196 FERC ¶ 61,140
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Laura V. Swett, Chairman;
David Rosner, Lindsay S. See,
Judy W. Chang, and David LaCerte.

H.A. Wagner LLC	Docket Nos. ER26-2739-002
Brandon Shores LLC	ER26-2740-002

ORDER ACCEPTING AMENDED RELIABILITY-MUST-RUN RATE SCHEDULES

(Issued August 18, 2026)

1. On June 4, 2026, as amended on June 8, 2026 and July 17, 2026, pursuant to section 205 of the Federal Power Act (FPA),[1] and Part 35 of the Commission's regulations,[2] Brandon Shores LLC (Brandon Shores) and H.A. Wagner LLC (Wagner) (together, Applicants) separately submitted an amended rate schedule for the provision of reliability-must-run (RMR) service from Brandon Shores Generating Station Units 1 and 2 (Brandon Shores Amended Rate), and an amended rate schedule for the provision of RMR service from Wagner Generating Station Units 3 and 4 (Wagner Amended Rate).[3] The filings propose to extend the RMR obligation for these units until May 31, 2031, and to revise the rates in accordance with the RMR agreement. As discussed below, we accept the proposed tariff records effective September 16, 2026 and June 1, 2029, as requested.[4]

[1] 16 U.S.C. § 824d.

[2] 18 C.F.R. pt. 35 (2025).

[3] The Brandon Shores Amended Rate and Wagner Amended Rate are referred to together as the Amended Rates.

[4] *See* Appendix for tariff records accepted in this order.

I. Background

A. Initial Rates

2. On April 18, 2024, Brandon Shores submitted a rate schedule for the provision of RMR service (Brandon Shores Initial Rate),[5] and Wagner submitted a rate schedule for the provision of RMR service (Wagner Initial Rate),[6] both for the purpose of facilitating the reliable operation of the transmission system managed by PJM Interconnection, L.L.C. (PJM). The Initial Rates set forth the terms, conditions, and cost-based rates under which Brandon Shores and Wagner would agree to continue to operate Brandon Shores Generating Station Units 1 and 2 (Brandon Shores Units) and Wagner Generating Station Units 3 and 4 (Wagner Units), respectively, for reliability purposes from June 1, 2025 through December 31, 2028. Each Initial Rate consisted of: (1) a Monthly Fixed-Cost Charge designed to recover the cost of service for the applicable units,[7] (2) a Monthly Project Investment Tracker Payment to recover the costs of Project Investments needed to allow the applicable units to operate reliably during the term of each Initial Rate, and (3) a cost reimbursement mechanism to recover variable operations and maintenance (O&M) costs. The Initial Rates provided that Brandon Shores and Wagner would credit monthly net revenues (total credits net of total charges) identified on the applicable PJM bill earned from any sale of energy, capacity, and ancillary services against the O&M costs invoiced to PJM.[8]

3. The Monthly Fixed-Cost Charge in each Initial Rate was prepared using a cost-of-service analysis with a revenue requirement equal to the sum of the fixed O&M expense, corporate administrative and general expense, depreciation, taxes, and return on rate base.[9]

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[5] *Brandon Shores LLC*, Filing, Docket No. ER24-1790-000 (filed Apr. 18, 2024); Brandon Shores LLC, Tariff Database, CORS-RMR Arrangement, Continuing Operations Rate Schedule (0.0.0).

[6] *H.A. Wagner LLC*, Filing, Docket No. ER24-1787-000 (filed Apr. 18, 2024); H.A. Wagner LLC, Tariff Database, CORS-RMR Arrangement, Continuing Operations Rate Schedule (0.0.0).

[7] The Monthly Fixed-Cost Charges in the Initial Rates totaled $14,619,407 for Brandon Shores and $3,361,926 for Wagner.

[8] Brandon Shores, Tariff Database, CORS-RMR Arrangement, Continuing Operations Rate Schedules (0.1.0), § 5.5; H.A.Wagner, Tariff Database, CORS-RMR Arrangement, Continuing Operations Rate Schedules (0.1.0), § 5.5. The terms and conditions of these rate schedules are identical, and the rate schedules are jointly referred to as the Initial Rates, hereinafter.

[9] In determining a starting net plant value for the purposes of determining the rate base, the parent company of Brandon Shores and Wagner, Talen Energy Corporation

The rate base includes the sum of net plant, prepayment and inventory, and cash working capital, less accumulated deferred income taxes.

4. Protests of the Initial Rates were filed by Monitoring Analytics, LLC, acting in its capacity as the Independent Market Monitor for PJM (Market Monitor), Maryland Office of People's Counsel (Maryland OPC), Southern Maryland Electric Cooperative, Inc. (SMECO), Maryland Public Service Commission (Maryland Commission), and Sierra Club.[10] On June 17, 2024, the Commission accepted the Initial Rates for filing, subject to refund, and established hearing and settlement judge procedures.[11]

B. Settlement Rates

5. On January 27, 2025, pursuant to Rule 602 of the Commission's Rules of Practice and Procedure,[12] Brandon Shores and Wagner submitted offers of Settlement (Settlements) between Brandon Shores and Wagner, PJM, the Maryland Commission, SMECO, Old Dominion Electric Cooperative (ODEC), and Exelon Corporation[13] (together, Settling Parties) for providing RMR service from the Brandon Shores Units and Wagner Units.[14] The Brandon Shores Settlement and the Wagner Settlement each consists of a Stipulation and Agreement (Stipulation) and a Continuing Operations Rate Schedule (Brandon Shores Settlement Rate and Wagner Settlement Rate, and together, Settlement Rates). The Brandon Shores Settlement Rate contains a maximum Monthly Fixed-Cost Charge of $12,083,333, and the Wagner Settlement Rate contains a maximum Monthly Fixed-Cost Charge of $2,916,667.

(Talen), used a 2015 fair market valuation for Brandon Shores and, for Wagner, calculated a rate base based on net book value on the actual investments in the facility from 2001 and 2023, net of accumulated depreciation.

[10] Tammy Domanski and John Garofolo also submitted comments in opposition to the continued operation of the generation facilities.

[11] *H.A. Wagner LLC*, 187 FERC ¶ 61,176 (2024).

[12] 18 C.F.R. § 385.602 (2025).

[13] Exelon Corporation participated on behalf of its affiliates Atlantic City Electric Company, Baltimore Electric and Gas Company, Commonwealth Edison Company, Delmarva Power & Light Company, PECO Energy Company, and Potomac Electric Power Company.

[14] The Settlement Rates are the current rates being amended in the instant proceeding.

6. The Stipulations provide that each Settlement Rate "shall be considered 'black box' in nature, meaning that the figures set forth in the Stipulation[s], the [Brandon Shores Settlement Rate, and the Wagner Settlement Rate] are not based on any particular principle(s), assumption(s), or methodology(ies)."[15]

7. The Settlement Rates also reflect changes to the non-rate terms and conditions of the Initial Rates, as mutually agreed to by the Settling Parties, including revisions to the reimbursement of Project Investments. The Settlement Rates further provide that Brandon Shores and Wagner will credit monthly net revenues (total credits net of total charges) earned from any sales of wholesale energy, capacity, and ancillary services or other revenues earned against the charges and will provide an invoice reflecting this credit. If such monthly net revenues are positive and exceed the monthly charges, any amount in excess of those monthly charges will be credited back to all customers paying a share of the costs under the rate schedule and charged to Brandon Shores and Wagner. If the monthly net revenues are less than zero, those negative net revenues will be added to the charges and increase the amount payable to Brandon Shores and Wagner.[16]

8. In addition, the Settlement Rates provide for, among other things, a cap on the cost of Identified Project Investments that may be recovered by Brandon Shores and Wagner (cap of $30 million for Brandon Shores and a cap of $4.5 million for Wagner), and require express approval by PJM for New Project Investments,[17] with enhancements to the review and approval process for any necessary New Project Investments. The Settlement Rates also included a commitment by Brandon Shores and Wagner to refund a portion of any reimbursed New Project Investment costs should the New Project Investment enable the facility to remain operational beyond the term of the Settlement Rates, and the facility continues to operate beyond that term and is not subject to an RMR-type rate schedule or agreement.[18]

9. Section 2.2 of the Settlement Rates provides that, unless terminated as provided in the rate schedules, the Settlement Rates shall have a term through May 31, 2029. Section 2.6 of the Settlement Rates provides further that if PJM determines that it will be necessary to retain Brandon Shores and Wagner to address reliability concerns beyond the term of the Settlement Rates, PJM must provide notice to Brandon Shores and Wagner and intervenors at least 90 days prior to posting the Base Residual Auction planning parameters for the applicable delivery years; and Brandon Shores and Wagner, if willing to extend the

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[15] Stipulations, § 4.1.

[16] Stipulations, § 5.5.

[17] Settlement Rates, § 5.2.D, E.

[18] *Id.* § 5.3.

terms of the Settlement Rate, must submit filings pursuant to section 205 of the FPA[19] to extend the provisions of the Settlement Rates to include only those changes necessary, as provided for in section 2.6(b) of the Settlement Rates. In such a filing, Brandon Shores and Wagner shall include only those changes necessary to:

> (i) reflect the extended term, (ii) adjust the Monthly Fixed-Cost Charge effective during the first year of the extended term to reflect an increase in labor costs from June 1, 2025, to June 1, 2029, in line with cost-of-living adjustment factors set forth in any collective bargaining agreement(s) applicable to [Brandon Shores or Wagner], (iii) increase the Monthly Fixed-Cost Charge during each subsequent year of the extended term to reflect an increase in labor costs during such subsequent years of the extended term in line with cost-of-living adjustment factors set forth in any collective bargaining agreement(s) applicable to [Brandon Shores or Wagner], (iv) update Section 5.2(C) to identify any Project Investment that is identified by [Brandon Shores or Wagner] and determined by PJM to be reasonably necessary during the extended term, and (v) make any necessary conforming changes to this Rate Schedule associated with the foregoing.[20]

10. Maryland OPC and the Market Monitor opposed the Settlements. On May 1, 2025, the Commission issued an order approving the Settlements for the provision of RMR service from the Brandon Shores Units and Wagner Units.[21] In the Settlement Order, the Commission approved the Settlements under the second approach identified in *Trailblazer Pipeline Co.*, which requires that the Commission determine that the settlement provides an overall just and reasonable result, and that the settlement rates are no higher than any just and reasonable rate the Commission could establish after full litigation of the case on the merits.[22] In approving the Settlements, the Commission found that they had numerous

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[19] 16 U.S.C. § 824d.

[20] Settlement Rates, § 2.6(b).

[21] *H.A. Wagner LLC*, 191 FERC ¶ 61,098 (Settlement Order), *order on reh'g*, 192 FERC ¶ 61,189 (2025).

[22] Settlement Order, 191 FERC ¶ 61,098 at PP 25-26 (citing *Trailblazer Pipeline Co.*, 85 FERC ¶ 61,345, at 62,232 (1998) (*Trailblazer*), *order on reh'g*, 87 FERC ¶ 61,110 (*Trailblazer* Rehearing Order), *order on reh'g*, 88 FERC ¶ 61,168 (1999)).

benefits, including reduced Monthly Fixed-Cost Charges and non-rate terms and conditions that were not included in the Initial Rates.[23]

II. Proposed Amended Rates

11. Applicants state that the proposed Amended Rates extend the terms of the Brandon Shores and Wagner RMR agreements by two years pursuant to the terms of the RMR agreements such that the agreements are effective through May 31, 2031.[24] As such, they request an effective date of June 1, 2029, for the Amended Rates.[25]

12. Applicants note that section 2.6(b) of the Settlement Rates expressly contemplates and provides for extensions of the agreements.[26] Applicants state that, pursuant to section 2.6(b), their filings "include only those changes necessary to" reflect the extended term, adjust the Monthly Fixed-Cost Charge to account for labor cost increases, update Identified Project Investments, and make conforming changes.[27]

13. Applicants state that the Settling Parties have expressly agreed that this filing should be made.[28] Applicants assert that on May 28, 2026, PJM issued a formal request that Applicants extend the term of the RMR agreements from May 31, 2029 to May 31, 2031, pursuant to section 2.6(b) of the Settlement Rates by submitting the requisite FPA section 205 filings.[29] Applicants also note that the attached agreement to amend, which is signed by the Settling Parties, states that the Settling Parties authorize Applicants to make

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[23] *Id*. P 29.

[24] Brandon Shores June 4 Transmittal at 1; Wagner June 4 Transmittal at 1.

[25] Brandon Shores June 4 Transmittal at 4; Wagner June 4 Transmittal at 4.

[26] Brandon Shores June 4 Transmittal at 1; Wagner June 4 Transmittal at 1.

[27] Brandon Shores June 4 Transmittal at 2, 4; Wagner June 4 Transmittal at 2, 4.

[28] Brandon Shores June 4 Transmittal at 2; Wagner June 4 Transmittal at 2.

[29] Brandon Shores June 4 Transmittal at 2; Wagner June 4 Transmittal at 2; Brandon Shores June 8 Transmittal, attach. A ("PJM Formal Request for Extension of RMR [RMR Agreement] Term"); Wagner June 8 Transmittal, attach. A ("PJM Formal Request for Extension of RMR [RMR Agreement] Term"). In the June 8, 2026 transmittals describing amendments to the filings, Applicants state that the amendments correct erroneous language and labeling in the attachments.

FPA section 205 filings to amend the RMR agreements "and implement only the changes stated below," which are the changes allowable under section 2.6(b) of the Settlement Rates.[30]

14. Applicants argue that because the Commission has already approved the Settlement Rates, including the extension mechanism in section 2.6(b) of the Settlement Rates, the instant filings present no novel issues.[31] Applicants state that the Settling Parties agreed at the outset that extending the RMR agreements would require only limited filings pursuant to FPA section 205. Applicants state that, in response to PJM's formal requests to extend the terms of the RMR agreements, they now exercise their right under the Settlement Rates to request such extensions. Applicants argue that extending the agreements to continue operation for two additional years will continue to benefit ratepayers and stakeholders in the PJM region by maintaining transmission system reliability pending completion of significant upgrades to PJM's transmission system, which are not expected to be completed before the current terms of the Settlement Rates expire.[32]

15. Applicants state that the Commission's timely action on their filings is "critical to allow PJM to ensure the equivalent [megawatts] from both facilities are entered into the 2029/2030 Base Residual Auction."[33]

III. Notice of Filings and Responsive Pleadings

16. Notice of Applicants' filings in Docket Nos. ER26-2739-000 and ER26-2740-000 was published in the *Federal Register*, 91 Fed. Reg. 35201 (June 10, 2026), with interventions and protests due on or before June 25, 2026. Timely motions to intervene were filed in Docket Nos. ER26-2739-000 and ER26-2740-000 by: Buckeye Power, Inc.

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[30] Brandon Shores June 4 Transmittal at 2; Wagner June 4 Transmittal at 2; Brandon Shores June 8 Transmittal, Ex. 1; Wagner June 8 Transmittal, Ex. 1. Applicants state that they have committed to the Settling Parties not to seek reimbursement of any regulatory or administrative costs associated with this extension. Brandon Shores June 4 Transmittal at 2 n.6; Wagner June 4 Transmittal at 2 n.6.

[31] Brandon Shores June 4 Transmittal at 2; Wagner June 4 Transmittal at 2.

[32] Applicants note that PJM's formal request states that "PJM's planning analysis had recently indicated that [the] extension is warranted and prudent, given the current uncertainty regarding the exact date upon which necessary transmission upgrades will be completed." Brandon Shores June 4 Transmittal at 3; Wagner June 4 Transmittal at 3; Brandon Shores June 8 Transmittal, attach. A; Wagner June 8 Transmittal, attach. A.

[33] Brandon Shores June 4 Transmittal at 4; Wagner June 4 Transmittal at 4.

(Buckeye Power); Maryland OPC; Maryland Commission; the Market Monitor; Northern Virginia Electric Cooperative, Inc. (NOVEC); ODEC; PJM; and SMECO. On June 25, 2026, PJM filed supportive comments, and Maryland OPC filed a protest. On June 26, 2026, the Market Monitor filed a protest. On July 14, 2026, Applicants filed a motion for leave to answer and answer to the protests.

17. Notice of Applicants' amendments to their filings in Docket Nos. ER26-2739-001 and ER26-2740-001 was published in the *Federal Register*, 91 Fed. Reg. 35474 (June 11, 2026), with interventions and protests due on or before June 29, 2026. A timely motion to intervene was filed in Docket Nos. ER26-2739-001 and ER26-2740-001 by Public Citizen, Inc.

18. On July 7, 2026, Commission staff issued separate deficiency letters advising Applicants that additional information was necessary to process their filings (together, Deficiency Letters). On July 17, 2026, Applicants filed responses to the Deficiency Letters, which amended their filings (Brandon Shores Deficiency Letter Response and Wagner Deficiency Letter Response; together, Deficiency Letter Responses).

19. Notice of the Deficiency Letter Responses was published in the *Federal Register*, 91 Fed. Reg. 46417 (July 23, 2026), with interventions and protests due on or before August 7, 2026.

A. Comments, Protests, and Answers

1. PJM Comments

20. In support of Applicants' filings, PJM confirms that the reliability of the system is dependent on the Brandon Shores Units and Wagner Units being available until several key planned transmission enhancements in the local and regional area are constructed and energized.[34] In addition, PJM argues that acceptance of the proposed Amended Rates will preserve the framework on which the Settlements that produced the Settlement Rates are based.[35] Regarding this latter point, PJM emphasizes the "pre-agreement of the zonal transmission customers who pay the charges associated with the [RMR agreements]."[36]

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[34] PJM Comments at 2 (citing PJM Comments, attach. I (Affidavit of Mark Sims)).

[35] *Id.* at 2-3.

[36] *Id.* at 3.

2. Maryland OPC Protest

21. Maryland OPC argues that Applicants fail to show that the rates during the additional two years of operation of the Brandon Shores Units and Wagner Units, as embodied in the proposed annual fixed revenue requirement (AFRR), are just and reasonable.[37] Maryland OPC argues that the proposed AFRR is a continuation, with upward adjustments, of the already excessive AFRR determined under the Settlements applicable to the original four-year term. Maryland OPC asserts that, as such, the proposed AFRR is infirm for the same reasons described by Maryland OPC in its request for rehearing and appeal of the Commission order approving the Settlements.

22. In addition, Maryland OPC asserts that the proposed continuation of the existing AFRR, with upward adjustments, is inconsistent with the basis for the existing AFRR.[38] To provide context, Maryland OPC explains that the existing AFRR of $180 million is a compromise between the AFRR sought by Applicants in their initial filings ($216 million) and the AFRR supported by Trial Staff ($97 million) during the Settlements proceeding.[39] Maryland OPC contends that as decided by the Commission, this difference was the amount offset by the other benefits arising from the Settlements.[40]

23. Maryland OPC argues that critical to the derivation of Trial Staff's AFRR was the four-year originally anticipated term of the RMR agreements.[41] Maryland OPC explains that at the end of the original four-year term, under Trial Staff's AFRR, the full rate base will be fully depreciated, leaving the rate for subsequent periods reduced to a level allowing for continued recovery of fixed O&M expenses.[42] According to Maryland OPC, however, Applicants' proposed AFRR includes depreciation expense for rate base

[37] Maryland OPC Protest at 2. Maryland OPC frames its protest in terms of the proposed AFRR, which is the sum of Brandon Shores' and Wagner's Monthly Fixed-Cost Charges multiplied by 12. For example, the sum of Brandon Shores' and Wagner's existing maximum Monthly Fixed-Cost Charges of $12,083,333 and $2,916,667, respectively, multiplied by twelve is the existing maximum AFRR of $180 million.

[38] *Id.* at 9.

[39] *Id.* (citing *H.A. Wagner LLC*, Trial Staff Reply Comments, Docket No. ER24-1787-001 et al., attach. A (Affidavit of Michael Healy), at 8 (Healy Aff.) (filed Feb. 26, 2025)).

[40] *Id.* at 9-10.

[41] *Id.* at 10 (citing Healy Aff. at 18-19, 26).

[42] *Id.* at 11 (citing Healy Aff. at 8).

and a return on rate base. Maryland OPC argues that if the existing AFRR allows for full depreciation over four years, then there is no rate base to depreciate or earn a return on after four years and basing rates on depreciation of and return on a non-existent rate base is not just and reasonable.

24. Maryland OPC further contends that under the Commission's rationale for approving the Settlements, Trial Staff's AFRR establishes the low end of a just and reasonable rate relative to benefits the Commission found necessary to offset the excess cost of the existing AFRR.[43] Maryland OPC argues that during the requested two-year extension, Trial Staff's AFRR is much reduced due to assumed full depreciation. Maryland OPC argues that, because Trial Staff's AFRR functions as an anchor of the existing AFRR, the existing AFRR should be similarly reduced for the period of the requested extension.[44] Maryland OPC argues that absent such a reduction, the AFRR cannot be just and reasonable because it will be untethered from record evidence and from the quantum of benefits previously considered by the Commission as a necessary offset to the excess cost of service. At a minimum, Maryland OPC adds, Applicants should be required to support and document their revenue-requirement requests for the two-year extension.[45]

25. Maryland OPC requests that the Commission accept the Amended Rates, subject to suspension for the period allowed by statute, and set the matter for hearing to review the level and basis for the proposed AFRR.[46] Maryland OPC argues that to the extent its arguments are deemed foreclosed by the Settlements, its protest is necessary to preserve its rights to challenge further the proposed AFRR if its appeal of the Commission's approval of the Settlements is successful.[47] Maryland OPC, however, argues that because

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[43] *Id.* at 11.

[44] *Id.* at 11-12.

[45] Maryland OPC also argues that the proposed AFRR is excessive, and therefore at odds with the Tariff provision allowing an RMR service provider to file for a "cost of service rate to recover the entire cost of operating the generating unit." *Id.* at 12 (citing PJM, Intra-Tariffs, OATT, pt. V, § 119). In addition, Maryland OPC contends that Commission approval of the proposed AFFR would damage the overall incentive structure facing generators considering operation under an RMR agreement, by inflating the level of compensation above its just and reasonable level, versus the preferred policy result of the generator's continued operation as a market resource. *Id.* at 13 (citing *Greenleaf Energy Unit 2, LLC*, 172 FERC ¶ 61,111 (2020) (Danly, Comm'r, concurring)).

[46] *Id.* at 14.

[47] *Id.* at 2.

the filings cover new subject matter—embedded in the proposed Amended Rates and distinct from the Settlement Rates—the proposed AFRR is subject independently to review under FPA section 205, and that review is not foreclosed by the AFRR of the initial term.

26. Finally, Maryland OPC notes that the proposed Amended Rates include descriptions of Identified Project Investments with no cost estimates or cost information of any kind.[48] Maryland OPC contends that the Amended Rates thereby eliminate or limit any third-party review of the Identified Project Investments, operating essentially as a blank check. Maryland OPC asserts that the Commission should require Applicants to document the justification for these Identified Project Investments and the basis for their costs.

3. <u>Market Monitor Protest</u>

27. The Market Monitor takes issue with PJM's reasons for extending the terms of the Brandon Shores and Wagner RMR agreements, as expressed in a PJM affidavit.[49] First, the Market Monitor argues that PJM has not adequately explained the nature of the delays of previously identified transmission upgrades, or why steps cannot be taken to meet the current deadlines or shorter extended deadlines. Second, the Market Monitor questions the need for the newly identified transmission upgrades, arguing that PJM appears to be allowing load additions that it cannot serve without continued service from the deactivating units.[50] The Market Monitor contends that Part V of the PJM Open Access Transmission Tariff (Tariff) does not authorize PJM to extend RMR service to serve new loads, which should pay for any transmission upgrades needed to serve them. The Market Monitor argues that because data center load growth accounts for most, if not all, of the expected load growth, PJM's proposal will shift costs from data center developers to RMR service customers. According to the Market Monitor, the Commission should not accept the proposed Amended Rates until a full investigation determines that no such cost shifts will occur.[51]

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[48] *Id*. at 14.

[49] Market Monitor Protest at 3.

[50] *Id.* at 5 (citing PJM, *Final Reliability Analysis Report, 2024 RTEP Window 1* 6 (Feb. 2025), https://www.pjm.com/-/media/DotCom/committees-groups/committees/teac/2025/20250304/20250304-2024-rtep-window-1-reliability-analysis-report.pdf).

[51] The Market Monitor argues that the Commission, governors, data center hyperscalers, and the White House through the National Energy Dominance Council have provided clear policy guidance that costs, including transmission costs, should be assigned to the developers of data center and not to current customers. Market Monitor Protest at 5-6 (citing National Energy Dominance Council, *Statement of Principles*

28. The Market Monitor also asserts that the Amended Rates do not reflect the reduction to net plant that results from the depreciation charged during the original term of the Settlements.[52] The Market Monitor claims to provide corrected values in an attached affidavit.[53] The Market Monitor argues that if the rates, which were established based on cost-of-service ratemaking principles, are extended, then the calculations should continue to apply cost-of-service principles. The Market Monitor argues that the proposed Amended Rates would instead establish rates that ignore a fundamental component of cost-of-service ratemaking.

29. The Market Monitor also contends that Applicants have not provided adequate information to evaluate whether the proposed rate increases are based on actual costs.[54] According to the Market Monitor, the Commission should require Applicants to provide the information needed to evaluate the claimed costs, and require Applicants to explain why rates not based on actual O&M costs should be increased at all.

30. Finally, the Market Monitor states that, pursuant to the Tariff, it has been reviewing costs incurred under the Settlement Rates, and Applicants' cooperation with data requests has been unsatisfactory.[55] The Market Monitor argues that Applicants' provision of the data requested by the Market Monitor to date and Applicants' agreement to provide all information on costs paid through the RMR agreements that are requested by the Market Monitor should be a condition for any extension of the rate schedules.

Regarding PJM (Jan. 2026), https://www.energy.gov/documents/statement-principles-regarding-pjm; White House, *Ratepayer Protection Pledge Proclamation*, (Mar. 2026), https://www.whitehouse.gov/presidential-actions/2026/03/ratepayer-protection-pledge-proclamation/; *PJM Interconnection, L.L.C.*, 195 FERC ¶ 61,211, at P 66 (2026)).

[52] *Id.* at 7.

[53] *Id.* (citing Market Monitor Protest, attach. (Affidavit of Joseph E. Bowring)). The Market Monitor adds that it continues to believe that the base values for the Settlement Rates are excessive and should not have been approved.

[54] *Id.*

[55] *Id.* (citing PJM, Intra-Tariffs, OATT, attach. M, § IV.D-1; PJM, Intra-Tariffs, OATT Attachment M-Appendix, § IV.2; PJM, Intra-Tariffs, OATT, pt. V, § 119).

4. Applicants' Answer

31. In response to Maryland OPC's and the Market Monitor's criticisms that the proposed Amended Rates fail to reflect depreciation, Applicants argue that those arguments incorrectly presuppose that the Amended Rates are cost-based rates.[56] Instead, Applicants argue, the proposed Monthly Fixed-Cost Charges are black-box figures "not based on any particular principle(s), assumption(s), or methodology(ies)."[57] According to Applicants, there is no rate base or depreciation schedule embedded in the Settlement Rates, and the protesters cannot impose a cost-of-service depreciation schema on a black-box number. Applicants assert that the Commission rejected the same depreciation-based arguments when addressing rehearing requests associated with the Settlement Rates.[58]

32. Applicants disagree with Maryland OPC's characterization of the updated Identified Project Investments as a "blank check."[59] Applicants assert that updating the list of Identified Project Investments is exactly what section 2.6(b)(iv) of the Settlement Rates contemplates. Applicants also note that the Identified Project Investments are only recovered based on the actual costs incurred, subject to PJM's prior determination that they are "reasonably necessary during the extended term."[60] Moreover, Applicants argue, the Settling Parties have reviewed and agreed to the updated Identified Project Investments by executing the agreement to amend. Applicants further note that the proposed Amended Rates maintain the Project Investment review-and-approval process, the caps on New Project Investments absent PJM approval, and the refund commitments.[61] Applicants contend that Maryland OPC ignores these protections when demanding that Applicants document the justification for the Identified Project Investments and the basis for their costs.

33. Applicants contest the Market Monitor's request that the Commission's acceptance of the filings be conditioned on Applicants' cooperation with the Market Monitor's cost

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[56] Applicants Answer at 8.

[57] *Id.* (citing Stipulations, § 4.1.1).

[58] *Id.* at 9 (citing *H.A. Wagner LLC*, 192 FERC ¶ 61,189 at P 24 (finding that "a decision on the justness and reasonableness of the overall result of a settlement package is a merits decision, but does not require a decision on whether each element of the package is also just and reasonable")).

[59] *Id.*

[60] *Id.* at 9-10.

[61] *Id.* at 10 (citing Amended Rates, §§ 2.6(b)(iv), 5.2).

review, calling the request procedurally improper and factually unfounded.[62] Applicants also argue that the Market Monitor's dispute about the adequacy of PJM's justification for extending the terms of the RMR agreements provides no basis to reject the filings.[63]

34. Finally, Applicants argue that the Commission may evaluate the Amended Rates under the Commission's *Trailblazer* standards because the Amended Rates are the direct product of the Commission-approved Settlements and the subsequent agreement to amend among the Settling Parties.[64]

B. <u>Deficiency Letter Responses</u>

35. The deficiency letters start by noting Applicants' recognition[65] that section 2.6(b) of the Settlement Rates provides that any amendments to the Settlement Rates to extend their terms shall include only those changes necessary to:

> (i) … (ii) adjust the Monthly Fixed-Cost Charge effective during the first year of the extended term to reflect an increase in labor costs from June 1, 2025, to June 1, 2029, in line with cost-of-living adjustment factors set forth in any collective bargaining agreement(s) applicable to [Brandon Shores or Wagner, as applicable], (iii) increase the Monthly Fixed-Cost Charge during each subsequent year of the extended term to reflect an increase in labor costs during such subsequent years of the extended term in line with cost-of-living adjustment factors set forth in any collective bargaining agreement(s) applicable to [Brandon Shores or Wagner, as applicable].[66]

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[62] *Id.* at 11-13.

[63] *Id.* at 9.

[64] *Id.* at 2, 13-17 (citing *Trailblazer*, 85 FERC at 62,232; *Trailblazer* Rehearing Order, 87 FERC ¶ 61,110).

[65] Deficiency Letters at 1 (citing June 4 Brandon Shores Transmittal at 2, 4; June 4 Wagner Transmittal at 2, 4).

[66] *Id.* at 2 (citing H.A. Wagner LLC, Tariff Database, CORS-RMR Arrangement, RMR Continuing Operations Rate Schedule - Cover Page (0.0.0); *id.* RMR Arrangement, Continuing Operations Rate Schedule (0.1.0)).

36. The deficiency letters further note that Applicants propose Monthly Fixed-Cost Charges for the first extension term of June 1, 2029, through May 31, 2030,[67] and Monthly Fixed-Cost Charges for the second extension term of June 1, 2030, to May 31, 2031, and that these proposed charges exceed the existing Monthly Fixed-Cost Charges.[68] According to the deficiency letters, although Applicants state that they have adjusted the existing Monthly Fixed-Cost Charges to reflect labor cost increases, they do not provide evidentiary support for this assertion.[69] To address this deficiency, the deficiency letters request that Applicants provide evidentiary support that the rate increase for the first extension term reflects "an increase in labor costs from June 1, 2025, to June 1, 2029, in line with cost-of-living adjustment factors set forth in any collective bargaining agreement(s) applicable to [Brandon Shores or Wagner, as applicable]." The deficiency letters also request that Applicants provide evidentiary support that the rate increase for the second extension term reflects "an increase in labor costs during such subsequent [year] of the extended term in line with cost-of-living adjustment factors set forth in any collective bargaining agreement(s) applicable to [Brandon Shores or Wagner, as applicable]."

37. In response, Applicants state that, consistent with section 2.6(b) of the Amended Rates, they adjusted the Monthly Fixed-Cost Charge for each extension term solely to reflect the increase in labor costs in line with the cost-of-living adjustment factors set forth in the general wage escalator from the collective bargaining agreement between their parent company, Talen, and the IBEW Local 1600 workers at Talen's other power plants in PJM.[70] Applicants explain that although they do not have collective bargaining agreements with their employees, Talen used the collective bargaining agreement's general wage escalator to determine the cost-of-living adjustments for the extension term to ensure all employees are treated equally. Applicants state further that the Settling Parties reviewed the adjustment figures and the general wage increase percentages during the negotiations for the instant filings, and all parties agreed to the increase in labor costs for the two extension terms.

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[67] *Id.* (citing Amended Rates, § 2.2(a) (defining the first extension term), § 5.1(a) (setting forth the Monthly Fixed-Cost Charge for the first extension term)).

[68] *Id.* (citing Amended Rates, § 2.2(b) (defining the second extension term), § 5.1(b) (setting forth the Monthly Fixed-Cost Charge for the second extension term)).

[69] *Id.* (citing June 4 Brandon Shores Transmittal at 2, 4; June 4 Wagner Transmittal at 2, 4).

[70] Deficiency Letter Responses at 2. The Deficiency Letter Responses cite to their Appendix 1, which provides a collective bargaining agreement excerpt showing the cost-of-living adjustment factors for each year from August 2025 through August 2029.

IV. Commission Determination

A. Procedural Matters

38. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2025), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

39. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2025), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We accept Applicants' answer because it has provided information that assisted us in our decision-making process.

B. Substantive Matters

40. We find the proposed revisions to extend the RMR agreements pursuant to the terms of the Settlement Rates just and reasonable and not unduly discriminatory or preferential, and we accept them effective September 16, 2026 and June 1, 2029, as requested.[71] In the Settlement Order, the Commission approved the Settlement Rates as just and reasonable.[72] Pursuant to section 2.6(b) of the Settlement Rates, Applicants may request to extend the RMR agreements by filing with the Commission, under FPA section 205, an amendment to the rates, terms, and conditions of service for the extended term, provided the amendment includes only those changes necessary to:

> (i) reflect the extended term, (ii) adjust the Monthly Fixed-Cost Charge effective during the first year of the extended term to reflect an increase in labor costs from June 1, 2025, to June 1, 2029, in line with cost-of-living adjustment factors set forth in any collective bargaining agreement(s) applicable to [Brandon Shores or Wagner, as applicable], (iii) increase the Monthly Fixed-Cost Charge during each subsequent year of the extended term to reflect an increase in labor costs during such subsequent years of the extended term in line with cost-of-living adjustment factors set forth in any collective bargaining agreement(s) applicable to [Brandon Shores or Wagner, as applicable], (iv) update Section 5.2(C) to identify any Project Investment that is identified by [Brandon Shores

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[71] We find that good cause exists to grant waiver of the Commission's prior notice requirements in section 35.3(a)(1) of the Commission's regulations to permit an effective date more than 120 days after filing.

[72] Settlement Order, 191 FERC ¶ 61,098 at PP 25, 29.

> or Wagner, as applicable] and determined by PJM to be reasonably necessary during the extended term, and (v) make any necessary conforming changes to this Rate Schedule associated with the foregoing.[73]

Given the Commission's previous determination that the Settlement Rates are just and reasonable, including the provision permitting extensions in section 2.6(b), we review here only whether Applicants' Amended Rates fit within the permitted amendments under section 2.6(b). Because Applicants have demonstrated, through their initial filings and Deficiency Letter Responses, that the proposed revisions to the Settlement Rates conform with the section 2.6(b) requirements for extension, we find the Amended Rates to be just and reasonable.

41. We disagree with protesters' argument that Applicants are required to make further showings. We therefore find misplaced Maryland OPC's and the Market Monitor's differing views on how the proposed Monthly Fixed-Cost Charge should account for depreciation. As shown above, section 2.6(b) of the Settlement Rates specifies that Applicants may propose changes to the existing Settlement Rates to revise only the Monthly Fixed-Cost Charge adjustments to reflect an increase in labor costs and nothing more.

42. We similarly disagree with Maryland OPC that Applicants must provide more information on the Identified Project Investments. Section 2.6(b) of the Settlement Rates requires Applicants only to "update Section 5.2(C) to identify any Project Investment that is identified by [Brandon Shores or Wagner, as applicable] and determined by PJM to be reasonably necessary during the extended term." We find PJM's signing of the agreement to amend to be sufficient evidence that PJM has determined the Identified Project Investments to be reasonably necessary during the extended term.

43. We find unavailing the Market Monitor's arguments regarding the need for continued operation of the Brandon Shores Units and Wagner Units and their relationship to load growth in the PJM region. This proceeding is limited to whether Applicants' Amended Rates fit within the permitted amendments under section 2.6(b). Moreover, Part V of the Tariff permits PJM to request that a deactivating unit operate past its planned deactivation date to maintain system reliability pending the completion of necessary transmission upgrades.[74] Here, the need for the extensions derives from delays in the completion of two transmission upgrades previously identified in 2023—the North Delta – High Ridge 500 kV line and the Peach Bottom – Conastone 500 kV line—

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[73] Settlement Rates, § 2.6(b).

[74] PJM, Intra-PJM Tariffs, Tariff, pt. V, § 113 (Notices) (2.0.0).

both with revised completion dates of December 2030.[75] The associated reliability needs related to the 2023 transmission upgrades arose before the large load service requests the Market Monitor vaguely references. The Market Monitor's arguments regarding large loads are thus irrelevant to acceptance of the immediate Tariff records. The Market Monitor has also failed to identify any provision of Part V of the Tariff with which the parties did not comply.

<u>The Commission orders</u>:

Applicants' tariff records are hereby accepted, effective as requested, as discussed in the body of this order.

By the Commission.

(S E A L)

Debbie-Anne A. Reese,
Secretary.

[75] Brandon Shores June 8 Transmittal, attach. A ("PJM Formal Request for Extension of RMR [RMR Agreement] Term"), at 1 (citing PJM, *Special Members Committee Meeting*, at 7 (May 2026), https://www.pjm.com/-/media/DotCom/committees-groups/committees/mc/2026/20260527-special-rmr/item-01---2-brandon-shores-12-and-wagner-34-deactivation-and-rmr---presentation.pdf); Wagner June 8 Transmittal, attach. A ("PJM Formal Request for Extension of RMR [RMR Agreement] Term"), at 1 (citing same); PJM Comments, attach. I (Affidavit of Mark Sims), at 5, fig. PJM-1.

Appendix – Tariff Records

Docket No. ER26-2739-002

H.A. Wagner LLC
Tariff Database

Effective September 16, 2026

- CORS-RMR Arrangement, RMR Continuing Operations Rate Schedule - Cover Page (1.2.0)

Effective June 1, 2029

- RMR Arrangement, Continuing Operations Rate Schedule (1.2.0)

Docket No. ER26-2740-002

Brandon Shores LLC
Tariff Database

Effective September 16, 2026

- CORS-RMR Arrangement, RMR Continuing Operations Rate Schedule - Cover Page (1.2.0)

Effective June 1, 2029

- CORS-RMR Arrangement, Continuing Operations Rate Schedule (1.2.0)