UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

PJM Interconnection, L.L.C. ) Docket No. ER19-1922-000
PJM Interconnection, L.L.C. ) Docket No. ER19-603-002
PJM Interconnection, L.L.C. ) Docket No. ER19-1958-000

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

Pursuant to Rules 212 and 213 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”), 1 PJM Interconnection, L.L.C. (“PJM”) submits this Motion for Leave to Answer (“Motion”) and Answer (“Answer”) in response to the Requests for Clarification, Motions to Intervene, Comments, and Protest of American Electric Power Service Corporation (“AEPSC”) filed on June 11, 2019 in the above-captioned proceedings. 2 In this Answer, PJM (1) addresses the effective date of PJM’s revisions to the pro forma Interconnection Construction Service Agreement (“ICS Agree”); as directed by the Commission in Docket No. EL19-18-000; 4 (2) explains minor clarifying revisions that PJM included in response to the Complaint

3 The pro forma ICSA is contained in PJM Open Access Transmission Tariff (“Tariff”), Attachment P.
Order, but did not include in the revised Guernsey ICSA directed by the Commission in Docket No. ER19-603-001; (3) explains how PJM’s revised pro forma ICSA, Appendix 2, section 3.2.3.8 (“Section 3.2.3.8”) fully complies with the Commission’s directives in the Complaint Order and Guernsey Order; (4) explains how PJM’s revised Section 3.2.3.8 does not conflict with, and is fully consistent with, pro forma ICSA, Appendix 2, section 3.2.3.9 (“Section 3.2.3.9”); and (5) explains that PJM will address AEPSC’s comments regarding PJM’s Order No. 845 compliance filing in a future filing that comprehensively addresses various comments received in Docket No. ER19-1958-000.

I. MOTION FOR LEAVE TO ANSWER

The Commission’s rules provide that a party may respond to protests where the decisional authority permits the response for good cause shown. The Commission frequently has accepted responses to protests when doing so will ensure a more accurate and complete record or will assist the Commission in its deliberative process by correcting errors and clarifying the issues. As demonstrated below, all of these criteria are met. Therefore, PJM respectfully requests that the


6 PJM Interconnection, L.L.C., Compliance Filing of Original Service Agreement No. 5250, Docket No. ER19-603-002 (May 24, 2019) (“Guernsey ICSA Compliance Filing”). Original Service Agreement No. 5250 is an ICSA among PJM, Guernsey Power Station, LLC, and AEP Ohio (“Guernsey ICSA”).


8 See 18 C.F.R. § 385.213(a)(2).

9 See, e.g., PJM Interconnection, L.L.C., 139 FERC ¶ 61,165, at P 24 (2012) (accepting answers to a protest because “they have provided information that assisted [the Commission] in [its] decision-making process”); PJM Interconnection, L.L.C., 104 FERC ¶ 61,031, at P 10 (2003) (accepting answer because “it will not delay the proceeding, will assist the Commission in understanding the issues raised, and will [e]nsure a complete record upon which the Commission may act”).
Commission grant its Motion because the Answer will help clarify the record and contribute to an understanding of the issues.

II. ANSWER

A. The effective date should minimize administrative burdens.

AEPSC asserts that the Pro Forma ICSA Compliance Filing requires an effective date between November 19, 2018 and April 19, 2019. PJM defers to the Commission on the effective date. However, if the Commission sets a retroactive effective date, PJM urges the Commission to establish the latest permissible effective date in order to minimize the number of already-issued ICSAs that would be affected and must be amended as a result.

PJM appreciates AEPSC’s statement that “AEPSC does not believe that any ICSAs signed after November 19, 2018 need to be physically amended. Rather, they can be deemed amended by a Commission order.” However, PJM believes that if the Commission sets an effective date between November 19, 2018 and April 19, 2019, it would be necessary to amend, with written amendments, the ICSAs issued on or after the effective date and before the Commission order that sets the retroactive effective date. Without written amendments, it would be difficult for PJM and the other parties to properly administer and manage the affected ICSAs on a going-forward basis.

Because the above-referenced ICSAs will require written amendments, PJM urges the Commission to set the latest permissible effective date in order to minimize the number of affected ICSAs, some of which will need to be refilled with the Commission because they do not conform to the pro forma ICSA. Setting the latest permissible effective date will reduce administrative

10 June 11 Pleading at 5, 7–9.
11 As of June 25, 2019, PJM had issued 51 ICSAs since November 19, 2018 and 17 ICSAs since April 19, 2019.
12 June 11 Pleading at n.20.
burdens not only for PJM, but also for the many Interconnected Transmission Owners\textsuperscript{13} and Interconnection Customers who are parties to the ICSAs.

**B. The Guernsey ICSA Compliance Filing fully complies with the Guernsey Order, and requires no changes.**

The Guernsey ICSA Compliance Filing follows the Commission’s directives in the Guernsey Order, and requires no changes. The Guernsey Order requires two discrete revisions to the Guernsey ICSA:\textsuperscript{14} (1) incorporation of the new indemnification paragraph in Guernsey ICSA, Schedule M and (2) revisions to Section 3.2.3.8 “to more clearly state that AEP Ohio shall review and approve the engineering designs for any facilities that will be constructed under the Option to Build.”\textsuperscript{15} In the Guernsey ICSA Compliance Filing, PJM made those two discrete revisions in full compliance with the Guernsey Order.

AEPSC is incorrect in claiming that additional language, including discretionary language from the *Pro Forma* ICSA Compliance Filing,\textsuperscript{16} is required to be incorporated into the Guernsey ICSA.\textsuperscript{17} However, PJM notes that the Guernsey ICSA has an effective date of May 13, 2019.\textsuperscript{18} Therefore, if the Commission accepts the discretionary language in the *Pro Forma* ICSA Compliance Filing, and sets an effective date for those revisions that is earlier than May 13, 2019,

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\textsuperscript{13} Capitalized terms not otherwise defined herein have the meaning set forth in *pro forma* ICSA, Appendix 1.

\textsuperscript{14} See Guernsey Order at order point B (“PJM is hereby directed to refile the Guernsey ICSA to incorporate the new indemnification paragraph in Schedule M and to revise Section 3.2.3.8 of Appendix 2 to the ICSA within 30 days from the date of this order, as discussed in the body of this order.”)

\textsuperscript{15} Id. at P 61.

\textsuperscript{16} In the *Pro Forma* ICSA Compliance Filing, PJM included two discretionary revisions that PJM previously had included in its December 19, 2018 answer to the November 19, 2018 complaint in the underlying proceeding, and in a presentation to PJM Members at the December 13, 2018 Planning Committee meeting. See *Pro Forma* ICSA Compliance Filing transmittal letter at 3–5. PJM did not include those two discretionary revisions in the Guernsey ICSA Compliance Filing because the revisions lacked foundation and were out of scope in that proceeding.

\textsuperscript{17} June 11 Pleading at 9.

\textsuperscript{18} Guernsey Order at order point A.
then the parties would incorporate the additional language in the Guernsey ICSA through a written amendment.

C. PJM’s revised Section 3.2.3.8 fully complies with the Complaint Order and Guernsey Order.

PJM’s revisions to Section 3.2.3.8 in the Pro Forma ICSA Compliance Filing and Guernsey ICSA Compliance Filing fully comply with the directives in the Complaint Order and Guernsey Order, respectively. AEPSC incorrectly claims that PJM’s revised Section 3.2.3.8 should incorporate various other provisions from the Order No. 2003\textsuperscript{19} \textit{pro forma} Large Generator Interconnection Agreement (“LGIA”),\textsuperscript{20} article 5.2(3).\textsuperscript{21} However, the Commission did not direct the inclusion of those other provisions in Section 3.2.3.8, and inclusion of those other provisions is unwarranted and unnecessary. Indeed, the Commission expressly concluded that the \textit{pro forma} ICSA already provides comparable protection to \textit{pro forma} LGIA, article 5.2(3), and ordered PJM to simply clarify that Interconnected Transmission Owners shall review and approve the engineering designs of Option to Build facilities.\textsuperscript{22} Therefore, PJM added a sentence to Section


\textsuperscript{21} June 11 Pleading at 10–13.

\textsuperscript{22} See Complaint Order at P 61 (“Section 3.2.3.8 of Appendix 2 to the PJM \textit{pro forma} ICSA provides that the transmission owner will review and comment on the facility designs. The \textit{pro forma} LGIA, on the other hand, allows the transmission provider to review and approve facility designs. The PJM \textit{pro forma} ICSA section also provides that ‘any drawings not subject to comment shall be deemed to be approved,’ which suggests that ‘review and comment’ is synonymous with approval. Appendix 2, section 2.3.1 further provides that, if the interconnection customer procures material for or commences construction prior to the execution of an ICSA or before the transmission owner and provider have accepted the interconnection customer’s design of any Option to Build facilities, such procurement or construction shall be at the interconnection customer’s sole risk, cost, and expense. Taken together, we conclude that PJM’s ICSA provides comparable protection to the \textit{pro forma} LGIA article 5.2(3). However, to ensure requisite clarity in the ICSA and prevent future confusion, we direct PJM to modify its ICSA, consistent with \textit{pro forma} LGIA article 5.2(3) and the foregoing interpretation, to specifically require a transmission owner to review and approve the engineering design of facilities constructed under the Option to Build ….” (footnotes omitted)).

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3.2.3.8 that captures and clarifies the review and approval process, as follows: “The Interconnected Transmission Owner shall review and approve the initial drawings and engineering design of the Transmission Owner Interconnection Facilities to be constructed under the Option to Build.”

The additional sentence in Section 3.2.3.8 fully captures the Commission’s directive regarding the review and approval of engineering designs for Option to Build facilities. The purpose of the Interconnected Transmission Owner’s review and approval is to confirm that the design of the facilities is consistent with Applicable Standards and the Facilities Study. AEPSC incorrectly claims that other aspects of *pro forma* LGIA, article 5.2(3) are missing from the *pro forma* ICSA. Specifically, AEPSC asserts that references to “construction” and “equipment acceptance tests” also should be included in Section 3.2.3.8. However, those concepts are captured elsewhere in the *pro forma* ICSA.

1. **Construction**

With respect to “construction,” *pro forma* ICSA, Appendix 2, sections 3.8.2.1 and 3.8.3 describe the inspection, testing, and review processes that apply to the Interconnected Customer’s construction of Option to Build facilities. Further, *pro forma* ICSA, Appendix 2, section 3.8.4.1 sets forth the process by which the Interconnection Customer will correct any identified construction defects or failures to comply with Applicable Standards, and shall obtain the Interconnected Transmission Owner’s acceptance of those corrections. Finally, *pro forma* ICSA, Appendix 2, section 3.8.5 specifies that before energization of the Option to Build facilities, the Interconnected Transmission Owner shall confirm in writing that the inspected and tested facilities—as constructed—are acceptable for energization.

2. **Equipment Acceptance Tests**

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23 *See Pro Forma* ICSA Compliance Filing transmittal letter at 3.
With respect to “equipment acceptance tests,” those concepts are captured in pro forma ICSA, Appendix 2, sections 3.9 and 3.10. Option to Build facilities are included in the stage two energization process described in pro forma ICSA, Appendix 2, sections 3.9.3, 3.9.4, 3.9.5, and 3.10. Stage two energization may not occur until the Interconnection Customer has satisfied three conditions: (1) the Interconnection Customer shall deliver a writing transferring operational control of the Option to Build facilities to the Interconnected Transmission Owner and PJM,24 (2) the Interconnection Customer shall provide to the Interconnected Transmission Owner a mark-up of construction drawings that shows the “as-built” condition of the Option to Build facilities,25 and (3) telemetering systems must be operational and meet specified requirements.26 After the foregoing three conditions are met, the Interconnected Transmission Owner and Interconnection Customer coordinate and undertake stage two energization of the Option to Build facilities.27

If any defects in the Option to Build facilities are identified during the energization process, the energization will be deemed unsuccessful, and the Interconnection Customer “shall take action to correct the defects as promptly as practical after the defects are identified.”28 After the Interconnection Customer notifies the Interconnected Transmission Owner that the defects have been corrected, the parties can recommence energization. However, at this stage, the Interconnected Transmission Owner and PJM also may require further inspection and testing of

24 Pro forma ICSA, Appendix 2, section 3.9.3(a).
25 Id. at section 3.9.3(b). These “as-built” construction drawings will reflect as-built modifications to the initial drawings and engineering design of the Option to Build facilities as previously provided under Section 3.2.3.8.
26 Id. at section 3.9.3(c).
27 Id. at section 3.9.4.
28 Id. at section 3.9.5.
the constructed facilities in accordance with the provisions of *pro forma* ICSA, Appendix 2, section 3.8 discussed above.

After the Option to Build facilities are successfully energized, the Interconnected Transmission Owner shall issue a written notice to the Interconnection Customer accepting the facilities. Interconnected Transmission Owner’s acceptance “shall not be construed as confirming, endorsing or providing a warranty by the Interconnected Transmission Owner as to the design, installation, construction, fitness, safety, durability or reliability of any Interconnection Facilities built by the Interconnection Customer, or their compliance with Applicable Standards.”

In sum, as the Commission expressly concluded, the *pro forma* ICSA provides comparable protections to *pro forma* LGIA, article 5.2(3). Therefore, AEPSC’s proposed additional references to “construction” and “equipment acceptance tests” in Section 3.2.3.8 are unnecessary.

**D. PJM’s revised Section 3.2.3.8 does not conflict with Section 3.2.3.9, and the two sections work in harmony with the other ICSA provisions applicable to the Option to Build.**

For ease of reference, PJM reproduces Section 3.2.3.8 and Section 3.2.3.9 below. The new sentence in Section 3.2.3.8, as directed by the Commission, is shown in underline format.

**3.2.3.8 Interconnection Customer Drawings:**

Interconnection Customer shall submit to the Interconnected Transmission Owner and Transmission Provider initial drawings, certified by a professional engineer, of the Transmission Owner Interconnection Facilities that Interconnection Customer arranges to build under the Option to Build. The Interconnected Transmission Owner shall review and approve the initial drawings and engineering design of the Transmission Owner Interconnection Facilities to be constructed under the Option to Build. The Interconnected Transmission Owner shall review the drawings to assess the consistency of Interconnection Customer’s design of the pertinent Transmission Owner Interconnection Facilities with Applicable Standards and the

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29 *Pro forma* ICSA, Appendix 2, section 3.10.
30 *Id.*
31 See Complaint Order at P 61.
Facilities Study. Interconnected Transmission Owner, with facilitation and oversight by Transmission Provider, shall provide comments on such drawings to Interconnection Customer within sixty days after its receipt thereof, after which time any drawings not subject to comment shall be deemed to be approved. All drawings provided hereunder shall be deemed to be Confidential Information.

3.2.3.9 Effect of Review:

Interconnected Transmission Owner’s review of Interconnection Customer's initial drawings of the Transmission Owner Interconnection Facilities that the Interconnection Customer is building shall not be construed as confirming, endorsing or providing a warranty as to the fitness, safety, durability or reliability of such facilities or the design thereof. At its sole cost and expense, Interconnection Customer shall make such changes to the design of the pertinent Transmission Owner Interconnection Facilities as may reasonably be required by Transmission Provider, in consultation with the Interconnected Transmission Owner, to ensure that the Transmission Owner Interconnection Facilities that Interconnection Customer is building meet Applicable Standards and conform with the Facilities Study.

Section 3.2.3.8 and Section 3.2.3.9 must be read together to reflect the process PJM uses to secure the Interconnected Transmission Owner’s review and approval of the initial drawings and engineering design of Option to Build facilities, while still requiring the Interconnection Customer to make design changes, as PJM reasonably requires, in order to ensure consistency with Applicable Standards and the Facilities Study. First, under Section 3.2.3.8, the Interconnection Customer submits initial engineering drawings of the Option to Build facilities to the Interconnected Transmission Owner and PJM. Those drawings reflect the engineering design of the Option to Build facilities, which must meet Applicable Standards and conform with the Facilities Study, and the Interconnection Transmission Owner shall review and approve the drawings and engineering design. The Interconnected Transmission Owner reviews the drawings to confirm that the engineering design is consistent with Applicable Standards and the Facilities Study, and provides comments within 60 days after receipt of the drawings.
Second, as reflected in Section 3.2.3.9, the Interconnected Transmission Owner’s review of the engineering design under Section 3.2.3.8 does not end the matter. PJM, in consultation with the Interconnected Transmission Owner, may reasonably require that the Interconnection Customer make changes to the engineering design to ensure that the Option to Build facilities meet the Applicable Standards and conform with the Facilities Study. Any engineering design changes required under Section 3.2.3.9, and any other design changes made after construction commences, must be incorporated in the Interconnection Customer’s “as-built” drawings as discussed in subsection C above.

In sum, Section 3.2.3.8 and Section 3.2.3.9—in combination with the inspection, testing, energization, and acceptance processes of pro forma ICSA, Appendix 2, Sections 3.8 through 3.10 described in subsection C above—provide comparable protection to pro forma LGIA, article 5.2(3). Therefore, no additional Section 3.2.3.8 or Section 3.2.3.9 revisions are needed in order to meet the Commission’s directives in the Complaint Order and Guernsey Order.

E. PJM will address AEPSC’s comments regarding PJM’s Order No. 845 compliance filing in a future filing that comprehensively addresses various comments received in Docket No. ER19-1958-000.

In the June 11 Pleading, AEPSC claims “[d]ue to the revisions that PJM is proposing to Section 3.2.3.2(a)(iii) of its 845 Pro Forma ICSA, AEPSC submits that there was no need for PJM to keep the revision to Section 3.2.3.8 in the 845 Pro Forma ICSA … [i]n fact, PJM’s proposed revision to Section 3.2.3.8 will conflict with the scope of Section 3.2.3.2(a)(iii) when the 845 Pro Forma ICSA takes effect.”32 PJM intends to comprehensively address comments to its Order No. 845 compliance filing in a future filing in Docket No. ER19-1958-000. The Commission does not

32 June 11 Pleading at 14.
need to address AEPSC’s claims regarding PJM’s Order No. 845 compliance filing here, in order to address all other issues raised by AEPSC in the June 11 Pleading. Thus, the Commission may and should move forward with finalizing all outstanding issues in Docket Nos. EL19-18-000, ER19-1922-000, and ER19-603-002.

III. CONCLUSION

PJM respectfully requests that the Commission grant the Motion and accept the foregoing Answer, which corrects errors and ensures a more accurate and complete record in these proceedings.

Respectfully submitted,

By: /s/ Alejandro Bautista

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Dated: June 26, 2019
CERTIFICATE OF SERVICE

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

Dated at Audubon, PA, this 26 day of June, 2019.

/s/ Alejandro Bautista

Alejandro Bautista
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