PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403-2497

Thomas DeVita
Associate General Counsel
T: 610.635.3042 | F: 610.666.8211
thomas.devita@pjm.com

VIA ELECTRONIC FILING

September 16, 2025

Mr. Bernard Logan, Clerk
c/o Document Control Center
State Corporation Commission
Tyler Building - First Floor
1300 East Main Street
Richmond, Virginia 23219

RE: *Application of Virginia Electric and Power Company, For approval or a certificate of public convenience and necessity to construct and operate the proposed Chesterfield Energy Reliability Center electric generation and related transmission facilities pursuant to § 56-580 D and 56-46.1 of the Code of Virginia and for approval of a rate adjustment clause, designated Rider CERC, under § 56-585.1A 6 of the Code of Virginia.*

CASE NO. PUR-2025-00037

Dear Mr. Logan:

Pursuant to Paragraph 11 of the April 22, 2025 Order for Notice and Hearing in the above-captioned proceeding,[1] PJM Interconnection, L.L.C. ("PJM") hereby submits the following public comments.

Please do not hesitate to contact the undersigned with any questions regarding this submission.

Regards,

/s/ Thomas DeVita
Thomas DeVita
Associate General Counsel
PJM Interconnection, L.L.C.
2750 Monroe Boulevard
Audubon, PA 19403
(610) 635-3042
Thomas.DeVita@pjm.com

[1] April 22, 2025 Order for Notice and Hearing at P 11 ("On or before September 16, 2025, any interested person may file comments on the Application by following the instructions found on the Commission's website: scc.virginia.gov/case-information/submit-public-comments.").

Public Comments of PJM Interconnection, L.L.C.

PJM Interconnection, L.LC. ("PJM") is a Federal Energy Regulatory Commission ("FERC")-designated Regional Transmission Organization ("RTO"),[2] responsible for administering centralized wholesale markets for energy, capacity, and ancillary services, coordinating integrated generation and transmission operations, and planning network transmission facilities across a region spanning thirteen states and the District of Columbia, and serving sixty-seven million Americans. As the FERC-designated Transmission Provider, administrator of the PJM Open Access Transmission Tariff,[3] and the North American Electric Reliability Corporation ("NERC")-designated Reliability Coordinator, Transmission Operator, Balancing Authority, Planning Authority/Planning Coordinator, and Resource Planner for the PJM Region, PJM is legally responsible for providing non-discriminatory open access transmission service across the facilities it operates, and for the safe and reliable operation of the Bulk Electric System ("BES") in the PJM Region.

PJM is institutionally structured to have no financial interest in any of the activities it conducts, whether in wholesale markets, system operations, or network transmission planning. PJM has no investors, shareholders, or substantive business assets of any kind, and its staff, management, and governing Board of Managers are legally required to divest any financial interest in PJM Members or market participants.[4]

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[2] *See* https://www.ferc.gov/power-sales-and-markets/rtos-and-isos.

[3] The PJM Open Access Transmission Tariff ("Tariff") is currently located under PJM's "Intra-PJM Tariffs" eTariff title, available here: https://etariff.ferc.gov/TariffBrowser.aspx?tid=1731. Terms not otherwise defined herein shall have the same meaning as set forth in the Tariff, the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. ("Operating Agreement"), and the Reliability Assurance Agreement Among Load-Serving Entities in the PJM Region ("RAA").

[4] *See, e.g.*, PJM Operating Agreement, Section10.2.1 ("No Board Member, officer or employee of the Office of the Interconnection, or spouse or dependent children thereof, shall own, control or hold with power to vote Prohibited

PJM is submitting these public comments solely to provide its independent and financially disinterested perspective in these proceedings.

I. Public Comments

The proposed Chesterfield Energy Reliability Center directly aligns with PJM's ongoing efforts to support resource adequacy, fuel diversity, and grid reliability in light of evolving system demands and reliability risks, as identified in PJM's 2023 *Energy Transition in PJM: Resource Retirements, Replacements & Risks* (4R) Report,[5] and the recently-initiated Critical Issue Fast Path ("CIFP") stakeholder process focused on addressing the development of reliability-focused solutions to ensure that large load additions can continue to be integrated rapidly and reliably, without causing resource inadequacy in the PJM Region.[6]

A. Support for Load Growth

The Commonwealth of Virginia, and particularly Northern and Central Virginia, is experiencing rapid load growth due to large-scale data center development and associated infrastructure expansion. The Chesterfield site is strategically located to serve this expanding demand, while providing local voltage support and contributing to a more balanced and resilient transmission topology in the region. PJM's long-term load forecasts continue to project significant upward revisions in areas with concentrated data center growth, which reinforces the need for new generation proximate to load. The proposed facility will play a key role in maintaining local

Securities subject to the following . . ."); 18 C.F.R. § 35.34(j)(1)(i) ("The Regional Transmission Organization, its employees, and any non-stakeholder directors must not have financial interests in any market participant.").

[5] The 4R Report is available here: energy-transition-in-pjm-resource-retirements-replacements-and-risks.ashx.

[6] More information about the CIFP is available here: https://www.pjm.com/committees-and-groups/cifp-lla#:~:text=The%20PJM%20Board%20of%20Managers%20initiated%20the%20Critical,existing%20Load%20Serving%20Entities%20and%2For%20Electric%20Distribution%20Companies.

reliability, reducing congestion, and supporting the integration of new load in a manner consistent with PJM's planning standards and reliability criteria.

Forecasted load growth across the RTO has increased dramatically, with summer peak demand expected to rise by 19.3% (29,700 MW) and winter peak demand expected to rise by 25.1% (35,400 MW) by the 2030 Delivery Year, driven largely by data center expansion and electrification.[7] Forecasted load growth for the Dominion Zone specifically is even greater as a percentage, with summer peak demand expected to increase by 43.2% (~10,000 MW) and winter peak demand expected to increase by 41.4% (~10,000 MW) by the 2030 Delivery Year.

Up to 40 GW of existing generation is projected to retire by 2030 due to policy, economic, and operational pressures, and new generation is not coming online at a sufficient pace. In 2024, under 5 GW of new generation entered commercial operation across the *entire* PJM footprint—not just in Dominion. A significant portion of PJM's interconnection queue consists of intermittent resources with lower capacity values and historically low completion rates. These trends create a substantial and time-sensitive challenge in PJM's ability to support resource adequacy, particularly in constrained areas such as Virginia.

B. Support for Reliability and Resource Adequacy

As outlined in the 4R Report, PJM is facing an accelerating trend of thermal generator retirements—particularly coal and older gas units—combined with challenges in timely replacement with new, dispatchable generation resources. PJM's analysis identified that, without timely replacement of retiring generation with reliable, firm capacity, the PJM Region faces a growing reliability risk and resource adequacy shortfall by the end of the decade. The proposed

[7] *See* PJM, 2025 Load Forecast Tables (Jan. 24, 2025), https://www.pjm.com/-/media/DotCom/planning/res-adeq/load-forecast/2025-load-report-tables.xlsx.

Chesterfield facility—leveraging natural gas as a primary fuel source with oil backup capability—offers a critically needed source of firm, dispatchable capacity. This facility will be able to contribute meaningfully to grid reliability, particularly during periods of system stress, such as winter storms or extreme summer demand events, when variable renewable output can be limited.

The Dominion Locational Deliverability Area ("LDA"), which encompasses much of Virginia, is one of the most capacity-constrained areas in the PJM Region. In the 2025/26 Base Residual Auction ("BRA"), the Dominion LDA cleared at $444.26/MW-day—among the highest prices in the PJM Region—indicating a severe shortage of reliable capacity. These market signals underscore the importance of siting new generation in this area.

Natural gas-fired generation offers several key advantages, including a high Effective Load-Carrying Capability ("ELCC") which is an objective metric used to quantify the reliability contribution of a generation resource. Gas Combustion Turbine Dual Fuel units have a high ELCC, which reflects how much a resource can be counted on to meet peak demand and maintain system reliability. High ELCC units also provide substantial Unforce Capacity ("UCAP"), which is the core product procured in PJM's capacity market to ensure reliability.

C. Importance of Fuel Assurance

Additionally, fuel assurance remains a key component of PJM's reliability planning. Events such as Winter Storm Elliott (December 2022) demonstrated that fuel limitations and supply constraints can severely impact generator performance across the PJM Region. The inclusion of dual-fuel capability (7-day oil backup) enhances operational flexibility and mitigates fuel supply risk during critical grid conditions. This type of resource helps ensure availability during contingencies and enhances overall system resilience—a benefit recognized and encouraged within PJM's reliability framework.

Given the findings of the 4R Report, the objectives of the CIFP process, and PJM's responsibility to ensure system-wide and locational reliability, PJM supports the development of this facility as a timely and valuable addition to the generation resource mix in Virginia.

Respectfully submitted,

/s/ Thomas DeVita
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Associate General Counsel
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