UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

PJM Interconnection, L.L.C.	)	**Docket No. ER27-167-000**

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

PJM Interconnection, L.L.C. ("PJM"), pursuant to Federal Energy Regulatory Commission ("Commission" or "FERC") Rules of Practice and Procedure 213,[1] submits this Answer to the Protest of the Electric Power Supply Association ("EPSA") and the PJM Power Providers Group ("P3") (collectively, "Protestors") as well as to the out-of-time Comments of the Independent Market Monitor for PJM ("Market Monitor") in this proceeding.[2] For the reasons set forth below, the Commission should reject the arguments contained in the Protest and Comments, and accept PJM's proposed revisions to the PJM Open Access Transmission Tariff ("Tariff"), as proposed in PJM's October 15 Filing.[3]

As further explained below, the Commission should reject arguments raised in the Protest and Comments as PJM's proposed revisions reflect a just and reasonable solution to support a pro forma reliability must-run ("RMR") agreement and will significantly improve PJM's current RMR process. The pro-forma RMR agreement will allow PJM to more expeditiously retain deactivating

[1] 18 C.F.R. § 385.213.

[2] *PJM Interconnection, L.L.C.*, Protest of EPSA and P3, Docket No. ER27-167-000 (Nov. 5, 2026) ("Protest"); *PJM Interconnection, L.L.C.*, Comments of the Independent Market Monitor for PJM, Docket No. ER27-167-000 (Nov. 5, 2026) ("Comments").

[3] *PJM Interconnection, L.L.C.*, Form Reliability Must Run Service Agreement, Docket No. ER27-167-000 (Oct. 15, 2026) ("October 15 Filing").

generators by eliminating the need to negotiate the terms and conditions of each RMR agreement from scratch.

Moreover, arguments raised in the Protest have generally been considered and addressed by both PJM and the Commission in prior proceedings, while arguments raised in the Market Monitor's Comments are generally misplaced or out of scope. For example, the Commission has repeatedly found that (1) "PJM will have reasonable assurances that qualifying RMR resources will perform during system emergencies in a manner similar to capacity resources,"[4] (2) that including RMRs as capacity is a reasonable approach because it prevents double-counting and prevents "customers paying for more capacity than they need," which outweighs any concerns of potential price suppression[5] and is consistent with Commission precedent regarding the treatment of RMR resources in NYISO and ISO-NE;[6] and (3) that it is appropriate for RMR resources included as price-takers in Reliability Pricing Model ("RPM")[7] Auctions for a given Delivery Year to continue providing service until that Delivery Year has concluded.[8] Moreover, the Protest's attempts to distinguish the Brandon Shores and Wagner RMR determinations as limited in

[4] *See, e.g.*, *PJM Interconnection, L.L.C.*, 190 FERC ¶ 61,088, at P 52 (2025); *id.* at P 48 (finding "that PJM's proposed criteria reasonably identify whether an RMR resource can be expected to perform similar to a capacity resource such that excluding it from the capacity market supply stack would result in PJM over-procuring"); *see* Protest at 6 (arguing that "RMR resources do not inherently and automatically provide a Capacity product").

[5] *PJM Interconnection, L.L.C.*, 190 FERC ¶ 61,088, at P 52; *PJM Interconnection, L.L.C.*, 192 FERC ¶ 61,135, at P 21 (2025) (reaffirming on rehearing that that while "RMR units were not perfect substitutes for capacity resources, permitting their inclusion in the capacity market reduces the risk that load will procure excess capacity and pay for capacity twice as a result"); *see* Protest at 6 (arguing that "one cannot assume that an RMR resource will be available to address generic resource adequacy needs").

[6] *PJM Interconnection, L.L.C.*, 190 FERC ¶ 61,088, at P 50.

[7] Capitalized terms used herein and not otherwise defined have the meaning used in the Tariff, the Amended and Restated Operating Agreement of PJM ("Operating Agreement"), the PJM Reliability Assurance Agreement ("RAA"), the PJM Manuals (collectively "the Governing Documents"), or the proposed pro forma RMR Agreement.

[8] *Id.* at P 47 (accepting as just and reasonable the retention of RMR facilities in alignment with Delivery Years for which they were included in the RPM as price-takers); *see* Protest at 11 (arguing that "[p]rolonging the duration of RMR arrangements beyond the completion of the necessary transmission upgrades in this fashion conflicts with Commission precedent").

Delivery Years and MWs is misplaced, as any RMR agreements entered into under the Pro Forma RMR would also be set for a limited number of Delivery Years and for a finite quantity of MWs, and would not be accepted on a "generic"[9] or "permanent basis."[10]

On the other hand, the Market Monitor's Comments raise out of scope arguments regarding defined terms in the Operating Agreement that are not being changed in this proceeding[11] and components of acceptable RMR costs that are intentionally and explicitly not included in the terms and conditions of the proposed pro forma RMR agreement.[12] The Comments also challenge common sense requirements such as deadlines necessary for auction planning and rules regarding bilateral transactions that are necessary to provide reasonable assurances that RMR resources under the pro forma can be relied upon by PJM during capacity emergencies.[13]

I. MOTION FOR LEAVE TO ANSWER

While an answer to protests is not a matter of right under the Commission's regulations,[14] the Commission routinely permits answers when the answer provides useful and relevant information that will assist the Commission in its decision-making process,[15] assures a complete

[9] Protest at 14 (arguing against "permitting RMR resources, which are intended to be temporary transmission solutions, to distort the markets and deter needed investment . . .on a generic basis").

[10] Protest at 10 (arguing against "proposing such treatment on a permanent basis").

[11] Comments at 2-5 (arguing incorrectly "that PJM now attempts to change the definition" of Catastrophic Force Majeure).

[12] Comments at 7-9 (arguing for additional considerations regarding market revenue offsets of costs and Project Investment costs).

[13] Comments at 6 (arguing mistakenly that the terms of the pro forma "would permit any private third-party entity to prevent the RMR resource from being treated as capacity despite the Commission's order requiring that it be treated as capacity") (internal quotations omitted); Comments at 7 (arguing mistakenly that the requirement that RMRs be accepted "at least three months prior the posting of the planning parameters . . . could result in RMR resources not being included as capacity") (internal quotations omitted).

[14] 18 C.F.R. § 385.213(a)(2).

[15] *See, e.g.*, *Pioneer Transmission, LLC v. N. Ind. Pub. Serv. Co.*, 140 FERC ¶ 61,057, at P 94 (2012) (accepting answers that "provided information that assisted us in our 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

record in the proceeding,[16] and provides information helpful to the disposition of an issue.[17] This answer satisfies each of these criteria, and PJM therefore respectfully requests that the Commission grant leave and accept this pleading.

II. ANSWER

A. The Protest Does Not Raise Any Arguments that Render PJM's Proposal Unjust and Unreasonable

1. The Commission Has Already Determined that RMR Resources Retained Under the Proposed Terms Can Be Reasonably Relied Upon by PJM to Provide Capacity Benefits Comparable to Capacity Resources.

Protestors mistakenly argue that "PJM appears to have started with the conclusion that all RMR resources should be included in the RPM supply stack as price-takers and then backed into what obligations should be imposed on RMR resources through the pro forma RMR Agreement."[18] This argument, however, is incorrect, and so too are the subsequent points flowing from it.[19]

As a threshold issue, PJM did not propose that any and all RMR resources should be included in the RPM supply stack.[20] Rather, this filing only proposes that those resources that are subject to the pro forma RMR would be price-takers in the RPM supply stack because, as the Commission explained, "recogniz[ing] resource adequacy contributions of RMR resources that meet certain criteria, such that they can be reasonably expected to perform, similar to capacity

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P 23 (2007) (permitting answer to protests when it provided information that assisted the Commission in its decision-making process).

[16] *See, e.g.*, *Pac. Interstate Transmission Co.*, 85 FERC ¶ 61,378, at 62,443 (1998), *order on reh'g*, 89 FERC ¶ 61,246 (1999); *see also Morgan Stanley Cap. Grp., Inc. v. N.Y. Indep. Sys. Operator, Inc.*, 93 FERC ¶ 61,017, at 61,036 (2000) (accepting an answer that was "helpful in the development of the record").

[17] *See, e.g.*, *PJM Interconnection, L.L.C.*, 190 FERC ¶ 61,088 at P 19; *CNG Transmission Corp.*, 89 FERC ¶ 61,100, at 61,287 n.11 (1999).

[18] Protest at 5.

[19] Protest at 3-12.

[20] *See* Protest at 2 (arguing that "requiring all RMR Resources to be treated as price takers in RPM Auctions will result in the displacement of more efficient resources and new entrants").

resources, will reflect the actual availability of resources in the PJM Region . . . and avoid the risk that load will pay twice for the same capacity."[21] The Commission has already determined that substantially similar RMR agreement criteria "reasonably identify whether an RMR resource can be expected to perform similar to a capacity resource such that excluding it from the capacity market supply stack would result in PJM over-procuring capacity."[22] Contrary to the Protest's attempts to distinguish this determination,[23] the same "reasonable assurances that qualifying RMR resources will perform during system emergencies in a manner similar to capacity resources"[24] that existed in that proceeding would necessarily exist for resources negotiated pursuant to the pro forma RMR agreement.[25]

Although the subsequent arguments on this point in the Protest should be rejected as they rest on a faulty premise, PJM nevertheless addresses them here. First, the Protest's allegation that RMR resources do not inherently provide a capacity product but only a "transmission solution" is directly contradicted by the Commission's repeated findings that the proposed "criteria reasonably identify whether an RMR resource can be expected to perform similar to a capacity resource."[26] The Commission has confirmed that under such conditions "PJM will have reasonable assurances that qualifying RMR resources will perform during system emergencies in a manner similar to capacity resources."[27]

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[21] *PJM Interconnection, L.L.C.,* 190 FERC ¶ 61,088, at P 47.

[22] *Id.* at P 48.

[23] Protest at 7 ("No similar assurances are present here.").

[24] *Id.* (quoting *PJM Interconnection, L.L.C.*, 190 FERC ¶ 61,088 at P 43).

[25] Protest at 7 ("No similar assurances are present here.").

[26] *PJM Interconnection, L.L.C.,* 190 FERC ¶ 61,088, at P 47.

[27] *Id.* at P 52; *id.* at P 48.

Second, while the Protest notes that the performance adder holdback proposed as part of previously accepted RMR Agreements is not included here, that difference is immaterial to the applicability of the Commission's findings.[28] First, RMR resources are not intended to "perfect[ly] substitute"[29] for Capacity Resources, as they are not Capacity Resources and are not paid capacity payments. Rather, they are retained and will perform pursuant to a separate RMR agreement with PJM, which results in RMR resources providing comparable benefits and obligations to capacity resources. Accordingly, as the Commission has repeatedly found, such resources do provide benefits similar to capacity resources such that including them as price-takers in the RPM supply stack is a just and reasonable approach to "reduce the risk that load will procure excess capacity and pay for capacity twice as a result."[30]

This is true with or without explicit financial consequences from potential non-performance such as Non-Performance Charges, must-offer requirements, or the performance adder holdback because proposed Tariff, Part V, Subpart A, section 3.3 requires that RMR resources "undertake best efforts to cost-effectively ensure the availability of" the resource and "at all times prepare, maintain, and operate the RMR Resource consistent with Good Utility Practice" and "ensure that the RMR Resource continues to meet the deliverability requirements under RAA, Schedule 10."[31] Accordingly, a failure to operate consistent with the terms of the agreement could result in referral to the Market Monitor or the Commission. This referral risk provides sufficient assurances that such an RMR resource can be relied upon without the need for imposing a specific financial consequence.

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[28] Protest at 8.

[29] *PJM Interconnection, L.L.C.*, 190 FERC ¶ 61,088 at P 49.

[30] *Id.* at P 50.

[31] Proposed Tariff, Proposed Tariff, Part V, Subpart A, section 3.3.

Moreover, the need for such penalties is lessened for RMRs. For Capacity Resources that are not intending to deactivate, penalty structures help incentivize the appropriate level of continued investment and maintenance that is necessary for consistent, long-term operation. RMR agreements, on the other hand, are only entered into for limited durations, and resources that PJM seeks to retain under the terms of the proposed pro forma would already be extensively reviewed for any potential maintenance and investment needs that would be required before the resource could fulfill its RMR role. Resources that PJM determines would not be able to fulfill the needs for which an RMR is being retained would, necessarily, not be eligible for RMR treatment. Additionally, as the pro forma RMR only provides standardized terms and conditions but does not mandate the rate itself, it is conceivable that a cost-of-service rate proceeding under an RMR resource seeking to determine its cost of service could include additional financial penalties tied to specific performance elements.

2. Case-By-Case Review and Negotiation of Whether RMRs Retained Pursuant to the Pro Forma Should Be Included in RPM Auctions Would Eviscerate the Consistency and Efficiency Benefits of the Proposed Pro Forma RMR Agreement.

Despite acknowledging that "adopting a pro forma RMR agreement could be beneficial,"[32] Protestors encourage the Commission to require PJM to "engage in case-by-case analysis of whether a given RMR resource should be included in RPM Auctions."[33] However, doing so would eliminate any potential benefits to the consistency and efficiency of PJM's administration of RMRs that this proposal was meant to provide.

[32] Protest at 1-2.

[33] Protest at 4.

Moreover, contrary to the arguments raised in the Protest,[34] while PJM studies the reliability impact of the transmission system associated with deactivating resources, PJM's terms and conditions of the proposed pro forma retain RMR resources that will be used to maintain thermal, voltage, and stability limits as well as to address other potential capacity emergencies.[35] Additionally, the proposed pro forma requires that RMR resources "undertake best efforts to cost-effectively ensure the availability of" the resource and "at all times prepare, maintain, and operate the RMR Resource consistent with Good Utility Practice" and "ensure that the RMR Resource continues to meet the deliverability requirements under RAA, Schedule 10."[36] The pro forma RMR therefore establishes terms and conditions of service that the Commission has found appropriately take into consideration the resource adequacy contributions of those RMR resources.[37]

Protestors raise similar arguments that were previously raised and dismissed by the Commission, arguing that "RMR resources are not subject to the same incentives and requirements as capacity resources."[38] The Commission acknowledged that "an RMR resource is not necessarily a perfect substitute for a capacity resource" but nevertheless found "that PJM's proposed criteria reasonably consider whether PJM can commit an RMR resource during emergency conditions to help meet the system's resource adequacy needs."[39]

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[34] Protest at 5 (arguing for an approach under which "the terms and conditions of RMR service are tailored to the specific transmission issue being addressed"); *id.* (arguing that "RMR services are transmission solutions and are therefore fundamentally different from Capacity") (internal quotations omitted).

[35] *See* October 15 Filing at 11; Proposed Tariff, section 3.1.

[36] *See* Attachment A, Proposed Tariff, Part V, Subpart A, section 3.3.

[37] *PJM Interconnection, L.L.C.,* 190 FERC ¶ 61,088 at P 47 ("We agree with PJM that taking into consideration the resource adequacy contributions of RMR resources that meet certain criteria, such that they can be reasonably expected to perform, similar to capacity resources, will reflect the actual availability of resources in the PJM Region for the 2026/2027 and 2027/2028 delivery years and avoid the risk that load will pay twice for the same capacity.").

[38] *Id.* at P 49.

[39] *Id.*

Similarly, Protestors' argument that PJM's proposal will "distort the RPM market" and will result in "deadweight loss" due to the mandatory inclusion of RMR capacity in the auction[40] was also squarely addressed by the Commission in a previous proceeding.[41] Specifically, the Commission found that this treatment was reasonable and consistent with treatment of RMR resources in NYISO and ISO-NE.[42] In that proceeding, the Commission was not "persuaded by protestors' concerns that price-taker treatment of RMR resources may result in capacity market prices that do not reflect system needs and result in price suppression through the displacement of cost based capacity offers."[43] In fact, the Commission determined that such treatment of RMR resources was appropriate because "doing otherwise would result in customers paying for more capacity than they need."[44] In other words, the Commission has already weighed the potential distortionary or suppressive effects of retaining an RMR resource as a price-taker in the RPM supply stack as less harmful than failing to retain a necessary RMR resource in the first place. As these issues were squarely addressed in previous Commission orders, the Commission should reject such collateral attacks against previous determinations regarding the appropriateness of accounting for RMR resources in capacity markets and continue to find PJM's proposed treatment of such resources just and reasonable.[45]

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[40] Protest at 12-13.

[41] *PJM Interconnection, L.L.C.,* 190 FERC ¶ 61,088 at P 50.

[42] *Id.* at P 50, n.132 (citing *ISO New England Inc.*, 173 FERC ¶ 61,198 at P 74; *ISO New England Inc.*, 155 FERC ¶ 61,023, at P 68 (2016) (finding that, where ISO-NE sought to "balance both the harms and the benefits to customers from an exemption that might result in some price suppression," the exemption was just and reasonable because ISO NE "took steps to limit the amount of price suppression" and enabled the continued procurement of "sufficient capacity to meet reliability targets").

[43] *Id.* at P 50.

[44] *Id.*

[45] *See, e.g., Sacramento Mun. Util. Dist. v. FERC*, 428 F.3d 294, 299 (D.C. Cir. 2005) ("Because the time for seeking judicial review has long passed, Sacramento's argument amounts to an impermissible collateral attack on the previously approved California ISO tariff."); *Potomac-Appalachian Transmission Highline, L.L.C.*, 122 FERC

3. PJM's Proposal to Retain RMR Resources Through the End of the Last Delivery Year for Which the RMR Resource is Committed is Just and Reasonable and Prevents Resources from Being Retained on a Permanent Basis.

The Protest implies that the duration of RMR arrangements will not be carefully considered[46] and alleges that PJM is proposing RMR treatment "on a permanent basis" for an "unspecified and potentially length duration."[47] This is incorrect and such concerns are misplaced.

The pro forma RMR agreement specifies that "the Term shall end on the later of [Enter the Anticipated In-Service Date of Transmission Upgrades] or the conclusion of the Delivery Year in which the RMR Resource is administratively included in a Reliability Pricing Model Auction."[48] Therefore, the duration of each RMR agreement pursuant to the pro forma is necessarily no shorter or longer than necessary to complete the required transmission upgrades which prompted the RMR in the first place and conclude at the end of any committed Delivery Year. As a result, no RMR would outlast the Delivery Year associated with the RPM Auction during which necessary transmission upgrades were completed, as there would no longer be any need to maintain the RMR resource for future years.

The Protest further appears to imply that all 40 GW of potential retirements may receive such extended RMR treatment, but that is also incorrect.[49] Only a small portion of those potential retirements, those that are both able to resolve and necessary for the resolution of discrete transmission issues, would result in RMR agreements.

61,188, at PP 151-152 (2008) (rejecting a protest that is "outside the scope of this [formula rate] proceeding, and is a collateral attack on the Commission's order" in the separate cost allocation proceeding).

[46] Protest at 9.

[47] *Id.* at 10.

[48] Proposed Tariff, Part V, Subpart A, section 2.1.

[49] Protest at 9.

Protestors further argue that RMRs should immediately terminate once necessary transmission upgrades are completed instead of being retained through the end of the Delivery Year for which the RMR Resource was included in an RPM Auction.[50] However, it is just and reasonable for PJM to consider RMR resources as providing a capacity service for a whole Delivery Year because such resources would have been counted as capacity for the entire Delivery Year.[51] Allowing such RMR resource to deactivate prior to the end of the relevant Delivery Year could jeopardize resource adequacy for the PJM Region since PJM would be relying on such resource to meet the forecasted load for such Delivery Year. In other words, if such resource were to deactivate prior to the end of the Delivery Year, PJM may not have sufficient capacity to meet the resource adequacy needs for the remainder of that Delivery Year.

B. PJM Moves to Strike the Late Filed Comments of the Market Monitor, Which Do Not Render this Proposal Unjust and Unreasonable

As an initial matter, the Market Monitor's late-filed comments should be stricken from the record as such an untimely submittal provides interested parties with less opportunity to respond and disregards, without any stated justification, the November 5, 2027 deadline established in the Commission's Combined Notice of Filings.[52] Moreover, the Market Monitor's comments raise issues that effectively circumvent the PJM stakeholder process by arguing against certain elements of this stakeholder endorsed package proposal despite never raising it in the stakeholder discussions. Additionally, the Market Monitor's comments are not styled as a protest and merely states that the proposed Tariff revisions "should be rejected unless the Commission requires PJM

[50] Protest at 10-11.

[51] *See PJM Interconnection, L.L.C.*, 190 FERC ¶ 61,088 at P 47 (accepting as just and reasonable the retention of RMR facilities in alignment with Delivery Years for which they were included in the RPM as price-takers).

[52] *PJM Interconnection, L.L.C.*, Combined Notice of Filings #1, Docket No. ER27-167-000 (Oct. 16, 2026).

to include the modifications recommended by the Market Monitor."[53] However, as the Commission previously noted, "[a] request to reject a proposed rate must be made in a protest, *see* C.F.R. § 385.211, filed on a timely basis in accordance with the Commission's notice."[54] In short, the Commission should strike the Market Monitor's comments as they are untimely filed and fail to comply with the Commission's Rules of Practice and Procedure.

1. PJM's Proposal Does Not Propose Changes to the Definition of Catastrophic Force Majeure.

The Market Monitor's concern regarding the use of the term "Catastrophic Force Majeure" in the pro forma RMR agreement is unfounded. This filing does not propose any changes to the existing definition of Catastrophic Force Majeure in the Operating Agreement, and no market rules that are limited to Catastrophic Force Majeure as defined in the Operating Agreement are proposed to be amended. In other words, the proposed pro forma RMR agreement simply defines a Catastrophic Force Majeure term that will be applicable only for purposes of the RMR agreement and does not change any existing rules in the Tariff or Operating Agreement.

This proposed definition of Catastrophic Force Majeure specifies that it is an "event or circumstance which physically prevents Generation Owner from being able to provide RMR Service from the RMR Resource for the remainder of the Term" of the RMR agreement and was not foreseeable at the time the agreement was executed. Additionally, the proposed definition states that the Generation Owner would not have been able to overcome or avoid such event or circumstance.[55] When such an event or circumstance is present, the pro forma RMR agreement would allow the Generation Owner to terminate the RMR. Ultimately, the condition under which

[53] Comments at 2.

[54] *PJM Interconnection, L.L.C*, 182 FERC P 61,183, at n.47 (2023).

[55] Proposed Tariff, Part V, Subpart A (Form Reliability Must Run Service Agreement), section 1, Definition of Catastrophic Force Majeure.

a Generation Owner may terminate an RMR agreement under the pro forma is consistent with the conditions that the Commission recently accepted for the RMR agreements associated with other RMR resources.[56]

While the RMR agreements for the Brandon Shores and Wagner resources utilized the term Force Majeure, the underlying event or circumstance that would allow the Generation Owner to terminate the RMR agreement is effectively the same as what is proposed in the pro forma RMR Agreement.[57] The only difference is the pro forma RMR agreement proposes to use the term Catastrophic Force Majeure. But again, this term is only used in the context of the RMR agreement and not intended to alter any existing market rules or the existing Operating Agreement definition of Catastrophic Force Majeure.[58]

2. The Proposal's Requirement Against Bilateral Restrictions is a Reasonable Approach to Assuring RMR Resources Can Reasonably Be Relied Upon.

The Market Monitor also misconstrues the language in Tariff, Attachment DD, section 5.3(b)(i)(A) by incorrectly claiming that it "would permit 'any private third-party entity' to prevent the RMR resource from being treated as capacity."[59] Contrary to the Market Monitor's assertion, the provision that requires, *inter alia*, a Generation Capacity Resource to be "reasonably expected to be deliverable and able to operate during the relevant Delivery Year in accordance with

[56] *See H.A. Wagner, LLC*, 196 FERC ¶ 61,140, at P 40 (2026).

[57] *See, e.g.*, *Brandon Shores LLC*, Request to Amend Brandon Shores Continuing Operations Rate Schedule Request for Expedited Consideration, Docket No. ER26-2740-000, Attachment B - Extended Reliability Must Run Continuing Operations Rate Schedule, section 1.12 (June 4, 2026) ("'Force Majeure' means an event or circumstance which prevents Brandon Shores from performing all or part of its obligations under this Rate Schedule, which event or circumstance was not anticipated as of the date of filing this Rate Schedule with FERC, which is not within the reasonable control of, or the result of the negligence of, Brandon Shores, and which, by the exercise of due diligence, Brandon Shores is unable to overcome or avoid or cause to be avoided.").

[58] Notwithstanding, PJM would be amendable to submitting a filing on compliance to the extent the Commission believes it is necessary to change this term from Catastrophic Force Majeure to Force Majeure in the pro forma RMR agreement.

[59] Comments at 6.

applicable permits and [] not prohibited from operating during the relevant Delivery Year based on any bilateral restrictions with any private third-party entity"[60] is necessary to provide PJM with sufficient assurances that the resource can reasonably be relied on to serve as capacity for the relevant Delivery Year.

In short, this criterion goes straight to whether PJM can have a reasonable expectation that an RMR resource will actually operate and meet the region's capacity needs during the Delivery Year. If a resource is the subject of a third-party agreement to limit or cease its operation for all or a part of the relevant Delivery Year, then PJM may not have a reasonable expectation that the resource will be able to operate to meet the region's capacity needs. Indeed, the Commission accepted this existing provision as just and reasonable despite the Market Monitor previously making this very argument when this existing rule was originally proposed.[61] Regardless, PJM is not proposing to change this existing Tariff language in this filing, so the Market Monitor's concerns are outside the scope of the proposed updates.

3. The Proposal's Requirement Regarding the Timeframe by Which RMR Agreements Must Be Accepted is a Reasonable Approach to Assuring RMR Resources Can Reasonably Be Relied On.

Similarly, the requirement that the RMR agreement must be accepted by the Commission three months prior to the posting of the planning parameters is consistent with the existing requirement that an RMR agreement must have "been accepted by the Federal Energy Regulatory Commission to be effective for the relevant Delivery Year at least three months prior the posting of the planning parameters."[62] Contrary to the Market Monitor's assertion that "[t]his deadline is

[60] Tariff, Attachment DD, section 5.3(b)(i)(A).

[61] *PJM Interconnection, L.L.C.*, 190 FERC ¶ 61,088 at P 30.

[62] Tariff, Attachment DD, section 5.3(b)(i).

arbitrary,"[63] PJM needs certainty that the RMR agreement will be in place by the relevant Delivery Year before including such RMR resources in the planning models. Specifically, the inclusion of such RMR resources would be factored in the posted planning parameters (e.g., Capacity Emergency Transfer Objective, Capacity Emergency Transfer Limit, Reliability Requirements, VRR Curve, Forecast Pool Requirement, etc.). The necessary analyses required to develop the planning parameters are extensive and can take months. To timely perform such analyses and post the parameters, PJM must have a complete data set. Thus, counting only those qualifying RMR agreements that are accepted by the Commission at least three months before the posting of the planning parameters as contributing to resource adequacy provides a reasonable cutoff date for identifying eligible resources.

4. Any Rate Approved Under the Pro Forma Provisions Would Necessarily Avoid Double Counting as the Terms and Conditions of the Pro Forma Provide that Energy and Ancillary Services Revenues Offset RMR Cost.

Next, the Market Monitor appears to misunderstand the fact that the pro forma RMR details the terms and conditions of the agreement while leaving the specific *rate* to be determined through a separate proceeding. More particularly, section 4 of the pro forma agreement provides that a Generation Owner "may elect to receive compensation for the provision of RMR Service from the RMR Resource under this Agreement either through the Deactivation Avoidable Cost Credit, or alternatively through a separate cost-of-service rate filing submitted by the Generation Owner to the Commission."[64] The proposed pro forma goes on to sufficiently specify that PJM will "credit any and all monthly net revenues (total credits net of total charges) generated from any sales by the RMR Resource of wholesale energy and ancillary services under the PJM Tariff,

[63] Comments at 7.

[64] Proposed Tariff, Part V, Subpart A (Form Reliability Must Run Service Agreement), section 4, Compensation.

Operating Agreement, or RAA, identified on the applicable monthly PJM bill, against the charges paid to Generation Owner for RMR Service pursuant to Section 4."[65]

In other words, all revenues received by the RMR resource in PJM's wholesale energy and ancillary services markets will be used to offset the cost of the RMR. In the event that the net wholesale energy and ancillary services revenues exceed the cost of the total charges associated with the RMR agreement, the Generation Owner would be allowed to retain the net positive revenue amount. Notably, there would be no double payment by loads to retain such RMR resource as such an outcome would effectively mean that the RMR resource is economic and not be paid any out of market charges during the duration of the RMR agreement.

5. Additional Authority to Challenge Project Investment Costs is Not Necessary to Specify in the Tariff and is Out of Scope for this Proceeding.

Finally, the Market Monitor advocates that the Tariff should be further updated to make explicit that it "has the responsibility and the authority to challenge any [project investment] cost or any other claimed cost and establish an efficient process for review that could result in the disallowance of inappropriate [project investment] costs or any other costs after Commission review."[66] As noted, this filing merely proposes to set forth terms and conditions of a pro forma RMR agreement and appropriately allows Generation Owners of resources subject to the pro forma RMR to pursue the cost-of-service rate under Tariff, Part V, section 119. Thus, the Market Monitor's request here is outside the scope of this 205 filing.[67] Moreover, there is no need to

[65] Proposed Tariff, Part V, Subpart A (Form Reliability Must Run Service Agreement), section 5, Invoicing and Billing.

[66] Comments at 8.

[67] *See Potomac-Appalachian Transmission Highline, L.L.C.*, 122 FERC 61,188, at PP 151-152 (rejecting a protest that is "outside the scope of this [formula rate] proceeding, and is a collateral attack on the Commission's order" in the separate cost allocation proceeding).

specify this authority in the Tariff. The Market Monitor has consistently participated in various RMR proceedings without such explicit language in the tariff today.

III. CONCLUSION

Based on the foregoing reasons, the Commission should reject arguments made in the Protest and Comments, and should accept the proposed revisions contained in PJM's October 15 Filing.

Respectfully submitted,

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On behalf of
PJM Interconnection, L.L.C.

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 23rd day of November 2026.

/s/ Daniel Vinnik
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