promptly as practicable.

I. PRELIMINARY ANSWER OPPOSING FAST-TRACK PROCESSING

The Complaint requests fast-track processing of its Complaint and asks the Commission to find that the existing three-year forward procurement period employed in PJM's Reliability Pricing Model is no longer just and reasonable and to replace it with a "prompt" auction construct. However, the Complaint fails to satisfy the stringent standard necessary to justify fast-track processing. Commission precedent makes clear that fast-track procedures are generally reserved for comparatively straightforward tariff disputes and are not well suited to proceedings involving complex or far-reaching policy issues.[5] To qualify for fast-track processing, a complainant must present "a highly credible claim and persuasive showing that standard processes will not be capable of resolving the complaint promptly enough to provide meaningful relief."[6] Because expedited schedules impose a substantial burden on the parties and can strain the Commission's resources, fast-track processing is appropriately reserved for only the most limited circumstances.

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[4] *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.").

[5] *See e.g. Amoco Energy Trading Corp. v. El Paso Natural Gas*, 89 FERC ¶ 61,165 (1999).

[6] *See* Fast Track Procedures, available at https://www.ferc.gov/fast-track-procedures.

The Complaint makes no such showing. Exelon offers only a single justification for its request, asserting that fast-track processing would "facilitate a Commission order by no later than January 31, 2027, the day before PJM is scheduled to post planning parameters for the 2030/2031 Delivery Year Base Residual Auction."[7] But Exelon never explains why a Commission order by that date is necessary to preserve meaningful relief. Nor could it. Even assuming, *arguendo*, that the Commission were ultimately to conclude that the existing three-year forward capacity market construct is unjust and unreasonable, the Federal Power Act provides a mechanism to preserve any potential remedy through the establishment of a refund effective date, including the January 1, 2027 refund effective date requested by Exelon.[8] Accordingly, Exelon fails to demonstrate that the Commission's ordinary processes are incapable of providing meaningful relief.

Fast-track processing is particularly inappropriate here because the Complaint challenges a foundational element of PJM's Reliability Pricing Model. The issues raised by Exelon extend far beyond a discrete tariff interpretation dispute and instead implicate fundamental questions regarding several key components of the design and operation of PJM's capacity market. Evaluation of changes to such rules requires careful consideration and input from PJM's diverse stakeholder body so as to not further exacerbate the resource adequacy issues facing the PJM Region.[9]

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[7] Complaint at 5.

[8] *See* Section 206(b) of the Federal Power Act, 16 U.S.C. 824e(b) ("At the conclusion of any proceeding under this section, the Commission may order refunds of any amounts paid, for the period subsequent to the refund effective date through a date fifteen months after such refund effective date, in excess of those which would have been paid under the just and reasonable rate, charge, classification, rule, regulation, practice, or contract which the Commission orders to be thereafter observed and in force….").

[9] PJM disagrees with Exelon's assertion that a prompt auction is just and reasonable on its own without a suite of complementary enhancements needed to produce, in Exelon's words, "a more durable resource adequacy construct that can reliably support the efficient entry and exit of Capacity Resources from the PJM Region . . . ." Complaint at 6-7.

PJM is already evaluating a range of comprehensive reforms to address issues related to the Reliability Pricing Model. As part of that effort, PJM recently released its Powering Reliability Through Market Design white paper, which identifies three broad pathways for maintaining long-term resource adequacy and reliability in the PJM region.[10] Since issuing the paper, PJM has received extensive feedback from stakeholders and other interested parties and is actively evaluating those comments with the objective of developing a clear roadmap for market reforms and related Commission filings after a stakeholder-informed process.

In short, this proceeding presents precisely the type of complex and consequential issues for which the Commission has historically declined to employ fast-track procedures.[11] Granting Exelon's request would unnecessarily hinder the ability of PJM and other interested stakeholders to develop and present the factual, technical, and policy considerations focused on holistic solutions which should be relevant to the Commission's decision. The Commission should therefore deny Exelon's request for fast-track processing.

II. MOTION FOR EXTENSION OF TIME

Absent Commission action, pursuant to Rule 206(f), answers to the Complaint would be due twenty days after the Complaint's filing date, or November 23, 2026. PJM respectfully requests that the Commission extend that deadline by four weeks, until December 21, 2026.

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[10] PJM, Powering Reliability Through Market Design Paper (May 6, 2026), https://www.pjm.com/-/media/DotCom/library/reports-notices/special-reports/2026/20260506-powering-reliability-through-market-design.pdf.

[11] *Amoco Energy Trading Corp.*, 89 FERC ¶ 61,165 (1999).

Good cause exists for the requested extension. First, additional time will permit PJM to incorporate into its response the outcome of imminent deliberations by the PJM Board regarding the path forward for the Base Residual Auction for the 2030/2031 Delivery Year. The PJM Board is scheduled to consider these very issues at its November 17, 2026 meeting, and the PJM Board's determinations are expected to substantially inform PJM's position regarding the issues raised in the Complaint. Allowing PJM's answer to reflect the results of those deliberations will provide the Commission with a more complete and informed record. Further, following the PJM Board's deliberations, PJM anticipates providing a timeline that outlines the stakeholder process through which a comprehensive package of capacity market enhancements, along with any associated filing(s), will be developed and finalized in PJM's forthcoming answer.

Second, as discussed further below, Exelon has failed to demonstrate any compelling reason for Commission action by the requested January 31, 2027 date. Accordingly, granting a modest four-week extension of the answer deadline will not impair the Commission's ability to act under section 206 of the Federal Power Act should it ultimately determine that modifications to PJM's three-year forward capacity market are warranted. Rather, the requested extension will ensure that PJM has a meaningful opportunity to fully address the complex issues presented in the Complaint and will better position the Commission to consider those issues based on a complete and well-developed record.

A. Legal Consequences Do Not Attach Merely When Planning Parameters Are Posted.

Exelon's request for fast-track processing rests entirely on its assertion that the Commission should issue an order before PJM posts the planning parameters for the

2030/2031 Base Residual Auction on January 31, 2027. Implicit in that argument is the suggestion that Commission action after that date could run afoul of the prohibition against retroactive ratemaking. That suggestion is unfounded.

Both the Commission and the courts evaluate retroactivity under the rubric established by the Supreme Court in *Landgraf v. USI Film Products*.[12] The salient question under *Landgraf* is at what point in the auction process would a change in the capacity auction rules attach new legal consequences.[13] As the Supreme Court explained, a rule is impermissibly retroactive where it "would impair rights a party possessed when he acted, increase a party's liability for past conduct, or impose new duties with respect to transactions already completed."[14] Applying those principles in the capacity market context, the critical question is not when planning parameters are posted, but when Market Participants take action in reliance on those parameters that carries legal consequences. Those consequences do not arise merely because PJM posts planning parameters. Rather, they arise when Market Participants submit binding offers into the auction. Indeed, PJM's Open Access Transmission Tariff ("Tariff") already provides express authority to update the planning parameters in certain circumstances.[15]

[12] *Landgraf v. USI Film Products*, 511 U.S. 244 (1994). *See Affirmed Energy, LLC v. FERC*, 166 F.4th 1070 (D.C. Cir. 2026), *PJM Power Providers Group v. FERC*, 96 F.4th 390, 398-399 (3d. Cir. 2024) (noting that courts routinely apply *Landgraf's* well-worn retroactivity principles to all sorts of agency actions — including FERC's), and *Basin Elec. Power Coop.*, 177 FERC ¶ 63,020 (2021).

[13] *PJM Power Providers Group v. FERC*, 96 F.4th at 398 (quoting *Landgraf*, 511 U.S. at 269-70, 280).

[14] *Landgraf*, 511 U.S. at 280.

[15] *See e.g.* Tariff, Attachment DD, section 5.11(a) (requiring PJM to post "[t]he PJM Region Reliability Requirement, and the Variable Resource Requirement Curve for the PJM Region, including the details of any adjustments to account for Price Responsive Demand and any associated PRD Reservation Prices").

The Third Circuit's decision in *PJM Power Providers Group v. FERC* confirms this distinction.[16] There, the court held that a tariff revision approved by the Commission during the conduct of a capacity auction was impermissibly retroactive because PJM had already opened the offer window and Market Participants had submitted binding offers based on the previously posted planning parameters.[17] Under those circumstances, the Commission's action altered the legal consequences of conduct that had already occurred, thereby "nullif[ying] a legal consequence attached to a past action taken in the Auction."[18] Significantly, the court did not hold that legal consequences attach upon the mere posting of planning parameters. To the contrary, the court's reasoning focused on the fact that Market Participants had already taken binding action in reliance on those parameters. The prohibition against retroactive ratemaking therefore protects reliance interests that arise once Capacity Market Sellers submit binding offers, not merely expectations that may exist before any such action occurs.[19]

This distinction reflects the underlying purpose of the filed-rate doctrine and the rule against retroactive ratemaking, which is to promote stability and predictability in regulated markets.[20] While the posting of planning parameters may inform market expectations, expectations alone do not create vested rights or legal consequences. As the

[16] *PJM Power Providers Group v. FERC*, 96 F.4th at 399._

[17] *Id.* at 402.

[18] *Id.* at 401.

[19] S*ee ISO New Eng. Inc.*, 196 FERC ¶ 61,172, at P 43 (2026) (rejecting claim of retroactive rate making and explaining that in the *PJM Power Providers* decision the court explained that "retroactive rules alter the past legal consequences of past actions" and found that that [PJM] tariff change was retroactive "because it altered the legal consequence attached to a past action when it allowed PJM to use a different LDA Reliability Requirement than the one it had calculated and posted.").

[20] *PJM Power Providers Group v. FERC*, 96 F.4th at 402.

D.C. Circuit has explained, the rule against retroactive ratemaking "does not protect a utility's expectation that a rate will not change in the future."[21]

Accordingly, Exelon has failed to demonstrate why Commission action is required by January 31, 2027. The posting of planning parameters, standing alone, does not establish the type of completed transaction or legally consequential market conduct that would later constrain the Commission's ability to act. In short, the Commission need not adopt an expedited schedule to preserve its authority under section 206 of the Federal Power Act to order changes to PJM's capacity market if it ultimately determines that such changes are warranted.

B. Market Participants Receive Adequate Prior Notice Upon Establishment of the Refund Effective Date So Any Posted Planning Parameters May Be Subject to Revision Under Section 206 of the Federal Power Act

Apart from the fact that no legal consequences attach merely upon the posting of planning parameters, Exelon brought this proceeding under section 206 of the FPA. Under the statutory framework established by Congress, the FPA expressly contemplates that rates, rules, and practices subject to a section 206 complaint remain subject to Commission review and potential modification following the establishment of a refund effective date. Upon the filing of a complaint and the establishment of a refund effective date, Market Participants are placed on notice that the challenged rate, term, or condition may ultimately be found unjust and unreasonable and that the Commission may order prospective relief, as well as refunds dating back to the refund effective date.[22]

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[21] *Louisiana Public Service Commission v. FERC*, 10 F.4th 839 (D.C. Cir. 2021) ("the rule against retroactive rate making does not protect a utility's expectation that a rate will not change in the future.").

[22] 16 U.S.C. § 824e(b).

The D.C. Circuit recently reaffirmed this principle, explaining that section 206(b) operates as a statutory "exception to the filed-rate doctrine's general prohibition of retroactive rate modifications" and authorizes the Commission to provide relief reaching back to the refund effective date established upon the filing of a complaint.[23] There, the court emphasized that the refund effective date serves a critical notice function because it informs Market Participants that the challenged tariff provision is subject to potential Commission revision and refund liability from that point forward.[24]

Thus, even assuming, *arguedo,* that the legal consequences attach when planning parameters are posted, section 206 independently defeats any claim that Commission action after that date would constitute impermissible retroactive ratemaking. The D.C. Circuit has expressly rejected the notion that the filed-rate doctrine bars Commission action under section 206 of the FPA.[25] That is, Congress specifically authorized the Commission, through section 206, to modify existing rates and provide refund relief after establishing a refund effective date, thereby placing all affected parties on notice that the challenged rate structure remains provisional pending resolution of the complaint. To be clear, the Commission has historically been reluctant to order refunds with respect to final market results, and PJM has opposed such requests for refund relief. PJM references the Court's decision solely to demonstrate that the Commission need not issue an order on the underlying complaint prior to PJM posting the planning parameters.

[23] *Maryland Office of People's Counsel v. FERC*, 164 F.4th 920, 927 (D.C. Cir. 2026) (internal quotation markets removed).

[24] *Id.* at 928-30.

[25] *Id*. at 927.

The filing of Exelon's section 206 complaint put Market Participants on notice that PJM's existing capacity market construct challenged by the Complaint may ultimately be modified by Commission order. Accordingly, once the refund effective date is established, stakeholders have legally sufficient notice that the existing rules may be revised and that any resulting relief may relate back to that date. Exelon therefore cannot demonstrate that Commission action is required by January 31, 2027, to preserve the Commission's authority to grant meaningful relief. For that reason as well, Exelon's request for fast-track processing should be denied and the Commission should grant a four-week extension of time to answer Exelon's complaint.

C. PJM is Scheduled to Post Planning Parameters By March 1, 2027 for the 2030/2031 Base Residual Auction.

Further undermining Exelon's claim of urgency, the Commission recently accepted Tariff revisions that require PJM to post the PJM Region Reliability Requirement and the Locational Deliverability Area Reliability Requirement by March 1 preceding each Base Residual Auction.[26] Consistent with that order and the updated Tariff,[27] PJM will revise its pre-auction schedule and now anticipates posting the planning parameters for the 2030/2031 Base Residual Auction on or before March 1, 2027. Accordingly, even if the Commission were to conclude that action should be taken before the planning parameters for the 2030/2031 Base Residual Auction are posted, the Commission would have until February 28, 2027, rather than January 31, 2027, to act (*i.e.*, four extra weeks). Exelon's asserted deadline therefore no longer reflects PJM's anticipated pre-auction schedule for posting the planning parameters.

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[26] *PJM Interconnection, L.L.C.*, Delegated Letter Order, Docket No. ER26-3661-000 (Oct. 30, 2026).

[27] *See* Tariff, Attachment DD, section 5.10(a)(iv)(B).

For this additional reason, granting PJM's request for a four-week extension of time to answer the Complaint, through December 21, 2026, will not prejudice any party, constrain the Commission's consideration of the issues presented, or otherwise impair the Commission's ability to exercise its authority under section 206 of the Federal Power Act should it ultimately determine that changes to PJM's capacity market rules are warranted.

III. CONCLUSION

For the reasons set forth herein, PJM respectfully requests that the Commission deny Exelon's request for fast-track processing. PJM further requests that the Commission promptly grant PJM's request for an extension of time, through December 21, 2026, to answer the Complaint. Good cause exists for the requested four-week extension as it will afford PJM and other interested parties a meaningful opportunity to review, analyze, and respond to the significant legal, policy, and market-design issues raised by the Complaint. Granting the requested extension will facilitate the development of a comprehensive and well-supported record upon which the Commission can base its determination.

Finally, the requested extension will not prejudice any party or impair the Commission's ability to grant relief, if warranted. As discussed above, the extension has no effect on the Commission's authority under section 206 of the Federal Power Act[28] to establish a refund effective date and, if appropriate, order relief in this proceeding. Accordingly, for good cause shown, the Commission should deny Exelon's request for fast-track processing, grant PJM's motion for an extension of time, and establish December 21, 2026, as the deadline for answers to the Complaint.

Respectfully submitted,

/s/ Chenchao Lu

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November 4, 2026

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[28] 16 U.S.C. § 824e.

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 Audubon, PA., this 4th day of November 2026.

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