UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

PJM Interconnection, L.L.C.) Docket No. ER27-126-000

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

Pursuant to Rules 212 and 213 of the Federal Energy Regulatory Commission's ("Commission" or "FERC") Rules of Practice and Procedure,[1] PJM Interconnection, L.L.C. ("PJM") submits this Motion for Leave to Answer and Answer to Comments regarding the Study Agreement in Furtherance of the State of Ohio's State Agreement Approach Request ("Study Agreement Filing"), filed on October 13, 2026, by PJM.[2] Comments on the Study Agreement Filing were filed by the Office of the Ohio Consumers' Counsel ("OCC");[3] the Public Utilities Commission of Ohio's Federal Energy Advocate ("Ohio FEA");[4] Buckeye Power, Inc. ("Buckeye Power");[5] American Electric Power

[1] 18 C.F.R. §§ 385.212, 385.213.

[2] *PJM Interconnection, L.L.C.*, Study Agreement in Furtherance of the State of Ohio's State Agreement Approach Request, FERC Rate Schedule No. 54, Docket No. ER27-126-000 (Oct. 13, 2026) ("Study Agreement Filing"). Capitalized terms not otherwise defined herein will have the meaning set forth in the Open Access Transmission Tariff ("Tariff"), Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. ("Operating Agreement"), or Study Agreement Filing, Attachment A ("Study Agreement").

[3] *PJM Interconnection, L.L.C.*, Comments for Consumer Protection by Office of the Ohio Consumers' Counsel, Docket No. ER27-126-000 (Nov. 3, 2026) ("OCC Comments").

[4] *PJM Interconnection, L.L.C.*, Comments on Study Agreement in Furtherance of Ohio's State Agreement Approach Request of Public Utilities Commission of Ohio's Federal Energy Advocate, Docket No. ER27-126-000 (Nov. 3, 2026).

[5] *PJM Interconnection, L.L.C.*, Comments of Buckeye Power, Inc., Docket No. ER27-126-000 (Nov. 3, 2026) ("Buckeye Power Comments").

Service Corporation ("AEP");[6] Pike County Landowners;[7] and the Ohio Environmental Council ("OEC").[8]

PJM appreciates the comments filed in support of the Study Agreement Filing, which has a very limited scope. It establishes the framework pursuant to which PJM will evaluate the Flagship Project on an integrated basis and identify the transmission facilities needed to reliably accommodate the project on the PJM transmission system. To the extent that some of the comments submitted raise issues such as, *inter alia*, cost allocation concerns, preferences for certain public policy initiatives, or siting and routing issues, such issues are not germane to the Study Agreement Filing.[9] Accordingly, comments raising these issues are beyond the scope of this proceeding. As indicated in the Study Agreement Filing, specific cost-allocation and recovery mechanisms will be subject to a separate future

[6] *PJM Interconnection, L.L.C.*, Comments of American Electric Power Service Corporation, Docket No. ER27-126-000 (Nov. 3, 2026) ("AEP Comments").

[7] *PJM Interconnection, L.L.C.*, Motion to Intervene and Comments of Pike County Landowners, Docket No. ER27-126-000 (Nov. 3, 2026) ("Pike County Landowners Comments").

[8] *PJM Interconnection, L.L.C.*, Comments of the Ohio Environmental Council, Docket No. ER27-126-000 (Nov. 3, 2026) ("OEC Comments").

[9] To the extent the Commission deems any of the comments filed in this proceeding to be a protest, PJM respectfully submits this motion for leave to answer, given that the Commission's regulations prohibit answers to protests. The Commission has allowed answers to protests when the answer would ensure a more complete record, lead to a better understanding of the issues in the proceeding, or assist the Commission in its decision-making process. PJM's response, herein, will inform the Commission's decision-making and clarify the scope of the proceeding. If necessary, PJM respectfully requests that the Commission grant this motion for leave to answer. *See, e.g.*, *Pioneer Transmission, LLC v. N. Ind. Pub. Serv. Co.*, 140 FERC ¶ 61,057, at P 94 (2012); *Midwest Indep. Transmission Sys. Operator, Inc.*, 131 FERC ¶ 61,285, at P 6 n.10 (2010); *Sw. Power Pool, Inc.*, 131 FERC ¶ 61,252, at P 19 (2010) (accepting answers that "provided information that assisted [the Commission] in [its] decision-making process"); *Duke Energy Ky., Inc.*, 122 FERC ¶ 61,182, at P 25 (2008) (accepting answers in proceeding that "provided information that assisted [the Commission] in [its] decision-making process"); *Tallgrass Transmission, LLC*, 125 FERC ¶ 61,248, at P 26 (2008) (same); *Midwest Indep. Transmission Sys. Operator, Inc.*, 120 FERC ¶ 61,083, at P 23 (2007) (Answer to protests permitted when it provides information to assist the Commission in its decision-making process.).

Federal Power Act ("FPA") section 205 proceeding and a retail PUCO proceeding.[10] Any comments regarding cost allocation here are premature and outside the scope of the proceeding.[11]

I. THE STUDY AGREEMENT

The Study Agreement establishes the terms and conditions under which PJM will conduct the studies necessary ("Study" or "Studies") to respond to the Public Utilities Commission of Ohio's ("PUCO") request that PJM employ the State Agreement Approach ("SAA") as set forth in the PJM Operating Agreement, Schedule 6, section 1.5.9. The SAA is in furtherance of the state of Ohio's public policy goal of facilitating the development of a large-scale data-center technology campus, the Flagship Project, in Pike County, Ohio. The Flagship Project is sponsored and will be developed by PORTS 2 Interconnect, LLC, SE DC DevCo, LLC, and Portsmouth Gas DevCo, LLC, which are affiliates of SB Energy. The Flagship Project is a proposed integrated project that pairs approximately 9.57 gigawatts ("GW") of additional data center load with approximately 10.17 GW of new generation. SB Energy and AEP Ohio Transmission Company, Inc. ("AEP Ohio")[12] have identified new transmission infrastructure, including three proposed 765 kilovolt

[10] Study Agreement Filing, Transmittal at 17, Study Agreement, Schedule A – Ohio Study Agreement Request at 2 ("The details of the SAA and the specific cost-allocation and recovery approach will be subject to regulatory proceedings before the PUCO, which will issue its finding through the PUCO case. Any state agreement to be filed at the [FERC] pursuant to the SAA provisions in the Operating Agreement will need to be authorized by the PUCO in conjunction with the resolution of any state-jurisdictional issues in those proceedings.").

[11] *See PJM Interconnection, L.L.C.*, 173 FERC ¶ 61,225, at P 64 (2020) ("The Commission found that since this FPA section 205 filing proposes no change to cost allocation, that issue is beyond the scope of this proceeding.").

[12] AEP Ohio is an affiliate of AEP.

transmission lines, that AEP Ohio will construct and SB Energy will pay for to support the Flagship Project.[13]

The Study Agreement provides for PJM to evaluate the proposed load, generation, and transmission facilities together to identify transmission facility upgrades necessary to reliably accommodate the project on the PJM transmission system, rather than individually studying the Flagship Project generation and load facilities. The Study Agreement also requires SE DevCo, LLC to be fully and solely responsible for the costs of the Study.[14] PJM will assess whether the transmission facilities identified by AEP Ohio are sufficient to support the requested level of Network Integration Transmission Service for the identified load and Capacity Interconnection Rights for the identified generation. PJM will identify any additional facilities needed beyond those proposed by AEP Ohio.

The instant proceeding addresses only the Study Agreement, which defines the scope of and methods for PJM's evaluation of the Flagship Project. The Study Agreement does not address the need for the project or specific components thereof, cost allocation, or public policy issues beyond those identified by PUCO, or routing and siting matters. Such issues will be addressed in future Commission and state proceedings, as applicable.

II. COMMENTS ON ISSUES OTHER THAN PJM'S EVALUATION OF THE FLAGSHIP PROJECT ARE OUTSIDE THE SCOPE OF THIS PROCEEDING

Several commentors raised issues regarding cost allocation that are outside the scope of this proceeding and will be addressed in subsequent FPA section 205 filings with the Commission. Additionally, retail rate recovery matters will be addressed in future

[13] Study Agreement, Schedule B – Flagship Project Specifications.

[14] Study Agreement, Article 9.

proceedings at PUCO. For example, the OCC stated that "protections should be included in the SAA process to make sure non-data center consumers in Ohio do not bear the financial consequences in the event the Flagship Project fails to deliver the benefits for Ohioans as promised."[15] The OEC stated that "FERC should reject PJM's request to use the SAA absent a clear and legally-binding cost-allocation structure that ensures 100% of the transmission infrastructure project costs are posted up front by the developer."[16] And while Buckeye Power recognizes that the Study and Study Agreement do not establish cost allocation, it notes that "[g]iven the magnitude of potential costs and the significant risk of cost shifting, however, the Commission should condition any acceptance of the Study Report on future cost allocation filing(s) being consistent with the explicit intent that SB Energy ultimately bear the costs of the Required Transmission Upgrades."[17]

The Studies performed under the Study Agreement are strictly to identify any potential necessary transmission facilities to reliably serve the Flagship Project. The results of the Study will not in any way allocate costs to any parties, either in the state of Ohio or elsewhere, and the Study Agreement will not select any projects, designate construction responsibility to entities, establish a new cost allocation, or grant any transmission or interconnection rights.[18] Neither the Study Agreement itself nor the results of the Study will authorize construction of any facilities. All other matters, including cost allocation, will be addressed in future filings with the Commission. Specifically, cost allocation will be addressed in a subsequent FPA section 205 filing to amend Schedule 12 – Appendix C

[15] OCC Comments at 5-6.

[16] OEC Comments at 2.

[17] Buckeye Power Comments at 6.

[18] Study Agreement, Article 8.

of the PJM Tariff, consistent with Operating Agreement, Schedule 6, section 1.5.9, and retail cost recovery will be addressed in future PUCO proceedings.

Comments regarding the SAA approach and cost allocation are outside the scope of this proceeding.[19] These issues would be appropriate in future dockets that will consider implementation of an SAA Agreement, such as a filing to amend Schedule 12 of PJM's Tariff, which will address cost allocation.

Pike County Landowners raise a separate point that identification of any transmission facilities by the Studies as necessary to reliably serve the Flagship Project "does not itself approve or establish the need for any particular facility, routes, location or configuration . . . and does not itself determine inclusion of any facility in the [Regional Transmission Expansion Plan ("RTEP")]."[20] The Study does not approve or include any potentially necessary transmission facilities. The identification of facilities does not automatically include these facilities in the RTEP.[21] Such actions include, but are not limited to, the Commission's acceptance of a future cost allocation methodology for the selected projects, applicable retail rate proceedings at PUCO, negotiation and execution of a future SAA Agreement, and potentially other additional required agreements and approvals under the PJM Tariff and Operating Agreement, such as Designated Entity Agreements.

OEC objects to the use of the Study Agreement and SAA for purposes of interconnecting new load and generation outside PJM's standard load and generator

[19] *See* OCC Comments at 5-8; OEC Comments at 1-4; Buckeye Power Comments at 5-8; AEP Comments at 2-4.

[20] Pike County Landowners Comments at 3.

[21] Study Agreement Filing, Transmittal at Section III.F.

interconnection queue processes.[22] As explained in PJM's Transmittal, the Study Agreement establishes a coordinated process tailored to the circumstances of the Flagship Project, while preserving the substantive reliability analysis required by PJM's transmission planning and interconnection studies.[23] To that end, PJM will assess how the Flagship Project's load and generation components operate on an integrated basis on the transmission system, whether the identified facilities can accommodate the requested level of transmission service under the study scenarios described in the Study Agreement, and, if not, what additional transmission may be needed, at a planning level, to support the project and address resulting reliability violations.[24] Although the proposed generation associated with the Flagship Project will not be studied through the PJM interconnection queue, the Study Agreement does not alter the substantive reliability standards or planning criteria applicable to PJM's evaluation of that generation. Similarly, PJM will evaluate the transmission needs associated with the combined load, generation, and transmission facilities contemplated by the Flagship Project, including whether the AEP Ohio-identified transmission facilities are sufficient to address those needs, consistent with PJM's established transmission planning processes.

OEC contends that the SAA has traditionally been used to further a state's environmental policy objectives and that the application of the SAA to the Flagship Project "risks creating a dangerous precedent."[25] Again, as with other issues discussed above, these comments are outside the scope of the instant proceeding. Moreover, nothing in

[22] OEC Comments at 5.

[23] Study Agreement Filing, Transmittal a 4.

[24] Study Agreement Filing, Transmittal at 11.

[25] OEC Comments at 4-5.

Operating Agreement, Schedule 6, section 1.5.9 limits the application of the SAA in the manner that the OEC's comments suggest. The OEC points to no language or alleged tariff violation of Schedule 6, section 1.5.9 and nothing therein requires that the state public policy at issue be to further an environmental objective or constrains a state seeking to use the SAA for environmental purposes. Rather, it empowers an authorized state government entity to use the SAA if it "agree[s] voluntarily to be responsible for the allocation of all costs of a proposed transmission expansion or enhancement that addresses state Public Policy Requirements identified or accepted by the state(s) in the PJM Region."[26] PUCO has identified the relevant public policy as facilitating the State of Ohio's effectiveness in the global economy through furthering the timely development of the Flagship Project.[27] There are no further applicable requirements in the PJM Operating Agreement.

III. CONCLUSION

PJM requests that the Commission grant this motion for leave to answer, consider only comments properly within the scope of this proceeding, and accept the Study Agreement.

[26] Operating Agreement, Schedule 6, section 1.5.9(a).

[27] Study Agreement, Schedule A – Ohio Study Agreement Request.

Respectfully submitted,

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November 20, 2026

CERTIFICATE OF SERVICE

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

Dated at Washington, D.C., this 20th day of November 2026.

/s/ Stefan A. Koester

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