



PJM Interconnection, L.L.C.  
2750 Monroe Boulevard  
Audubon, PA 19403

Erin B. Lai  
Senior Counsel  
T: (610) 666-4345  
[Erin.Lai@pjm.com](mailto:Erin.Lai@pjm.com)

April 8, 2026

The Honorable Debbie-Anne A. Reese  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E. Room 1A  
Washington, D.C. 20426

Re: *PJM Interconnection L.L.C., Docket No. ER26-980-001*  
*Response to March 9, 2026 Deficiency Notice*

Dear Secretary Reese,

Pursuant to the March 9, 2026 Deficiency Notice<sup>1</sup> of Federal Energy Regulatory Commission (“FERC” or “Commission”) Staff in the above-referenced proceeding, PJM Interconnection, L.L.C. (“PJM”) hereby submits the following responses to the questions presented. Given that each of the proposed revisions are discrete, severable, and not interdependent, PJM requests the Commission evaluate the justness and reasonableness of these revisions separately.<sup>2</sup>

## **I. RESPONSES TO REQUEST FOR ADDITIONAL INFORMATION**

1. PJM proposes to revise Tariff, Attachment DD, Section 5.5A (d) (ii) as follows: “For the 2020/2021 Delivery Year and subsequent Delivery Years, The following types of Capacity Resources are eligible to submit a Sell Offer as a Winter-Period Capacity Performance Resource: Capacity Storage Resource, Intermittent Resource that has been granted additional Capacity Interconnection Rights related to the winter-period, and Environmentally-Limited Resource that has an average expected energy output

---

<sup>1</sup> *PJM Interconnection, L.L.C.*, Letter Notifying PJM Interconnection, L.L.C. of Deficiency, Docket No. ER26-980-000 (Mar. 9, 2026).

<sup>2</sup> See *NRG Power Mktg., LLC v. FERC*, 862 F.3d 108, 114-15 (D.C. Cir. 2017) (finding that the Commission has “authority to propose modifications to a utility’s [FPA section 205] proposal if the utility consents to the modifications”) (emphasis in original); see also *Public Service Company of New Mexico*, 178 FERC ¶ 61,088, at P 31 n.48 (2022) (accepting the filer’s proposed tariff revisions, but directing certain revisions to remove specific charges, as agreed to by the filer) (citing 862 F.3d 108); *Southwest Power Pool, Inc.*, 177 FERC ¶ 61,148, at P 27 n.42 (2021); *PJM Interconnection, L.L.C.*, 176 FERC ¶ 61,080, at P 43 n.54 (2021); *Southwest Power Pool, Inc.*, 177 FERC ¶ 61,230, at P 24 n.43 (2021).

during winter peak-hour periods consistently and measurably greater than its average expected energy output during summer peak-hour periods.”

PJM states these revisions are consistent with the removal of the categorical must-offer exception for Capacity Storage Resources, Intermittent Resources, and Environmentally-Limited Resources, which the Commission accepted in *PJM Interconnection, L.L.C.*, 190 FERC ¶ 61,117 (2025). Additionally, PJM explains that existing Capacity Storage and Environmentally-Limited Resources are now required to offer on an annual basis and that only Intermittent Resources granted additional CIRs for winter-period will be able to offer in as Winter-Period Capacity Resource.<sup>3</sup>

- a. Please explain why these revisions to Tariff, Attachment DD, Section 5.5A (d) (ii), specifically the revisions related to Intermittent Resources and the deletion of Environmentally-Limited Resources, are just and reasonable and/or consistent with *PJM Interconnection, L.L.C.*, 190 FERC ¶ 61,117 (2025).

### **PJM Response:**

The revisions related to Intermittent Resources in this section are just and reasonable because the removal of the categorical must-offer exception in *PJM Interconnection, L.L.C.*, 190 FERC ¶ 61,117 (2025) applies to Intermittent Resources generally.<sup>4</sup> As a result, Intermittent Resources must now be offered into the Reliability Pricing Model (“RPM”) Auctions as annual resources and cannot just meet the capacity must-offer requirement by offering as a seasonal capacity resource. Thus, the updates related to Intermittent Resources in Tariff, Attachment DD, Section 5.5A(d)(ii) are intended to clarify that only those incremental additional winter Capacity Interconnection Rights that are granted to an Intermittent Resource—not the entire Intermittent Resource—can qualify as a Winter-Period Capacity Performance Resource.

PJM’s proposal to delete the reference to Environmentally Limited Resources under this provision is also just and reasonable as it is consistent with the Commission’s order in *PJM Interconnection, L.L.C.*, 190 FERC ¶ 61,117 (2025) “to extend the capacity must-offer requirement to all available Existing Generation Capacity Resources.”<sup>5</sup> PJM’s proposal explicitly stated that “all Existing Generation Capacity Resources that are offered into the RPM Auction would be required to offer the full annual Accredited UCAP of the resource” and further clarified that even “Intermittent Resources cannot satisfy the must-offer requirement simply by

---

<sup>3</sup> *PJM Interconnection, L.L.C.*, Transmittal, Attachment C – GDECS Chart, Docket No. ER26-980-000, at 1 (Jan. 8, 2026).

<sup>4</sup> Capitalized terms not otherwise defined herein shall have the meanings given to them in the Tariff or in the Reliability Assurance Agreement Among Load Serving Entities in the PJM Region (“RAA”).

<sup>5</sup> *Id.* at P 1; *see id.* at P 14 (“Only Demand Resources will remain categorically exempt from the capacity must-offer requirement. PJM adds that its proposal requires that all Existing Generation Capacity Resources offered into the RPM Auction offer the full annual Accredited UCAP of the resource”).

being offered as a Summer-Period Capacity Resource or Winter-Period Capacity Resource.”<sup>6</sup>

In the case of an Environmentally Limited Resource, being designated as a Winter-Period Capacity Performance Resource would mean that such resource would only need to be offered in the winter period to meet the capacity must-offer obligation if there were limits on run hours. However, PJM’s existing energy market rules already account for potential limits on run hours due to environmental emission limitations. Specifically, Market Sellers of committed Generation Capacity Resources can satisfy the energy must-offer obligation by designating offers as Maximum Emergency offers when the “resource has a limit on its run hours imposed by a federal, state, or other governmental agency that will significantly limit its availability, on either a temporary or long-term basis.”<sup>7</sup> Additionally, PJM’s cost-offer rules allow Market Sellers to reflect emission costs in mitigated energy offers and the opportunity cost portion of such offers.<sup>8</sup> As a result, there is no longer a need to retain an Environmentally Limited Resource as a Winter-Period Capacity Performance Resource, as any such resource should be required to be offered as an annual Capacity Performance Resource rather than only as a Winter-Period Capacity Performance Resource. Finally, under PJM’s current accreditation model, the Accredited UCAP of Environmentally Limited Resources is based on such resources’ annual performance and is not split into summer versus winter performance.<sup>9</sup> As a result, there would be a misalignment of a resource’s Accredited UCAP if such resource is allowed to be offered only as a Winter-Period Capacity Performance Resource.

2. PJM proposes to revise Tariff, Schedule 6A(6)(i) as follows: “Owners of Black Start Units ~~selected to provide Black Start Service~~ making capital investment prior to June 6, 2021, in order to provide or continue to provide Black Start Service in accordance with section 4 of this Schedule 6A and electing to recover new or additional Black Start Capital Costs shall commit to provide Black start Service from such Black Start Units for a term based upon the age of the Black Start Unit or the longest expected life of the Incremental Black Start Capital Cost, as set forth in the applicable CRF [Capital Recovery Factor] Table in section 18 of this Schedule 6A.”

PJM states that the proposed language provides clarification related to capital investments for Black Start units and will align the time period of the capital investment to the currently effective CRF. Additionally, PJM states that these changes align with the Commission’s order in Docket Nos. ER21-1635-001 and EL21-91-000, deciding that the CRF should align with the timing of when the capital

---

<sup>6</sup> See *PJM Interconnection, L.L.C.*, Extending the Capacity Must-Offer Requirement to All Generation Capacity Resources, Docket No. ER25-785-000, at 28 (Dec. 20, 2024).

<sup>7</sup> Tariff, Attachment K-Appendix, section 1.10.1A(d) and Operating Agreement, Schedule 1, section 1.10.1A(d).

<sup>8</sup> See Operating Agreement, Schedule 2, sections 3.1 and 5.

<sup>9</sup> See RAA, Article 1, Definitions (“Accredited UCAP” shall mean the quantity of Unforced Capacity, as denominated in Effective UCAP, that an ELCC Resource is capable of providing in a given Delivery Year.).

investment was made and not when the unit was originally selected for Black Start.<sup>10</sup>

- b. Please explain why these revisions to Tariff, Schedule 6A(6)(i), are just and reasonable and/or consistent with Docket Nos. ER21-1635-001 and EL21-91-000, and cite to specific previously accepted language.

**PJM Response:**

The revisions related to capital investments for Black Start units are just and reasonable, as they are clarifying changes aligned with the FERC Orders in Docket Nos. ER21-1635-001 and EL21-91-000. The proposed changes simply clarify the more precise milestone of “making capital investment” prior to the June 6, 2021 qualifying date as consistent with the intent in the above referenced dockets. In the transmittal letters filed in the related Black Start CRF dockets, PJM made numerous references to the capital investment milestone. Most compelling, in its August 10, 2021 Order, the Commission said “PJM [p]roposes revising the Capital Cost Recovery Rate and the commitment period for Black Start Units that *make capital investments* on or after June 6, 2021 (New Capital Investments).”<sup>11</sup> (emphasis added).

The July 17, 2024 testimony of Glen Boyle referenced “the expectations of the unit owners *when making their investment* ...”<sup>12</sup> Glen Boyle’s testimony further confirmed PJM’s goal to promote (and not discourage) Black Start investment and participation, as support for PJM’s decision to “respect Black Start Service providers expectations at the time they evaluated the risks and rewards of providing Black Start Service.”<sup>13</sup> Additionally, the July 17, 2024 testimony of Dr. Walter Graf described the CRF values as just and reasonable because “these were the stated rates that Black Start providers relied on *when making multi-year commitments and capital investments*.”<sup>14</sup> This testimony further corroborates the “making capital investment” milestone in the context of the newly proposed language.

It is also worth noting, that PJM is not aware of any party in the original dockets or in the instant GDECS docket that has raised concern or objected to this proposed language.<sup>15</sup> For the reasons

---

<sup>10</sup> *PJM Interconnection, L.L.C.*, Transmittal, Attachment C – GDECS Chart, Docket No. ER26-980-000, at 4 (Jan. 8, 2026).

<sup>11</sup> *See PJM Interconnection, L.L.C.*, 176 FERC ¶ 61,080, at P 8 (2021).

<sup>12</sup> *See PJM Interconnection, L.L.C.*, Prepared Answering Testimony of Glen Boyle, Docket No. EL21-91-003, at Summary (Jul. 17, 2024).

<sup>13</sup> *Id.* at 11-12.

<sup>14</sup> *See PJM Interconnection, L.L.C.*, Prepared Answering Testimony of Dr. Walter Graf, Docket No. EL21-91-003, at 4 (Jul. 17, 2024).

<sup>15</sup> PJM worked with its stakeholders through the GDECS on September 12, 2025 and September 30, 2025 to review changes that were needed to PJM’s Governing Documents. PJM discussed the proposed revisions and associated rationale for each of the items listed on the enclosed table with stakeholders in the GDECS during this timeframe. The proposed revisions were presented to, and discussed with, the PJM Markets and Reliability Committee (“MRC”) between October and November 2025. The MRC endorsed the revisions by acclamation with no objection or abstentions at its November 20, 2025 meeting. The Members Committee (“MC”) endorsed the revisions by

described above, the proposed clarifying language linked to the timing of the Black Start capital investment is consistent with PJM's position that was ultimately adopted in Docket Nos. ER21-1635-001 and EL21-91-000.

## II. DESCRIPTION OF SUBMITTAL:

This filing consists of the following:

1. This transmittal letter.

## III. CORRESPONDENCE AND COMMUNICATIONS

Please direct any communications regarding this filing to the following individuals:

Erin B. Lai  
Senior Counsel  
PJM Interconnection, L.L.C.  
2750 Monroe Boulevard  
Audubon, PA 19403  
(610) 666-4345  
[Erin.Lai@pjm.com](mailto:Erin.Lai@pjm.com)

Craig Glazer  
Vice President – Federal Government Policy  
PJM Interconnection, L.L.C.  
1200 G Street, N.W.  
Suite 600  
Washington, D.C. 20005  
(202) 423-4743  
[Craig.Glazer@pjm.com](mailto:Craig.Glazer@pjm.com)

## IV. SERVICE

PJM has served a copy of this filing on all PJM Members and on all state utility regulatory commissions in the PJM Region by posting this filing electronically. In accordance with the Commission's regulations,<sup>16</sup> PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: <http://www.pjm.com/documents/ferc-manuals.aspx> with a specific link to the newly-filed document, and will send an e-mail on the

---

acclamation with no objections and no abstentions at its December 17, 2025 meeting. *See PJM Interconnection, L.L.C.*, Transmittal, Docket No. ER26-980-000, at 3 (Jan. 8, 2026).

<sup>16</sup> *See* 18 C.F.R. §§ 35.2(e) and 385.2010(f)(3).

same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region<sup>17</sup> alerting them that this filing has been made by PJM today and is available by following such link. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within 24 hours of the filing. Also, a copy of this filing will be available on the FERC's eLibrary website located at the following link: <http://www.ferc.gov/docs-filing/elibrary.asp> in accordance with the Commission's regulations and Order No. 714. PJM also served this filing on each person designated on the official service list maintained by the Commission for this proceeding.

## V. CONCLUSION

In accordance with the foregoing, PJM respectfully requests that the Commission accept this response, as discussed herein.

Craig Glazer  
Vice President – Federal Government Policy  
PJM Interconnection, L.L.C.  
1200 G Street, N.W.  
Suite 600  
Washington, D.C. 20005  
(202) 423-4743  
[Craig.Glazer@pjm.com](mailto:Craig.Glazer@pjm.com)

Respectfully submitted,

/s/ Erin B. Lai  
Erin B. Lai  
Associate General Counsel  
PJM Interconnection, L.L.C.  
2750 Monroe Boulevard  
Audubon, PA 19403  
(610) 666-4345  
[Erin.Lai@pjm.com](mailto:Erin.Lai@pjm.com)

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

---

<sup>17</sup> PJM already maintains, updates, and regularly uses e-mail lists for all PJM members and affected commissions.

## **CERTIFICATE OF SERVICE**

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

Dated at Audubon, PA this 8th day of April 2026.

/s/ Erin B. Lai

Erin B. Lai

Senior Counsel

PJM Interconnection, L.L.C.

2750 Monroe Blvd.

Audubon, PA 19403

(610) 666-4345

[Erin.Lai@pjm.com](mailto:Erin.Lai@pjm.com)