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VIA ELECTRONIC FILING

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. ER27-126-000
Study Agreement in Furtherance of the State of Ohio's State Agreement Approach Request; FERC Rate Schedule No. 54

Dear Secretary Reese:

Pursuant to section 205 of the Federal Power Act (“FPA”),¹ Part 35 of the rules and regulations of the Federal Energy Regulatory Commission (“Commission” or “FERC”),² and Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. (“Operating Agreement”), Schedule 6, section 1.5.9 (the “State Agreement Approach” or “SAA”),³ PJM Interconnection, L.L.C. (“PJM”) submits for filing an executed “Study Agreement in Furtherance of the State of Ohio’s State Agreement Approach Request,” designated as Rate Schedule No. 54, by and among PJM, SE DC DevCo, LLC (“SE DC DevCo”), PORTS 2 Interconnect, LLC (“PORTS 2 Interconnect”), Portsmouth Gas DevCo, LLC (“Portsmouth Gas DevCo”),⁴ and AEP Ohio Transmission Company, Inc. (“AEP Ohio”) (each individually, a “Party,” and collectively, the “Parties”) (the “Study Agreement”).

PJM requests that the Commission accept the Study Agreement effective September 25, 2026, which is the date the Parties executed the Study Agreement.⁵ Such an effective date is consistent with the Commission’s practice for service agreements submitted within 30 days of

¹ 16 U.S.C. § 824d.

² 18 C.F.R. Part 35.

³ As discussed herein, the State Agreement Approach provides a formal mechanism by which PJM’s regional transmission expansion planning (“RTEP”) process can respond to a request from one or more states that PJM develop transmission facilities that would assist them in implementing their public policy initiatives. *See* Operating Agreement, Schedule 6, section 1.5.9. Capitalized terms used in this filing that are not otherwise defined will have the meaning provided under the PJM Open Access Transmission Tariff (“Tariff”), the Operating Agreement, Reliability Assurance Agreement Among Load Serving Entities in the PJM Region (collectively, the “Governing Documents”) or the Study Agreement.

⁴ SE DC DevCo, PORTS 2 Interconnect, and Portsmouth Gas DevCo are affiliates of SB Energy. SB Energy is a SoftBank Group company engaged in the development, construction, ownership, and operation of large-scale power generation and data center infrastructure.

⁵ *See infra* Section IV.

execution.⁶ If the Commission does not grant the requested September 25, 2026 effective date, PJM alternatively requests that the Study Agreement be made effective one day after today's filing date, *i.e.*, October 14, 2026.⁷

I. INTRODUCTION AND OVERVIEW OF FILING

As discussed below, the State Agreement Approach provides states with flexibility to identify and sponsor transmission facilities needed to advance state public policy requirements, while ensuring that the costs of those facilities are borne by customers in the sponsoring state or states.⁸ The Ohio Federal Energy Advocate ("Ohio FEA") has invoked that process on behalf of the State of Ohio to facilitate transmission solutions that would support the Flagship Project, a significant proposed development composed of substantial new load, associated new generation, and new transmission infrastructure, as described further below.⁹ The Study Agreement submitted herein represents an initial step in that process. It establishes the framework pursuant to which PJM, as the independent regional transmission planner, will evaluate the Flagship Project on an integrated basis and identify the transmission facilities needed to reliably accommodate the project on the PJM transmission system.

The Flagship Project is an integrated artificial intelligence ("AI") data center, generation, and transmission development centered at and around the former United States Department of Energy ("DOE") Portsmouth Gaseous Diffusion Plant in Pike County, Ohio. It has an initial 800 MW phase served under Ohio Power Company's ("Ohio Power") Data Center Tariff,¹⁰ and the expansion being evaluated under the Study Agreement comprises approximately 9,570 MW of additional load and 10,170 MW of gross new generation, supported by three proposed 765 kV transmission lines and related infrastructure. As discussed further below,¹¹ the project would advance the State of Ohio's public policy needs by (i) promoting adequate, reliable, safe, efficient, nondiscriminatory, and reasonably priced retail electric service;¹² (ii) protecting at-risk populations by ensuring no other Ohio Power customers incur costs related to the Flagship Project's AI data center;¹³ and (iii) facilitating the State's effectiveness in the global economy and leadership in AI development.¹⁴ Further, SB Energy has committed to structuring and developing

⁶ See *Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, at 61,983-84, *reh'g denied*, 65 FERC ¶ 61,081 (1993); 18 C.F.R. § 35.3(a)(2).

⁷ See *infra* Section IV.

⁸ See *infra* Section II.A.

⁹ See *infra* Section II.D.

¹⁰ See Ohio Power Company, Data Center Tariff, <https://www.aepohio.com/company/about/rates/data-center-tariff/>.

¹¹ See *infra* Section II.B.

¹² See Ohio Rev. Code Ann. § 4928.02(A) (2026).

¹³ See Ohio Rev. Code Ann. § 4928.02(L).

¹⁴ See Ohio Rev. Code Ann. § 4928.02(N).

the Flagship Project to be fully consistent with the Ratepayer Protection Pledge.¹⁵ In addition to including in the project approximately 10 GW of new generation resources, SB Energy has committed to funding required infrastructure through arrangements designed to protect other customers, supporting grid resilience, and investing in local employment, workforce development, community benefits, and site remediation.

The Study Agreement provides for PJM to evaluate the proposed load, generation, and transmission facilities together, rather than considering each component in isolation. Such an integrated approach is particularly appropriate given the interdependent nature of the Flagship Project and is consistent with the Commission’s recent consideration of approaches for addressing the rapid growth of large loads. The Commission has recognized the potential efficiencies associated with studying large load and generation together, and has encouraged Regional Transmission Organizations (“RTOs”)/Independent System Operators to develop region-specific approaches for efficiently and reliably integrating large load and associated generation onto the transmission system.¹⁶ The Study Agreement provides a means for PJM to undertake such an integrated evaluation in response to Ohio’s specific SAA request while PJM continues development of a more formalized process to study requests of this nature.

Importantly, the Study Agreement establishes a different study *process*, but not different substantive reliability standards.¹⁷ PJM will evaluate the combined effects of the Flagship Project’s proposed load, generation, and transmission facilities on the transmission system using the applicable North American Electric Reliability Corporation (“NERC”) Standards, PJM reliability criteria, Transmission Owner planning criteria, and the processes reflected in PJM’s Manuals.¹⁸ Although the proposed generation will not be studied through PJM’s interconnection queue, it will remain subject to the substantive reliability standards and planning criteria applicable to PJM’s interconnection analyses. PJM likewise will evaluate the transmission needs associated with the

¹⁵ *Ratepayer Protection Pledge*, The White House (Mar. 4, 2026), <https://www.whitehouse.gov/releases/2026/03/ratepayer-protection-pledge/> [<https://perma.cc/N8PH-K82T>] (“Ratepayer Protection Pledge”). The Ratepayer Protection Pledge is a White House initiative to ensure that the costs associated with serving new data center load are borne by the entities responsible for that load, rather than existing ratepayers. Among other things, the Ratepayer Protection Pledge calls for data center developers and operators to secure the generation resources necessary to serve their facilities and pay for associated electric transmission and other infrastructure upgrades.

¹⁶ *See, e.g., Sw. Power Pool, Inc.*, 195 FERC ¶ 61,213 (2026); *Sw. Power Pool, Inc.*, 194 FERC ¶ 61,031 (2026); *PJM Interconnection, L.L.C.*, 195 FERC ¶ 61,211, at P 8 (noting that the Commission “very much encourage[s] [FPA section] 205 submissions encapsulating the principles” articulated in the show cause proceedings “and with all due deliberate haste”), *reh’g denied*, 196 FERC ¶ 61,214 (2026); *accord Ensuring the Timely and Orderly Interconnection of Large Loads*, Advance Notice of Proposed Rulemaking, Docket No. RM26-4-000, at P 32 (Oct. 27, 2025) (“This proposal is not intended in any way to discourage public utilities from making filings to address these and similar issues under FPA section 205.”)

¹⁷ *See infra* Section III.A.

¹⁸ *See infra* Section III.C.1. *See also* Transmission Planning Department, *PJM Manual 14B: PJM Region Transmission Planning Process*, PJM Interconnection, L.L.C. (Rev. 59, Apr. 22, 2026), <https://www.pjm.com/-/media/DotCom/documents/manuals/m14b.pdf> [<https://perma.cc/LSV5-MXUB>] (“Manual 14B”); Interconnection Projects Department, *PJM Manual 14H: New Service Requests Cycle Process*, PJM Interconnection, L.L.C. (Rev. 07, Aug. 19, 2026), <https://www.pjm.com/-/media/DotCom/documents/manuals/m14h.pdf> [<https://perma.cc/S27P-E4KT>] (“Manual 14H” and collectively, “PJM Manuals”).

combined load, generation, and transmission facilities, including whether the transmission facilities identified by AEP Ohio¹⁹ are sufficient to reliably accommodate the requested service and, if not, identify any additional facilities necessary to do so, in accordance with its established planning analyses.²⁰ In this manner, the Study Agreement establishes a coordinated process tailored to the circumstances of the Flagship Project, while preserving the substantive reliability analysis required by PJM's transmission planning and interconnection analyses.

The Study Agreement also contains protections to ensure that PJM's evaluation of the Ohio FEA request does not adversely affect PJM's existing planning and interconnection responsibilities or shift the costs of the requested studies to other PJM Members.²¹ Specifically, SE DC DevCo is responsible for all costs that PJM incurs in conducting the studies. The Study Agreement also permits PJM, in its sole discretion, to engage third-party contractors and other service providers to perform the studies, allowing PJM to obtain the additional resources necessary to perform this work without diverting PJM personnel from existing planning and interconnection responsibilities, including the processing of generation interconnection requests.

At the same time, Commission acceptance of the Study Agreement would not constitute approval of any transmission project or determine whether the State of Ohio ultimately will sponsor transmission facilities through the SAA process.²² The studies will provide the technical basis for Ohio to determine whether to proceed, but they will not themselves select transmission projects or designated entities, establish cost allocations, or grant the Flagship Project transmission service or interconnection rights.²³ As discussed below, further actions will be necessary before any transmission facilities identified through the studies may be included in the PJM RTEP.²⁴

For these reasons, the Study Agreement provides a just and reasonable framework for PJM to undertake the technical evaluation necessary to inform Ohio's decision whether to proceed under the SAA process, while preserving PJM's substantive reliability requirements, protecting existing planning and interconnection processes, and ensuring that the costs of the requested studies are borne by the Flagship Project's developer. PJM therefore respectfully requests that the Commission accept the Study Agreement, effective September 25, 2026, as requested herein.

¹⁹ See *infra* Section II.B.

²⁰ See *infra* Section III.C.

²¹ See *infra* Sections III.B; III.D.

²² See *infra* Section III.A.

²³ See *infra* Section III.B.

²⁴ See *infra* Section III.F.

II. BACKGROUND

A. The State Agreement Approach Framework

The State Agreement Approach process²⁵ provides a formal mechanism pursuant to which PJM can respond to a request from one or more states that PJM study and consider transmission facilities that would assist them in implementing Public Policy Requirements. Through this process, PJM may consider state-sponsored transmission facilities, even if they are not needed to address PJM's required planning criteria specific to reliability, operational performance, or market efficiency.²⁶ The "basic tenets"²⁷ of the State Agreement Approach process are that if the requesting state(s) voluntarily chooses to sponsor any transmission facilities pursuant to the State Agreement Approach process, that state(s) must agree that 100 percent of the costs associated with such facilities will be recovered from customers in that state(s), and that no such costs may be allocated to customers outside of the relevant state(s).²⁸

The State Agreement Approach mechanism is not a rigidly-defined process in the Operating Agreement. Rather, the State Agreement Approach is intended to provide the flexibility needed to accommodate the breadth of policies that a state might wish to pursue and to allow that state to select the transmission solution(s) that best addresses its public policy needs. That is, the State Agreement Approach allows authorized state governmental entities to determine how to identify transmission facilities needed to address state Public Policy Requirements, including by requesting a competitive solicitation process, but does not require that approach.²⁹ The state(s) responsible for the project's cost allocation may also submit to PJM a prequalified entity to construct, own, operate, and maintain the facilities.³⁰ That choice is subject to exceptions in

²⁵ See Operating Agreement, Schedule 6, section 1.5.9.

²⁶ In accepting the State Agreement Approach process, the Commission found that it was not needed for PJM to comply with Order No. 1000 and that the proposed approach supplements, but does not conflict with or otherwise replace, PJM's process to consider transmission needs driven by public policy requirements. The Commission therefore stated that it "need not find that the State Agreement Approach and corresponding cost allocation method comply with Order No. 1000." *PJM Interconnection, L.L.C.*, 142 FERC ¶ 61,214 at P 142 (2013) ("March 2013 Order"); see also *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, 136 FERC ¶ 61,051 (2011), *order on reh'g & clarification*, Order No. 1000-A, 139 FERC ¶ 61,132, *order on reh'g & clarification*, Order No. 1000-B, 141 FERC ¶ 61,044 (2012), *aff'd sub nom. S.C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41 (D.C. Cir. 2014).

²⁷ *PJM Interconnection, L.L.C.*, 179 FERC ¶ 61,024, at P 43 (2022).

²⁸ *PJM Interconnection*, 179 FERC ¶ 61,024, at PP 1, 43. See also Operating Agreement, Schedule 6, section 1.5.9(a) ("All costs related to a state public policy project or Supplemental Project included in the Regional Transmission Expansion Plan to address state Public Policy Requirements pursuant to this Section shall be recovered from customers in a state(s) in the PJM Region that agrees to be responsible for the projects. No such costs shall be recovered from customers in a state that did not agree to be responsible for such cost allocation").

²⁹ See Operating Agreement, Schedule 6, section 1.5.9; *PJM Interconnection L.L.C.*, Compliance Filing of PJM Interconnection, L.L.C., Docket No. ER13-198-000, at 46 (Oct. 25, 2012) ("PJM Order No. 1000 Compliance Filing") ("While a proposed project, or class of projects, submitted via the State Agreement Approach may originate from a proposal submitted in a proposal window, it is not a requirement for consideration in the RTEP process").

³⁰ See Operating Agreement, Schedule 6, section 1.5.9(b).

Operating Agreement, Schedule 6, section 1.5.8(*l*), which require an incumbent Transmission Owner to be the designated entity for certain projects, including specified upgrades or projects located within its zone, projects affecting its existing right-of-way, and projects for which state law or an order requires the Transmission Owner to serve in that role.³¹

In accepting the State Agreement Approach process, the Commission noted that the Organization of PJM States, Inc. supported the State Agreement Approach process because it “ensures transmission costs will correspond closely with state-identified public policy benefits and eliminates concerns over free-ridership and cross-state cost shifting.”³² The Commission further recognized that the State Agreement Approach process “will ensure that costs are not shifted to states that do not need to construct such facilities to meet public policy requirements of those states.”³³

B. Ohio’s State Agreement Approach Request and Public Policy Requirements

On June 15, 2026, the Ohio FEA, acting on behalf of the State of Ohio, asked PJM to initiate the State Agreement Approach process to facilitate “transmission solutions that directly support public policy requirements.”³⁴ The Ohio FEA SAA Request concerns the Flagship Project – which is described in Section II.D, *infra* – and identifies Ohio Revised Code section 4928.02 as the source of the Ohio’s Public Policy Requirements. Those requirements include promoting reliable and reasonably priced electric service, competitive electricity markets, consumer protection, grid modernization, innovation, and economic development.³⁵

The Ohio FEA SAA Request explains that SB Energy³⁶ and AEP Ohio have identified new transmission infrastructure, including 765 kV infrastructure, that AEP Ohio would construct and SB Energy will pay for so that Ohio customers are protected from the costs of that infrastructure. The Ohio FEA SAA Request further states that its requested use of the State Agreement Approach process will “ensure that costs associated with the transmission lines and associated infrastructure constructed by AEP Ohio or its designee are assigned to Ohio to then be further allocated to SB Energy, which has committed to pay the costs.”³⁷ The Ohio FEA SAA Request further confirms that “[t]he details of the SAA and the specific cost-allocation and recovery approach will be subject to regulatory proceedings before the [Public Utilities Commission of Ohio (“PUCO”)], which will

³¹ See Operating Agreement, Schedule 6, sections 1.5.8(*l*), 1.5.9(*b*).

³² March 2013 Order, 142 FERC ¶ 61,214, at P 125 (citing *PJM Interconnection, L.L.C.*, Motion to Intervene and Comments of the Organization of PJM States, Inc., Docket No. ER13-198-000, at 5-6 (Dec. 10, 2012)) (accepting PJM’s Order No. 1000 Compliance Filing in which PJM proposed the State Agreement Approach process as a supplemental to PJM’s Order No. 1000 reforms).

³³ March 2013 Order, 142 FERC ¶ 61,214, at P 128.

³⁴ Study Agreement, Schedule A at 1 (“Ohio FEA SAA Request”).

³⁵ Ohio Rev. Code Ann. § 4928.02 (2026).

³⁶ SE DC DevCo, LLC is a development affiliate of SB Energy. *See supra* at n.4.

³⁷ Study Agreement, Schedule A at 2.

issue its findings through an order in the PUCO case,”³⁸ and that “[a]ny SAA Agreement filed at [FERC] must be authorized by the PUCO in conjunction with the resolution of any state-jurisdictional issues in those proceedings.”³⁹

As described herein, PJM and the other Parties to Study Agreement – which are described in Section II.C, *infra* – entered into the Study Agreement to provide for a process by which PJM would conduct studies to inform the State of Ohio’s decision about whether to proceed with transmission facilities under the State Agreement Approach. Specifically, the Study Agreement states that it will “provide the technical basis for the State of Ohio to determine whether to proceed under the SAA process by entering into an agreement with PJM pursuant to Operating Agreement, Schedule 6, section 1.5.9(a) (an ‘SAA Agreement’).”⁴⁰ As further described herein, nothing in the Study Agreement predetermines the outcome of those proceedings, including with respect to wholesale cost allocation or retail rate recovery.

C. Parties to the Study Agreement

1. PJM

PJM is the RTO responsible for maintaining the reliability of the electric transmission system under its functional control and coordinating the movement of wholesale electricity through all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia, and the District of Columbia. The PJM system serves approximately 67 million people. PJM dispatches more than 185,000 MW of generation capacity over more than 88,000 miles of transmission lines. PJM presently has more than 1,100 members. These members include power generators, transmission owners, electricity distributors, power marketers, and large consumers.

PJM is registered in the ReliabilityFirst and SERC regions⁴¹ for the following reliability functions, as defined in the NERC Reliability Functional Model: Balancing Authority, Interchange Authority, Planning Coordinator, Reliability Coordinator, Resource Planner, Transmission Operator, Transmission Planner, and Transmission Service Provider.

In these roles, PJM acts independently and impartially to administer the regional planning process pursuant to the RTEP Protocol,⁴² including the State Agreement Approach process, under the Operating Agreement.

³⁸ Study Agreement, Schedule A at 2.

³⁹ Study Agreement, Schedule A at 2.

⁴⁰ Study Agreement, Recitals at 2.

⁴¹ NERC oversees six regional reliability entities including, as relevant to the PJM Region, SERC Reliability Corporation (“SERC”) and ReliabilityFirst Corporation (“ReliabilityFirst”).

⁴² Operating Agreement, Schedule 6.

2. AEP Ohio

AEP Ohio is an Ohio corporation and a transmission-only public utility that owns, operates, and maintains transmission facilities in Ohio within the PJM Region. AEP Ohio is a transmission-owner member of PJM, and the company's transmission facilities are subject to the functional control of PJM, which provides transmission service to customers pursuant to the PJM Tariff.

3. SE DC DevCo

SE DC DevCo, LLC is an affiliate of SB Energy involved in developing the Flagship Project's data center campus. Under the Study Agreement, SE DC DevCo is responsible for funding PJM's studies and coordinating the project submissions and decisions assigned to it under that agreement.

4. PORTS 2 Interconnect

PORTS 2 Interconnect, LLC is an SB Energy affiliate designated to be the retail customer for the Flagship Project's data center load, and to hold the principal substation and related electrical interconnection infrastructure serving the expansion of the Flagship Project's data center campus. It participates in the Study Agreement as the designated data center customer entity for that expansion.

5. Portsmouth Gas DevCo

Portsmouth Gas DevCo, LLC is an SB Energy affiliate responsible for developing the gas-fired power generation projects included in the Flagship Project. It participates in the Study Agreement as the developer of the proposed generation facilities to be evaluated alongside the project's load and transmission facilities.

D. The Flagship Project

The Flagship Project is an integrated AI data center, generation, and transmission development centered at and around the former United States DOE Portsmouth Gaseous Diffusion Plant in Pike County, Ohio. The data center campus, known as the PORTS-Pike Technology Campus, spans federal and private land. It includes two phases: an initial 800 MW of data center load served under Ohio Power's Data Center Tariff; and the expansion being evaluated under the Study Agreement comprises approximately 9,570 MW of additional data center load and 10,170 MW of gross new generating capacity, with phased completion through 2032. Principal components include the data center campus, associated gas-fired generation,⁴³ three proposed new

⁴³ Some of the generation resources will be located at the Portsmouth Gaseous Diffusion Plant site and some of the generation resources will be located at a separate site approximately 30 miles from the Portsmouth Gaseous Diffusion Plant. For all of the Flagship Project generation resources, SB Energy intends to obtain Capacity Interconnection Rights and seek to offer the associated capacity into PJM's Reliability Pricing Model.

765 kV transmission lines (in addition to any additional transmission facilities identified pursuant to the Study Agreement), substations, and related infrastructure.

The project would advance Ohio's Public Policy Requirements relating to the provision of reliable and reasonably priced electricity, economic development, and technological competitiveness. Redevelopment of the site and surrounding land would create substantial construction and ongoing employment opportunities, support local businesses and workforce development, and contribute to national priorities concerning AI infrastructure, scientific research, and national security.

Consistent with the Ratepayer Protection Pledge, SB Energy has committed to bringing new generation to support the project and paying for required power delivery infrastructure and network upgrades through arrangements designed to protect other customers from project-related costs. These commitments include infrastructure payment obligations that apply regardless of actual electricity usage, making excess generation and transmission capacity available to the grid, and supporting grid resilience. The specific cost-allocation and recovery mechanisms remain subject to applicable PUCO and FERC proceedings.

SB Energy has also committed \$40 million to community benefits, supplemented by an additional \$40 million commitment from OpenAI (the data center tenant), to support local priorities including energy affordability, workforce development, and community and economic development. SB Energy has further committed to funding accelerated cleanup and remediation at the Portsmouth site.

III. THE STUDY AGREEMENT ESTABLISHES THE FRAMEWORK FOR PJM'S EVALUATION OF THE OHIO FEA SAA REQUEST

The Study Agreement sets forth just and reasonable terms for studying the consolidated system integration of the load, transmission, and generation components of the Flagship Project. The provisions of the Study Agreement are summarized below.

A. Purpose and Limited Scope of the Study Agreement

The Study Agreement provides that PJM will conduct an evaluation of the Flagship Project on an integrated basis, including identifying the transmission facilities required to provide the requested Network Integration Transmission Service ("NITS") to serve the Proposed Flagship Load and the facilities required for the proposed interconnection of the Proposed Flagship Generation Facilities.⁴⁴ PJM will assess whether the transmission facilities identified by AEP Ohio are sufficient to support the requested level of NITS for the identified load and Capacity Interconnection Rights ("CIRs") for the identified generation and, if not, identify any additional facilities needed to implement the Flagship Project.⁴⁵ That evaluation will consider the transmission system as a whole and will test the proposed facilities under the operating conditions

⁴⁴ Study Agreement, Recitals at 2.

⁴⁵ Study Agreement, Recitals at 2.

relevant to the requested service, including the most credible stressed scenarios discussed in more detail below.⁴⁶ If the facilities identified by AEP Ohio are insufficient under those conditions, PJM will identify any additional facilities needed to support the requested NITS and CIRs.⁴⁷

The studies that PJM will perform under the Study Agreement are intended to provide a technical basis for the State of Ohio to determine whether to proceed under the State Agreement Approach process by entering into an SAA Agreement or issuing an order binding customers in the State of Ohio to be responsible for all costs associated with the Flagship Project.⁴⁸ The study results will also inform decisions by other interested parties, including SE DC DevCo and PORTS 2 Interconnect, regarding whether and how to proceed with the Flagship Project.⁴⁹ The study results will inform the decisions of the State of Ohio and other interested parties regarding whether to proceed with the Flagship Project, but they do not determine whether the State will proceed under the SAA process. That is, the Study Agreement further provides that the studies will yield planning-level estimates of needed transmission facilities and does not itself select transmission projects or designated entities, establish cost allocations, grant specific transmission rights, or address rate recovery in any manner.⁵⁰ Thus, identifying a facility as needed as part of the study process does not, by itself, approve that facility for construction, designate who will develop it, grant the Flagship Project specific transmission service or interconnection rights, or govern the rate recovery for any facilities identified through the study. Each of these matters would be addressed, as applicable, through separate agreements, regulatory proceedings, or other applicable processes, as discussed further below.⁵¹

B. Study Deposit and Funding

The Study Agreement provides that SE DC DevCO will be responsible for all costs incurred by PJM with respect to conducting the studies contemplated by the Study Agreement.⁵² Specifically, the Study Agreement requires SE DC DevCo to pay a \$500,000 study deposit upon execution and an additional \$500,000 study deposit upon submission of new specifications for a Revised Study. Notwithstanding the amount of either deposit, SE DC DevCo must reimburse PJM

⁴⁶ See Study Agreement Recitals at 2; *id.*, Schedule C (Study Process and Milestone Schedule), sections 4, 5.

⁴⁷ Study Agreement, Recitals at 2; *id.*, Schedule C.

⁴⁸ Study Agreement, Recitals at 2, *id.*; Article 23. The State of Ohio may elect to proceed under the SAA process before completion of the studies contemplated by the Study Agreement, including through execution of a framework SAA Agreement. In that event, a process would need to be established for the State to subsequently review and approve the transmission facilities identified through the studies and confirm its sponsorship and cost responsibility commitments with respect to those facilities.

⁴⁹ Study Agreement, Schedule C, sections 4-9.

⁵⁰ Study Agreement, Articles 7, 8.

⁵¹ See *infra* Section III.

⁵² Study Agreement, Article 9.

for all actual costs of the studies.⁵³ Accordingly, the deposits are not a cap on the studies' costs; SE DC DevCo is responsible for the actual study costs under the Study Agreement.⁵⁴

C. PJM's Study Scope and Evaluation Framework

1. Study Scope and Applicable Criteria

Pursuant to the Study Agreement, PJM, as the independent regional transmission planner, will be responsible for conducting an integrated, holistic technical evaluation of the Flagship Project's proposed load, proposed generation, and the transmission facilities already identified by AEP Ohio to serve the load and interconnect the generation.⁵⁵ PJM will assess how those components operate together on the transmission system, whether the identified facilities can accommodate the requested NITS and CIR levels under the study scenarios described below and, if not, what additional transmission may be needed, at a planning level, to support the project and address resulting reliability violations.⁵⁶ PJM will conduct the studies in conformance with the applicable provisions of PJM Manuals 14B (PJM Region Transmission Planning Process) and Manual 14H (New Service Requests Cycle Process), and in accordance with the process set forth in Schedule C of the Study Agreement.⁵⁷ PJM will assess compliance with applicable NERC Reliability Standards, PJM reliability criteria, and individual Transmission Owners' planning criteria.⁵⁸

Although the proposed generation associated with the Flagship Project will not be studied through the PJM interconnection queue, the Study Agreement does not alter the substantive reliability standards or planning criteria applicable to PJM's evaluation of that generation. Similarly, PJM will evaluate the transmission needs associated with the combined load, generation, and transmission facilities contemplated by the Flagship Project, including whether the AEP Ohio-identified transmission facilities are sufficient to address those needs, consistent with PJM's established transmission planning processes. Thus, while the Study Agreement establishes a tailored process for evaluating the Flagship Project, PJM will apply the same substantive reliability standards and planning criteria that govern its other transmission planning and interconnection analyses.

PJM will use the 2025 RTEP base case reflecting 2030 system conditions, including any PJM Board-approved enhancements or expansions as of the Study Agreement's execution.⁵⁹

⁵³ Study Agreement, Article 9.

⁵⁴ Study Agreement, Article 9.

⁵⁵ Study Agreement, Recitals at 2; *id.*, Schedule C.

⁵⁶ Study Agreement, Recitals at 2; *id.* Schedule C.

⁵⁷ Study Agreement, Article 2.

⁵⁸ Study Agreement, Article 11.

⁵⁹ Study Agreement, Article 10.

2. Study Models and Evaluation Methodology

The Study Agreement describes how PJM will establish the study models. PJM will provide draft power flow, short-circuit, and stability models to the Parties' representatives with approved Critical Energy Infrastructure Information ("CEII") clearance for review and comment.⁶⁰ PJM will consider any comments and provide final models when the applicable studies begin.⁶¹ The Parties must cooperate with PJM and provide information and materials reasonably requested for the studies.⁶² The Parties agree that PJM may rely on the information provided to it, without independently verifying its accuracy, completeness, reliability, or sufficiency.⁶³ That said, as described below, the Study Agreement provides that PJM will conduct completeness and deficiency reviews to ensure the completeness and accuracy of the data.⁶⁴

PJM will evaluate the project using the "Most Credible Stressed Scenario(s)" described in Schedule C of the Study Agreement. Those scenarios are based on the project information provided, PJM's historical experience, sound engineering judgment, Good Utility Practice, and applicable governing requirements.⁶⁵ The evaluation will consider the proposed load at the full requested NITS level under various seasonal system conditions and the projected availability of the proposed generation facilities, modeled as capacity resources at the requested CIR level.

Using those scenarios, PJM will conduct load flow, short-circuit, and stability analyses concurrently. The Study Agreement provides for those analyses to be performed under the study assumptions and methodology set forth in Schedule C of the Study Agreement, with the anticipated study durations and progress updates addressed separately in that Schedule.⁶⁶

3. Study Scope and Modifications During the Study Process

The studies are limited to project specifications set forth in Schedules B and C of the Study Agreement, as those may be amended consistent with the terms of the agreement.⁶⁷ Article 19 provides that PJM retains discretion to determine, and, when necessary, modify, the study scope, methodology, criteria, and modeling assumptions to maintain system reliability, produce accurate results, and reflect changes in planning assumptions, system conditions, or applicable reliability criteria.⁶⁸ PJM will promptly notify SE DC DevCo of any such modification.⁶⁹ Article 19 further

⁶⁰ Study Agreement, Schedule C, section 3.

⁶¹ Study Agreement, Schedule C, section 3.

⁶² Study Agreement, Article 4.

⁶³ Study Agreement, Article 5.

⁶⁴ *See infra* Section III.D. *See also* Study Agreement, Schedule C, sections 1, 2.

⁶⁵ Study Agreement, Schedule C, section 4.

⁶⁶ Study Agreement, Schedule C, section 5.

⁶⁷ Study Agreement, Article 8.

⁶⁸ Study Agreement, Article 19.

⁶⁹ Study Agreement, Article 19.

provides that PJM may modify those study elements and the timelines in Schedules B and C for those purposes.⁷⁰ To the extent reasonably practicable, PJM will inform SE DC DevCo and AEP Ohio of any modification PJM believes is necessary and work in good faith to resolve any areas of conflict.⁷¹

The Study Agreement also establishes a process for addressing any material changes to the Flagship Project that are proposed while the studies are underway.⁷² In such a case, PJM may determine whether a change requires modifying or repeating any portion of the studies or additional funding, and must promptly inform the Parties of potential effects on the study milestones.⁷³

4. Time Period for Acting on Study Results

The Study Agreement also places a defined time limit on the Parties' ability to proceed based on the study results, including any Required Transmission Upgrades.⁷⁴ Specifically, no later than 120 days after PJM delivers a final System Upgrade Report, the PUCO must have either (i) signed an SAA Agreement for submission, which will be submitted for review and acceptance by this Commission, or (ii) issued an order that clearly and unequivocally binds customers in Ohio to be responsible for the allocation of all costs of the Required Transmission Upgrades and confirm that the Flagship Project is consistent with or furthers Ohio's Public Policy Requirements.⁷⁵ The Parties may extend that 120-day period by mutual agreement; absent an extension, the Study Agreement automatically terminates if PUCO takes neither action within that period.⁷⁶ The 120-day period reflects the need for the State of Ohio to act on the study results before changes in system conditions or planning assumptions could make those results outdated. Because PJM's RTEP is ongoing, if PUCO does not act before expiration of the 120-day period, PJM must determine whether any part of the studies needs to be updated to reflect then-current conditions before the identified Required Transmission Upgrades can be considered for RTEP inclusion.

D. Study Process and Responsibilities

Article 1 of the Study Agreement requires the Parties to endeavor to meet the Schedule C milestones and permits extensions by mutual agreement. Any extension affecting the Flagship Project's anticipated in-service date must be presented to the Transmission Expansion Advisory Committee and posted on PJM's website.

⁷⁰ Study Agreement, Article 19.

⁷¹ Study Agreement, Article 19.

⁷² Study Agreement, Article 6.

⁷³ Study Agreement, Article 6.

⁷⁴ Study Agreement, Article 3. "Required Transmission Upgrades" means the transmission facilities and upgrades that PJM identifies, pursuant to the study process set forth in the Study Agreement, as required to interconnect the Flagship Project and solve all reliability violations identified through that process.

⁷⁵ Study Agreement, Articles 3, 23.

⁷⁶ Study Agreement, Articles 3, 23.

Article 7 and Schedule C of the Study Agreement set forth the process pursuant to which PJM will conduct the studies. Following execution of the Study Agreement, PJM will have five days to identify any additional information needed to complete the studies.⁷⁷ Once PJM determines that no additional information is needed, or acknowledges receipt of the information it requested, PJM will begin the data deficiency review.⁷⁸

As part of the data deficiency review, PJM will review the information and data supplied by the Parties against the applicable requirements of the PJM Tariff, Operating Agreement, and Manual 14H. If PJM determines that additional study data is required, those entities will have ten days to provide it. The review process will continue until PJM determines that the data is sufficient to perform the studies. PJM will complete its initial and any subsequent data review within 15 days after receiving the completed or revised data.⁷⁹

Following PJM's completion of the completeness and data deficiency reviews described above, PJM will conduct load flow, short-circuit and stability analyses concurrently. PJM anticipates completing the load flow and short circuit analyses within 60 days and the stability analysis within 120 days. PJM will provide regular progress updates as results become available. To provide early updates, PJM will begin the stability analysis with the most extreme contingencies and share the results and any identified reliability violations when that analysis is complete. PJM will also notify the Parties, and any affected system operators or Transmission Owners as soon as practicable if an affected system study appears necessary.⁸⁰

After completing all studies, PJM will provide the Parties and PUCO a Reliability Report identifying any reliability violations, the percentage share of those violations attributable to the proposed load and proposed generation, and whether PJM has determined that any affected system study is required. The Reliability Report will not identify the transmission facilities or upgrades needed to address any violations. At the same time, PJM will provide complete copies of the study models and associated data to the Parties' representatives who have approved CEII clearance. PJM is not required to train the Parties or their consultants on how to use or interpret those materials.⁸¹

Within 30 days of receiving the Reliability Report, SE DC DevCo must notify PJM whether it elects to terminate the Study Agreement, proceed to identification of Required Transmission Upgrades, or revise the requested service or project specifications.⁸² If SE DC DevCo elects to revise the project or requested service, it must provide the study data needed to evaluate the proposed changes. PJM will determine whether, and to what extent, the studies must be modified or repeated. PJM anticipates completing a Revised Study within 60 days after determining that the

⁷⁷ Study Agreement, Schedule C, section 1.

⁷⁸ Study Agreement, Schedule C, section 1.

⁷⁹ Study Agreement, Schedule C, section 2.

⁸⁰ Study Agreement, Schedule C, section 5.

⁸¹ Study Agreement, Schedule C, section 6.

⁸² Study Agreement, Schedule C, section 7.

necessary data is sufficient, although the timing may vary depending on the nature and complexity of the proposed changes. PJM will then provide a Revised Reliability Report. Within 30 days after receiving that report, SE DC DevCo must notify PJM whether it elects to proceed with identifying the Required Transmission Upgrades or terminate the Study Agreement.⁸³

If SE DC DevCo elects to proceed following identification of the Required Transmission Upgrades, PJM will coordinate with AEP Ohio, affected Transmission Owners, and affected system operators, as necessary, to identify the facilities and upgrades required to interconnect the Flagship Project at the requested NITS and CIR levels and resolve the violations identified in the applicable Reliability Report. PJM will then prepare a System Upgrade Report identifying those upgrades. PJM anticipates providing the System Upgrade Report within 30 days after SE DC DevCo's election, subject to timely receipt of information needed from AEP Ohio and other affected entities. The Study Agreement recognizes that PJM will use best efforts to coordinate this work expeditiously, but cannot unilaterally control the timing of any affected system studies.⁸⁴

Article 13 of the Study Agreement further provides that PJM may, in its sole discretion, engage or subcontract with one or more third-party contractors, subcontractors, consultants, affiliates, or service providers to perform the studies. This flexibility allows PJM to obtain the additional resources necessary to perform the studies without diverting PJM personnel from their existing planning and interconnection responsibilities, including development of the RTEP and processing of generation interconnection requests. And, consistent with the funding provision described above, SE DC DevCo is responsible for the costs PJM incurs in providing the studies, including any costs incurred through the use of third-party contractors.⁸⁵

E. Other Terms of the Study Agreement

In addition to the study-specific provisions described above, the Study Agreement contains other terms, summarized below:

- Article 12 permits study-related information to be disclosed in filings before FERC or PUCO as needed to conduct the studies and implement the resulting transmission solutions. It also requires the Parties and their contractors to protect non-public commercial, technical, and CEII information received in connection with the Study Agreement;
- Article 14 limits liability for indirect, special, incidental, punitive, or consequential damages and states that neither Party has monetary liability under the Study Agreement beyond payment of the study fee described above;
- Article 15 addresses the Study Agreement's Effective Date, as discussed below;

⁸³ Study Agreement, Schedule C, section 8.

⁸⁴ Study Agreement, Schedule C, section 9.

⁸⁵ See *supra* Section III.B; Study Agreement, Article 9.

- Article 19 generally requires amendments, modifications, or waiver to be in writing and signed by the Parties, while permitting PJM to modify the study scope, methodology, criteria, modeling assumptions, and timelines as discussed above;⁸⁶ and
- Article 23 provides for termination if SE DC DevCo or AEP Ohio withdraws from the SAA process, if Ohio withdraws the Ohio FEA SAA Request, or if PUCO does not take specified action no later than 120 days after delivery of the System Upgrade Report, unless that period is extended by mutual agreement.⁸⁷

The remaining provisions address customary contract matters, including notices, assignment, incorporation of Governing Documents, breach, governing law, reservation of rights, and interpretation of the Study Agreement.

F. The Study Agreement Is an Initial Step; Further Action Will Be Required

As described above, the Study Agreement provides for PJM's evaluation and identification of Required Transmission Upgrades that are necessary to effectuate the Ohio FEA SAA Request. In addition to the studies described above, further actions will be required before the Required Transmission Upgrades can be included in the RTEP. The precise timing and sequence of these actions remain subject to coordination among the relevant parties, and several efforts may proceed in parallel.

1. Cost Allocation Methodology Applicable to Selected Projects

Terms governing the allocation of costs of any Required Transmission Upgrades identified through the Study Agreement that the State of Ohio elects to sponsor through the State Agreement Approach process will be addressed through the applicable processes under the Operating Agreement and Tariff, including any required filings with the Commission.

Cost allocation⁸⁸ for State Agreement Public Policy Projects⁸⁹ is governed by Operating Agreement, Schedule 6, section 1.5.9(a),⁹⁰ which provides that before a State Agreement Public

⁸⁶ See *supra* Section III.C.3.

⁸⁷ See *supra* Section III.C.4.

⁸⁸ In this context, cost allocation refers to the assignment of responsibility for the costs of a State Agreement Public Policy Project pursuant to the applicable cost allocation methodology, rather than the regional cost allocation methodology applicable to projects selected through PJM's Order No. 1000 regional transmission planning process.

⁸⁹ A State Agreement Public Policy Project is a transmission enhancement or expansion proposed pursuant to Operating Agreement, Schedule 6, section 1.5.9(a) which is not a Supplemental Project. See Tariff, Schedule 12, section (b)(xii)(B).

⁹⁰ Operating Agreement, Schedule 6, section 1.5.9(a), provides that a State Agreement Public Policy Project will be included in the RTEP for purposes of cost allocation only if there is an associated Commission-accepted allocation permitting recovery of project costs. See *PPL Elec. Utis. Corp.*, 181 FERC ¶ 61,178, at PP 2-3 (explaining that State Agreement Public Policy Projects "may not be selected in the RTEP for purposes of regional cost allocation," that their costs instead are recovered from customers in the state or states that agree to be responsible for the projects' costs).

Policy Project may be included in the RTEP for cost allocation purposes, there must be an associated Commission-accepted cost allocation methodology that permits recovery of the project's costs from Responsible Customers⁷⁹ identified pursuant to that allocation.⁸⁰ Before being filed with the Commission,⁹¹ the process established in Tariff, Schedule 12, section(b)(xii)(B) calls for the cost allocation for State Agreement Public Policy Project(s) to be submitted to the Transmission Owners Agreement Administrative Committee ("TOA-AC") for consideration.⁹²

Accordingly, in parallel with the study process described herein, PJM intends to work with the Parties to develop a cost allocation methodology that would apply to any State Agreement Public Policy Project(s) PUCO elects to sponsor through the State Agreement Approach process for submission to the TOA-AC for consideration and subsequent filing with the Commission. The subsequent recovery of those costs through applicable wholesale formula rates and retail rates will be addressed through the separate processes discussed below.

2. PUCO Proceeding(s)

The Ohio FEA SAA Request recognizes that implementation of the requested State Agreement Approach process will require further proceedings before PUCO. Specifically, Ohio FEA explained that its requested use of the SAA process is intended to ensure that the costs associated with the transmission lines and related infrastructure necessary to interconnect and serve the Flagship Project are assigned to Ohio and then further allocated to SB Energy, which has committed to pay those costs. The Ohio FEA SAA Request further states that the details of the SAA, including the specific retail cost allocation and recovery approach, will be subject to regulatory proceedings before PUCO, which will issue its findings through an order in the PUCO proceeding. In addition, according to Ohio FEA, any SAA Agreement filed with FERC must be authorized by PUCO in conjunction with the resolution of any state jurisdictional issues in those proceedings. Accordingly, the PUCO proceeding(s) will necessarily address the state jurisdictional matters necessary to implement the retail cost allocation and recovery approach contemplated by Ohio FEA's SAA Request and provide the basis for PUCO to determine whether to sponsor any resulting transmission projects through the SAA process, a necessary predicate to their inclusion in the RTEP.

costs, and that a State Agreement Public Policy Project must have a Commission-accepted cost allocation method to permit recovery of its costs) (citing *PJM Interconnection, L.L.C.*, 147 FERC ¶ 61,128, at P 92 (2014)).

⁷⁹ Responsible Customers are "customers using Point-to-Point Transmission Service and/or Network Integration Transmission Service and Merchant Transmission Facility owners that will be subject to each such Transmission Enhancement Charge ('Responsible Customers') based on the cost responsibility assignments determined pursuant to this Schedule 12." Tariff, Schedule 12, section (b)(viii).

⁸⁰ See Operating Agreement, Schedule 6, section 1.5.9(a) (requiring "FERC-accepted allocation"); Tariff, Schedule 12, section (b)(xii)(B).

⁹¹ The cost allocation methodology applicable to State Agreement Public Policy Project must be filed pursuant to Consolidated Transmission Owners Agreement, section 7.3 and Tariff, Part I, section 9.1(a).

⁹² Operating Agreement, Schedule 6, section 1.5.9(a).

3. SAA Agreement Negotiation

PJM is working with the Parties to develop the terms of an SAA Agreement that would govern the State of Ohio's sponsorship of any transmission facilities ultimately identified to proceed through the SAA process, including the Parties' respective obligations concerning the costs of those facilities. PJM anticipates that the proposed, unexecuted SAA Agreement, together with any Required Transmission Upgrades ultimately identified through the studies conducted pursuant to the Study Agreement, will inform PUCO's determination whether to authorize the State of Ohio's sponsorship of those facilities through the SAA process. Accordingly, in parallel with the studies conducted to the Study Agreement, PJM intends to continue working with the Parties to develop terms of a proposed SAA Agreement for PUCO's consideration in determining whether to authorize the State of Ohio's sponsorship of the Required Transmission Upgrades identified pursuant to the studies.

4. Other Necessary Agreements and Approvals

Implementation of the Flagship Project may also require additional agreements and approvals under the PJM Tariff, Operating Agreement, and other applicable requirements, including Designated Entity Agreements for transmission facilities assigned to designated entities and Generator Interconnection Agreements, as applicable. The Study Agreement does not itself authorize construction of such facilities, designate entities to construct facilities, or grant interconnection rights.

IV. WAIVER AND EFFECTIVE DATE

PJM requests that the Commission grant any and all waivers of the Commission's rules and regulations necessary for acceptance of this filing and the enclosed Study Agreement. Additionally, PJM requests waiver of the Commission's 60-day notice requirement to allow the effective date of the Study Agreement to be September 25, 2026, the date on which the Study Agreement was executed. Waiver is appropriate because the Study Agreement is being filed within thirty (30) days of the Study Agreement's execution,⁹³ and is consistent with prior Commission acceptance of SAA-related Study Agreements as of the date of execution.⁹⁴ Good cause also supports the requested effective date of September 25, 2026, as prompt commencement of the studies will help facilitate the timely development of the transmission infrastructure needed to connect the Flagship Project.

⁹³ See *Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, at 61,983-84; 18 C.F.R. § 35.3(a)(2). See also *City of Girard v. FERC*, 790 F.2d 919, 363 (D.C. Cir. 1984); accord *City of Piqua*, 610 F.2d 950, at 954 ("The negotiated rate change was not retroactive; it was prospective from the date of the contract. Filing under section 205(d) allowed the Commission to review the agreement to ensure its reasonableness. *Such review does not, when good cause is shown, however, preclude enforcing the contract provision as of the date specified therein.*") (emphasis added).

⁹⁴ See, e.g., *PJM Interconnection, L.L.C.*, Letter Order, Docket No. ER24-1187-000 (Apr. 1, 2024).

In the alternative, if the Commission does not grant the requested September 25, 2026 effective date, PJM requests that the Commission grant a waiver of the 60-day prior notice requirement, and establish an effective date for the Study Agreement that is one day following the filing of this Study Agreement with the Commission, *i.e.*, October 14, 2026.

V. DOCUMENTS ENCLOSED

PJM encloses the following:

1. This transmittal letter;
2. Attachment A: Study Agreement in Furtherance of the State of Ohio's State Agreement Approach Request, designated as Rate Schedule No. 54; and
3. Attachment B: The signature pages of the Parties to the Study Agreement.

VI. CORRESPONDENCE AND COMMUNICATION

Correspondence and communications with respect to this filing should be sent to the following persons:⁹⁵

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⁹⁵ To the extent necessary, PJM respectfully requests waiver of Rule 203(b)(3) of the Commission's Rules of Practice and Procedure to permit more than two names for service on the official service list for this proceeding.

VII. 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,⁹⁶ PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: <https://www.pjm.com/library/filing-order> with a specific link to the newly-filed document, and will send an e-mail on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region⁹⁷ alerting them that this filing has been made by PJM 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 Commission's eLibrary website located at the following link: <http://www.ferc.gov/docsfiling/elibrary.asp> in accordance with the Commission's regulations and Order No. 714.⁹⁸

VIII. CONCLUSION

For the reasons set forth above, PJM respectfully requests that the Commission accept the Study Agreement effective as of September 25, 2026.

Respectfully submitted,

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⁹⁶ See 18 C.F.R. §§ 35.2(e); 385.2010(f)(3).

⁹⁷ PJM already maintains, updates, and regularly uses e-mail lists for all PJM Members and affected state commissions.

⁹⁸ Electronic Tariff Filings, Order No. 714, 124 FERC ¶ 61,270 (2008), final rule, Order No. 714-A, 147 FERC ¶ 61,115 (2014).

Attachment A:
FERC Rate Schedule No. 54
Study Agreement

Study Agreement in Furtherance of the State of Ohio's
State Agreement Approach Request

This Study Agreement, dated September 25, 2026, is entered into by and among PJM Interconnection, L.L.C. (“PJM”), SE DC DevCo, LLC (“SE DC DevCo”), PORTS 2 Interconnect, LLC (“PORTS 2 Interconnect”), Portsmouth Gas DevCo, LLC (“Portsmouth Gas DevCo”), and AEP Ohio Transmission Company, Inc. (“AEP Ohio”) (each individually, a “Party,” and collectively, the “Parties”) to establish the terms and conditions under which PJM will conduct the studies necessary to respond to the State of Ohio’s request that PJM employ the State Agreement Approach (“SAA”) process as set forth in the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. (“Operating Agreement”), Schedule 6, section 1.5.9 (“Regional Transmission Expansion Planning Protocol - Procedure for Development of the Regional Transmission Expansion Plan - State Agreement Approach”) (“SAA Process”).

RECITALS

WHEREAS, PJM, as the independent regional planner of the Regional Transmission Expansion Plan (“RTEP”), is responsible for conducting transmission planning and interconnection studies, including studies conducted under the SAA Process, pursuant to the rules set forth in its Open Access Transmission Tariff (“Tariff”), Operating Agreement, and business manuals (collectively, “Governing Documents”);

WHEREAS, on behalf of the State of Ohio, the Federal Energy Advocate of Ohio has issued a letter to PJM dated June 15, 2026 (“Ohio SAA Request,” attached as Schedule A to this Study Agreement) requesting that PJM initiate the SAA Process to facilitate “transmission solutions that directly support public policy requirements”;

WHEREAS, Ohio Revised Code 4928.02 establishes the state’s public policy for the electric industry to promote reliable and reasonably priced electric service, competitive electricity markets, consumer protection, grid modernization, innovation, and economic development (“Ohio Public Policy Requirements”);

WHEREAS, SE DC DevCo, PORTS 2 Interconnect, Portsmouth Gas DevCo, and AEP Ohio have partnered to develop an integrated project consisting of the Proposed Flagship Load Facilities, the Proposed Flagship Generation Facilities and the Proposed Flagship Transmission Facilities, each as defined in Schedule B to this Study Agreement (collectively, the “Flagship Project”);

WHEREAS, pursuant to the supplemental planning process set forth in Tariff, Attachment M-3, AEP Ohio identified a customer service need associated with SE DC DevCo’s request for 800 MW of new demand at the new planned Mercury Substation of the Flagship Project as need number AEP-2026-OH004, developed a transmission solution to serve that demand, and submitted the associated transmission facilities for inclusion in its Local Plan as supplemental project ID s3864.1-.6;

WHEREAS, the Ohio SAA Request (i) calls for PJM to initiate the SAA Process to facilitate the transmission infrastructure necessary to support the Flagship Project; (ii) states that SE DC DevCo has committed to bear all costs of transmission facilities and associated infrastructure necessary to reliably interconnect the Flagship Project in furtherance of the Ohio Public Policy Requirements; and (iii) acknowledges that the Public Utilities Commission of Ohio (“PUCO”) will determine the appropriate state cost allocation and recovery mechanisms to assign the costs of such transmission facilities directly to PORTS 2 Interconnect;

WHEREAS, AEP Ohio has performed planning analyses of the proposed load associated with the Flagship Project and has identified certain transmission facilities, as reflected in Schedule B to this Study Agreement, that are necessary to reliably interconnect such load;

WHEREAS, SE DC DevCo, PORTS 2 Interconnect, and Portsmouth Gas DevCo have asked PJM to perform all studies necessary to determine whether the transmission facilities identified by AEP Ohio are sufficient, and to independently identify any additional transmission facilities necessary to support reliable interconnection of, and service to, the Flagship Project as more fully described in Schedule C (the “Studies”), and SE DC DevCo has agreed to assume sole responsibility for the costs of the Studies;

WHEREAS, AEP Ohio has agreed to construct the Proposed Flagship Transmission Facilities based on SE DC DevCo’s, PORTS 2 Interconnect’s, and Portsmouth Gas DevCo’s commitment to fund the transmission facilities to be identified by PJM through the planning Studies; and

WHEREAS, the Studies conducted pursuant to this Study Agreement are intended to provide the technical basis for the State of Ohio to determine whether to proceed under the SAA Process by entering into an agreement with PJM pursuant to Operating Agreement, Schedule 6, section 1.5.9(a) (an “SAA Agreement”).

NOW THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

PJM shall conduct the following Studies of the Flagship Project on an integrated basis: (i) evaluation of the transmission facilities required to reliably provide Network Integration Transmission Service (“NITS”) requested to serve the Flagship Project load described in Schedule B and (ii) evaluation of the transmission facilities required for the proposed interconnection to the PJM Transmission System of the Proposed Flagship Generation Facilities described in Schedule B. The Studies will include the evaluation of the Proposed Flagship Transmission Facilities identified in Schedule B, including the 765 kV transmission facilities identified by AEP Ohio, to determine whether such facilities are sufficient to support the requested level of NITS and Capacity Interconnection Rights (“CIRs”); if not, to identify any additional transmission facilities required to implement the Flagship Project at the requested NITS and CIR levels through the assessment of the most credible stressed scenario(s) from both load and generation perspectives to enable the reliable interconnection of the Proposed Flagship Generation Facilities at the requested CIR level and enable reliable service to the Proposed Flagship Load Facilities at the requested NITS level, as set forth in Schedule B to this Agreement.

1. Milestones. The Parties shall endeavor to satisfy the milestones set forth in Schedule C of this Study Agreement. Milestones set forth in Schedule C may be extended by mutual agreement of the Parties. Any extension of a milestone that will affect the anticipated in-service date of the Flagship Project shall be presented to the PJM Transmission Expansion Advisory Committee and posted on PJM's website.

2. PJM Discretion. PJM will conduct the Studies in compliance with the applicable provisions of Manual 14B (PJM Region Transmission Planning Process) and Manual 14H (New Service Requests Cycle Process), and in accordance with the Study Process and Milestone Schedule set forth in Schedule C. PJM shall have sole discretion to determine the scope, study methodology, study criteria, and modeling assumptions utilized during the Studies and may modify any such scope, methodology, criteria, or modeling assumptions it deems necessary to maintain system reliability, ensure accurate study results, or reflect changes in planning assumptions, system conditions, or applicable reliability criteria; *provided* that PJM shall promptly inform SE DC DevCo of any such modifications that deviate from specific study criteria, assumptions, and methodology expressly set forth in this Agreement, including the information contained in Schedules B and C to this Agreement. For the avoidance of doubt, PJM, as the independent Transmission Planner, shall not perform any study that deviates from any applicable reliability criteria or compromises the safety and reliability of the bulk electric system

3. Timing. PJM shall conduct the Studies with all due diligence and according to the timelines and procedures set forth in this Study Agreement. The results of the Studies performed under this Study Agreement, as reflected in the System Upgrade Report described in Schedule C, may be relied upon as the basis for inclusion of the Required Transmission Upgrades (as defined in Schedule C) in the PJM RTEP, provided that the PUCO takes the action required under Article 23 of this Study Agreement no later than 120 days following PJM's delivery of a System Upgrade Report. If the PUCO has not taken such action before the expiration of such 120 day period, PJM will determine whether any portion of the Studies must be updated to reflect then-current system conditions before PJM initiates the process for inclusion of the Required Transmission Upgrades in the RTEP. If PJM determines that an update is necessary, SE DC DevCo shall reimburse PJM for all actual costs associated with such study update pursuant to Article 9 of this Agreement. This period may be extended by written agreement of the Parties. If there are opportunities to accelerate the study timeline at additional expense to SE DC DevCo, PJM shall promptly inform SE DC DevCo.

4. Cooperation. To achieve the desired milestones, SE DC DevCo, PORTS 2 Interconnect, Portsmouth Gas DevCo, and AEP Ohio shall cooperate with PJM and timely provide all information, data, assumptions, models, and other materials reasonably requested by PJM that are necessary to conduct the Studies.

5. Verification. PJM shall be entitled to rely on any information, data, documents, representations, or other materials provided by SE DC DevCo, PORTS 2 Interconnect, Portsmouth Gas DevCo, or AEP Ohio or on SE DC DevCo's, PORTS 2 Interconnect's, Portsmouth Gas DevCo's, or AEP Ohio's behalf without independent verification. PJM shall have no duty or obligation to investigate, audit, verify, supplement or otherwise assess the accuracy, completeness, reliability or sufficiency of the aforementioned information.

6. Changes to the Flagship Project While the Studies are in Progress. If SE DC DevCo, PORTS 2 Interconnect, or Portsmouth Gas DevCo requests any material changes to the Flagship Project specifications set forth in Schedule B after commencement of the Studies but before the Studies are concluded, PJM may, in its sole discretion, determine whether any portion of the Studies must be modified or repeated or whether additional funding commitments are required. Prior to modifying or repeating any portion of the Studies or requiring any additional studies or additional funding commitments, PJM will promptly inform SE DC DevCo, PORTS 2 Interconnect, Portsmouth Gas DevCo, and AEP Ohio whether the requested change(s) and resulting modifications to the Studies would extend or delay the applicable milestones set forth in Schedule C. Any modification to the Flagship Project or requested service following issuance of the Reliability Report shall be governed by the Revised Study process set forth in Schedule C.

7. Study Process. Following completion of the data completeness and deficiency review processes described in Schedule C, PJM will conduct the Studies necessary to evaluate the Flagship Project for potential reliability violations in accordance with Article 2 and the study process set forth in Schedule C. The Studies will evaluate the Flagship Project described in Schedule B using the study assumptions, methodologies, and scenarios described in Schedule C. The results of the Studies will be documented in the applicable reports identified in Schedule C. The Studies, including any Revised Study, will be performed to yield planning-level estimates of the transmission facilities needed to form an SAA Agreement. It remains the sole responsibility of SE DC DevCo to identify the project specifications and other project-specific information set forth in Schedule B that PJM should use as inputs in performing the Studies or a Revised Study.

8. Study Limitations. The Studies shall only be valid for the assumptions and project specifications set forth in Schedules B and C, as may be amended from time to time by agreement of the Parties consistent with Articles 2 and 6 of this Agreement. This Study Agreement shall not be read to encompass the selection of any projects or designated entities, the establishment of any cost allocations, or the grant of any specific transmission rights.

9. Study Fee. SE DC DevCo shall pay a \$500,000 study deposit upon execution of this Study Agreement for the integrated Studies required under this Study Agreement to evaluate the Flagship Project. An additional \$500,000 study deposit is required upon submission of new specifications for a Revised Study. Actual study costs may exceed the deposit. Notwithstanding the amount of the study deposit, SE DC DevCo shall reimburse PJM for all the actual cost of the Studies. PJM will endeavor to identify any additional costs within thirty (30) days of completing the Studies or a Revised Study. If PJM sends SE DC DevCo notification of additional study costs, then SE DC DevCo must pay all additional study costs within thirty (30) days (or, if the 30th day is not a Business Day, then the next Business Day) of PJM sending the notification of such additional study costs. If the Study Agreement is terminated, or the Parties and PUCO execute an SAA Agreement for the Flagship Project pursuant to Operating Agreement, Schedule 6, section 1.5.9, PJM will return any unused portion of the study deposit.

10. Base Case Assumptions. PJM will use the 2025 RTEP base case reflecting 2030 system conditions, including any PJM Board-approved modifications as of the execution of this Study Agreement, in performing the Studies and any Revised Study.

11. Reliability Standards. The Studies will assess compliance with (i) NERC Reliability Standards (which include Applicable Regional Entity reliability standards); (ii) PJM reliability criteria; and (iii) Individual Transmission Owner planning criteria as filed in FERC Form No. 715 prior to the 2025 RTEP cycle and posted on the PJM website.

12. Confidentiality. The Parties acknowledge that information relating to the Studies, any Revised Study, and resulting transmission planning process may be disclosed in filings before the Federal Energy Regulatory Commission (“FERC”), the PUCO, or otherwise as necessary to perform any of the studies described in this Study Agreement, or implement the resulting transmission solutions. Except as required for those purposes or otherwise required by law, each Party, and the Parties’ Third-Party Contractors (as defined below), shall maintain the confidentiality of any non-public commercial, technical, or Critical Energy Infrastructure Information (“CEII”) received from another Party in connection with this Study Agreement.

13. Third-Party Contractors. PJM may, in its sole discretion, engage or subcontract with one or more third-party contractors, subcontractors, consultants, affiliates, or service providers to perform the Studies (“Third-Party Contractors”).

14. Limitation of Liability. In no event will PJM, or other subcontractors employed by PJM be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, whether under this Study Agreement or otherwise. Nor shall PJM, or subcontractors employed by PJM be liable for any delay in delivery of, or of the non-performance or delay in performance of, PJM’s obligations under this Study Agreement. Neither Party has any monetary liability under this Study Agreement beyond the payment of the Study Fee set forth in paragraph 9.

15. Effective Date. This Study Agreement shall become effective on the date it is executed by all Parties, or such other date as specified by FERC.

16. Capitalized Terms. Unless otherwise defined in this Study Agreement, all capitalized terms herein shall have the meaning set forth in the definition of such terms as stated in the PJM Tariff or Operating Agreement.

17. Notice. Any notice, demand, or request required or permitted to be given by any Party to another and any instrument required or permitted to be tendered or delivered by any Party in writing to another may be so given, tendered, or delivered by recognized national courier or by depositing the same with the United States Postal Service, with postage prepaid for delivery by certified or registered mail addressed to the Party, or by personal delivery to the Party, at the address specified below. Such notices, if agreed to by the Parties, may be made via electronic means, with e-mail confirmation of delivery.

PJM

Vice President – Planning
PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403-2497

With a copy to PJM's General Counsel

General Counsel
PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403-2497
Email: FERCeService@pjm.com

SE DC DevCo

SE DC DevCo, LLC
3 Lagoon Drive, Suite 280
Redwood City, CA 94065
ATTN: Legal
Email: legalus@sbenergy.com

PORTS 2 Interconnect

PORTS 2 Interconnect, LLC
3 Lagoon Drive, Suite 280
Redwood City, CA 94065
ATTN: Legal
Email: legalus@sbenergy.com

Portsmouth Gas DevCo

Portsmouth Gas DevCo, LLC
3 Lagoon Drive, Suite 280
Redwood City, CA 94065
ATTN: Legal
Email: legalus@sbenergy.com

AEP Ohio

American Electric Power Service Corporation
1 Riverside Plaza, 29th Floor
Columbus, OH 43215
ATTN: Legal
Email: legalnotices@aep.com

18. No Implied Waivers. The failure of either Party to insist upon or enforce strict performance of any of the provisions of this Study Agreement shall not be construed as a waiver or relinquishment to any extent of such entity's right to assert or rely upon any such provisions, rights and remedies in that or any other instance; rather, the same shall be and remain in full force and effect.

19. Amendment and Modification. Except as otherwise expressly provided for in this Study Agreement, neither this Study Agreement, nor any part thereof, may be amended, modified, or waived other than by a writing signed by the Parties. PJM may, in accordance with this Study Agreement and in its sole discretion, modify the study scope, study methodology, study criteria, modeling assumptions and the timelines provided in Schedules B and C of this Study Agreement, including where necessary to maintain system reliability, ensure accurate study results, or reflect changes in planning assumptions, system conditions, or applicable reliability criteria. To the extent reasonably practical, PJM shall inform SE DC DevCo and AEP Ohio regarding any study modification PJM believes is necessary and shall work in good faith to resolve any areas of conflict.

20. Assignment. This Study Agreement may not be assigned without the express written consent of PJM, SE DC DevCo, PORTS 2 Interconnect, and Portsmouth Gas DevCo.

21. Incorporation of Governing Documents. All portions of PJM's Tariff and Operating Agreement, as they may be amended from time to time, pertinent to the subject matter of this Study Agreement and not otherwise made a part hereof are hereby incorporated herein and made a part hereof.

22. Breach.

a. Milestones. A breach of this Study Agreement shall include a failure to satisfy a milestone date set forth in the Schedule C Milestone Schedule, unless extended as described in Paragraph 1 of this Study Agreement.

b. Notice. A Party not in breach shall give written notice of an event of breach to the breaching Party. Such notice shall set forth, in reasonable detail, the nature of the breach, and where known and applicable, the steps necessary to cure such breach.

c. Cure of Breach or Termination Pursuant to Breach. The breaching Party may reach agreement with the Party not in breach, to timely cure the breach, within fifteen (15) days from the receipt of such notice of breach. If the Parties cannot reach an agreement to timely cure the breach within fifteen (15) days of the receipt of notice, then the Study Agreement will be terminated.

23. Term and Termination. Unless otherwise terminated consistent with this Study Agreement, this Study Agreement shall continue in full force and effect from the Effective Date and for the duration of the obligations arising from the milestones identified in Schedule C. This Study Agreement will automatically terminate in the case that either SE DC DevCo or AEP Ohio withdraws from the SAA Process, or if the State of Ohio withdraws its SAA Request. This Study Agreement shall also automatically terminate if, within one hundred twenty (120) days after PJM

delivers the System Upgrade Report, the PUCO has not either (i) signed an SAA Agreement for submission to FERC or (ii) issued an order clearly and unequivocally binding the State of Ohio to be responsible for the allocation of all costs required under Operating Agreement, Schedule 6, section 1.5.9 and confirming that the Flagship Project is consistent with or in furtherance of the public policy requirements of the State of Ohio. This may be extended with mutual agreement between the Parties. In addition, this Agreement may be terminated as follows:

a. By Mutual Consent. This Study Agreement may be terminated as of the date on which the Parties mutually agree to terminate this Study Agreement.

b. By SE DC DevCo. SE DC DevCo may unilaterally terminate this Study Agreement upon providing the Parties thirty (30) days' prior written notice. Termination of the Study Agreement by SE DC DevCo will not excuse SE DC DevCo from its obligation to pay for the cost of Studies, or excuse PJM from returning unexpended study payments, as set forth in this Study Agreement.

c. By PJM. PJM may unilaterally terminate this Study Agreement upon providing the Parties thirty (30) days' prior written notice. Termination of the Study Agreement by PJM will not excuse PJM from its obligation to return unexpended study payments, as set forth in this Study Agreement.

d. FERC Approval. Notwithstanding any other provision of this Agreement, no termination hereunder shall become effective until the Parties have complied with all laws and regulations applicable to such termination, including the filing with FERC of a notice of termination of this Agreement and acceptance of such notice for filing by FERC. In the event SE DC DevCo provides PJM with a notice of termination in accordance with Article 23.b, PJM shall make the relevant FERC filing within thirty (30) days.

24. Governing Law, Regulatory Authority, and Rules. The validity, interpretation, and enforcement of this Study Agreement and each of its provisions shall be governed by the Federal Power Act and federal law, and where not in conflict with federal law, applicable state law. The FERC is the exclusive forum for actions arising out of or relating to this Study Agreement.

25. No Third-Party Beneficiaries. Except as otherwise provided herein, this Study Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties.

26. Multiple Counterparts. This Study Agreement may be executed in two or more counterparts, each of which is deemed an original but all of which constitute one and the same instrument.

27. No Partnership. This Study Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

28. Severability. If any provision or portion of this Study Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other governmental authority, (i) such portion or provision shall be deemed separate and independent, (ii) the Parties shall negotiate in good faith to restore insofar as practicable the benefits and obligations of each Party affected by such ruling, and (iii) the remainder of this Study Agreement shall remain in full force and effect.

29. Reservation of Rights. Nothing in this Study Agreement shall limit the rights of the Parties or FERC under the Federal Power Act or FERC's rules and regulations.

30. Entire Agreement. This Study Agreement together with the exhibits and schedules thereto, constitutes the entire agreement between the Parties with respect to the subject matter contained in this Agreement and supersedes all prior agreements, understandings, and negotiations, oral or written, between the Parties.

**** No further text on this page ****

FERC Rate Schedule No. 54

IN WITNESS WHEREOF, the Parties have caused this Study Agreement to be executed by their respective authorized officials. By each individual signing below each represents to the other that they are duly authorized to sign on behalf of that Party and have actual and/or apparent authority to bind the respective Party to this Study Agreement.

PJM:

By: /s/ Frederick S. Bresler III Chief Operating Officer September 25, 2026
Name Title Date

Printed name: Frederick S. Bresler III

SE DC DevCo:

By: /s/ Rich Hossfeld Co-President September 25, 2026
Name Title Date

Printed name: Rich Hossfeld

PORTS 2 Interconnect:

By: /s/ Rich Hossfeld Co-President September 25, 2026
Name Title Date

Printed name: Rich Hossfeld

Portsmouth Gas DevCo:

By: /s/ Rich Hossfeld Co-President September 25, 2026
Name Title Date

Printed name: Rich Hossfeld

AEP Ohio:

By: /s/ Marc Reitter President & COO September 25, 2026
Name Title Date

Printed name: Marc Reitter

SCHEDULE A

OHIO SAA REQUEST



June 15, 2026

David E. Mills
President & CEO
PJM Interconnection
2750 Monroe Blvd.
Audubon, PA 19403

RE: Request to Initiate State Agreement Approach

Dear Mr. Mills,

In March 2026, the U.S. Department of Energy announced a unique public-private partnership, as part of the Trump Administration's U.S.-Japan Strategic Trade and Investment Agreement, through which SoftBank Group and SB Energy will build 10 gigawatts (GW) of new power generation, including at least 9.2 GW of new natural gas generation, to power 10 GW of data center development at the former Portsmouth Gaseous Diffusion Plant in Pike County, Ohio. SB Energy has also committed to make excess generation and transmission capacity available to the grid for the benefit of American consumers by increasing energy supply and lowering energy costs, while also investing \$40 million through a Community Benefits Agreement to support the surrounding Ohio communities. Additionally, SB Energy and AEP Ohio have partnered to build \$4.2 billion in new transmission, including 756-kilovolt infrastructure. SB Energy will pay for that infrastructure so that Ohio customers are protected from the costs.¹

In order to timely and efficiently facilitate the transmission infrastructure necessary to support this critical project, the state of Ohio seeks to utilize the State Agreement Approach (SAA) outlined in PJM's Operating Agreement. The SAA provides a flexible pathway for Ohio to partner with PJM in implementing transmission solutions that directly support public policy requirements. Ohio Revised Code 4928.02 sets forth state policy as implemented by the Public Utilities Commission of Ohio (PUCO).² Among other key objectives, the statute requires the

¹ FACT SHEET: The Department of Energy is Ensuring Affordable Energy Access in Ohio While Powering the Future of AI, available at <https://www.energy.gov/articles/fact-sheet-department-energy-ensuring-affordable-energy-access-ohio-while-powering-future>; AEP Ohio Partners to Bring \$4.2B in New Electric Infrastructure in Appalachian Ohio Without Raising Customer Rates, available at <https://www.aep.com/news/stories/view/10823/>.

² Available at <https://codes.ohio.gov/ohio-revised-code/section-4928.02>.

Commissioners

Daniel R. Conway
Dennis P. Deters
Lawrence K. Friedeman
John D. Williams

180 E Broad Street
Columbus, OH 43215 U.S.A.

800 | 686 7826
puco.ohio.gov



PUCO to facilitate the state's effectiveness in the global economy. This policy is aligned with the federal administration's plans for this new large-scale technology campus, which will support advanced research in industries such as fusion and quantum computing, strengthen national defense, and reinforce U.S. leadership in the global technology race, while also enhancing the grid, protecting Ohio ratepayers, and creating thousands of local jobs. This historic project will require coordinated and timely transmission planning that advances state and federal policy priorities and regional reliability needs.

The SAA will ensure that costs associated with the transmission lines and associated infrastructure constructed by AEP Ohio or its designee are assigned to Ohio to then be further allocated to SB Energy, which has committed to pay the costs. The details of the SAA and the specific cost-allocation and recovery approach will be subject to regulatory proceedings before the PUCO, which will issue its findings through an order in the PUCO case. Any state agreement to be filed at the Federal Energy Regulatory Commission pursuant to the SAA provisions in the Operating Agreement will need to be authorized by the PUCO in conjunction with the resolution of any state-jurisdictional issues in those proceedings.

Accordingly, I request that PJM initiate the SAA so that the state of Ohio and PJM can work together to facilitate the infrastructure necessary to support this project consistent with Ohio's public policy objectives. The PUCO staff looks forward to working collaboratively with PJM on this important matter.

Sincerely,

Sarah J. Parrot
Federal Energy Advocate

CC:

Jason P. Connell, Vice President – Planning

Asim Z. Haque, Executive Vice President – Governmental & Member Services

Commissioners

Daniel R. Conway

Dennis P. Deters

Lawrence K. Friedeman

John D. Williams

180 E Broad Street

Columbus, OH 43215 U.S.A.

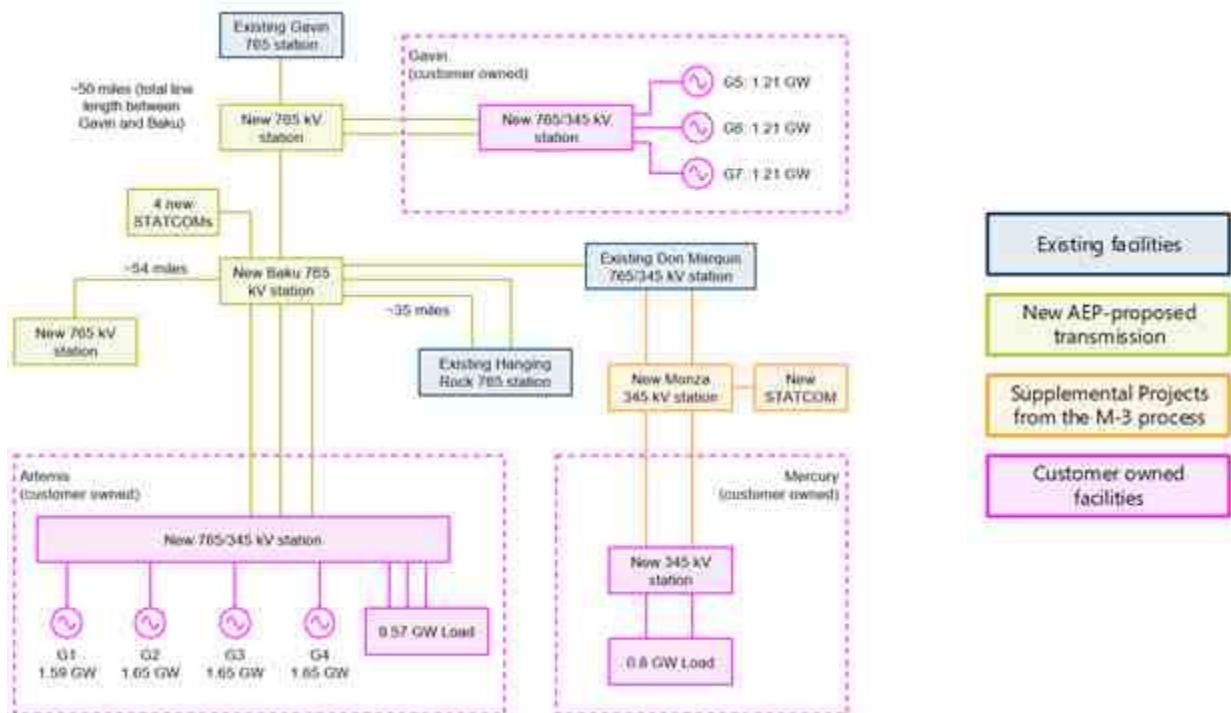
800 | 686 7826

puco.ohio.gov

SCHEDULE B

FLAGSHIP PROJECT SPECIFICATIONS

1. Flagship Project Description: SE DC DevCo and AEP Ohio have partnered to develop an integrated project to interconnect approximately 10.17 GW of gross new electric generation, to power approximately 10.37 GW of new data center load with completion occurring on a phased basis through 2032 in Pike County, Ohio. The Flagship Project consists of the Proposed Flagship Load Facilities, the Proposed Flagship Generation Facilities and the Proposed Flagship Transmission Facilities, each as described below. The load and generation will be connected at three distinct Points of Interconnection as reflected in the diagram below:



a. Proposed Flagship Load Facilities:

Customer Location	Point of Interconnection (POI)	Total Load, MW	Requested Firm NITS, MW	Note
Artemis	(new) Baku 765 kV substation	9,570 MW	9,570 MW 100%	
Mercury	(new) Monza 345 kV substation	800 MW	800 MW 100%	Evaluated through the Tariff, Attachment M-3 process as Need #AEP-2026-OH004
Total		10,370 MW	10,370 MW	

b. Proposed Flagship Generation Facilities:

Generator Type and Model Number	Number of Units and Gross MW Output of Each	Maximum Facility Output, MW	CIRs, MW	Forced Outage Expectation
Customer location: Artemis Point of Interconnection: (new) Baku 765 kV substation				
GE Vernova Turbine: LM2500 Xpress (G4) Generator: Andritz A03	15 x 33.0015 MW	482.19 MW	464.06 MW 100%	class average
GE Vernova Turbine: LM2500 Xpress (G4) Generator: Brush 7-185	3 x 33.0015 MW	96.54 MW	92.81 MW 100%	class average
GE Vernova Turbine: LM2500 Xpress (G4) Generator: Brush 72-265	14 x 33.0015 MW	449.92 MW	433.12 MW 100%	class average
GE Vernova Turbine: TM2500 DLE Generator: Andritz A03	16 x 33.1411 MW	520.36 MW	502.27 MW 100%	class average

Generator Type and Model Number	Number of Units and Gross MW Output of Each	Maximum Facility Output, MW	CIRs, MW	Forced Outage Expectation
GE Vernova Turbine: 7HA.2 Generator: H65 (1GTG) & H53(1STG)	6 x 602.2650 MW	3,479.76 MW	3,376.74 MW 100%	class average
GE Vernova Turbine: 6F Generator: GE A35	17 x 78.988 MW	1,402.57 MW	1,257.75 MW 100%	class average
Customer location: Gavin				
Point of Interconnection: (new) Baku-Gavin 765 kV line				
GE Vernova Turbine: 7HA.2 Generator: H65 (1GTG) & H53(1STG)	6 x 604.8080 MW	3,477.42 MW	3,387.27 MW 100%	class average
Total	10,171.5396 MW	9,908.77 MW	9,514.02 MW 100%]	

c. Proposed Flagship Transmission Facilities: For initial modeling purposes, the Flagship Project will be assumed to include the following Proposed Flagship Transmission Facilities:

- i. development of a new 765 kV substation, three (3) new 765 kV transmission lines, four (4) STATCOM units, and associated transmission infrastructure (“Proposed Flagship Transmission Facilities”); and
- ii. the development of supplemental project ID s3864.1-6, which consists of four (4) new 345 kV lines, one (1) new 345 kV substation, one (1) STATCOM unit, and associated transmission infrastructure.

The Proposed Flagship Transmission Facilities are reflected in the single line diagram above.

SCHEDULE C

STUDY PROCESS AND MILESTONE SCHEDULE

Evaluation of Flagship Project

1. Completeness Review: Upon execution of this Study Agreement by all Parties, PJM shall have five (5) days to identify any additional information need to complete the Studies. The Data Deficiency Review described below will commence immediately if PJM indicates it does not require additional information or will proceed once PJM acknowledges receipt of any necessary information it has requested.

2. Data Deficiency Review: Upon completion of the Completeness Review, PJM will perform a deficiency review of all information and data supplied by SE DC DevCo, PORTS 2 Interconnect, and Portsmouth Gas DevCo (“Study Data”). The Study Data will be evaluated against the requirements described in the PJM Tariff, Operating Agreement, and Manual 14H to ensure the Study Data sufficiently describes the Flagship Project for purposes of the Studies. If PJM determines, in its sole discretion, that additional Study Data is required, SE DC DevCo, PORTS 2 Interconnect, and Portsmouth Gas DevCo will have ten (10) days to supply such information. This process shall continue until PJM determines that the Study Data is sufficient to perform the Studies. PJM will complete the initial and any subsequent data reviews within fifteen (15) days after receipt of the completed or revised Study Data.

3. Base Case Development and Review. PJM will provide any individual at SE DC DevCo, PORTS 2 Interconnect, and Portsmouth Gas DevCo, and AEP with approved CEII clearance with the draft study models proposed for use in the Studies, including the applicable power-flow, short circuit, and stability models, for review and comment. SE DC DevCo, PORTS 2 Interconnect, and Portsmouth Gas DevCo will have thirty (30) days to review and provide any comments. PJM will consider SE DC DevCo’s, PORTS 2 Interconnect’s, and Portsmouth Gas DevCo’s comments and provide the final study models concurrently with the commencement of the applicable Studies.

4. Most Credible Stressed Scenario(s): PJM will evaluate the Flagship Project using a “Most Credible Stressed Scenario(s),” meaning the most credible stressed system and operating conditions based on information provided by SE DC DevCo, PORTS 2 Interconnect, Portsmouth Gas DevCo, and AEP Ohio, PJM’s historical experience, sound engineering judgment, Good Utility Practice, and applicable PJM Tariff, Operating Agreement, and Manual requirements. In developing the Most Credible Stressed Scenario(s), PJM will evaluate the Proposed Flagship Load Facilities at the full NITS level under various seasonal PJM system conditions and based on the projected availability of the Proposed Flagship Generation Facilities. For purposes of such evaluation, PJM will model the Proposed Flagship Generation Facilities using the applicable class average expected forced outage rate to account for simultaneous outages during major overhauls and similar conditions, and will reflect the obligations of the Proposed Flagship Generation Facilities as a capacity resource at the requested CIR level.

5. Studies: Following PJM’s completion of the Completeness and Data Deficiency Reviews described above, PJM will conduct the Studies using the Most Credible Stressed Scenario(s)

described above. The Studies will consist of a load flow analysis, short circuit analysis, and stability analysis, which PJM will conduct concurrently. PJM anticipates completing the load flow analysis in not more than sixty (60) days, the short circuit analysis in not more than sixty (60) days, and the stability analysis in not more than one hundred and twenty (120) days. PJM will provide regular updates as study results become available during the power flow study, short circuit and stability study stages. To provide SE DC DevCo and AEP with an early update on study progress, PJM will conduct the stability analysis starting with the most extreme contingencies first and will share the results and any identified reliability violations upon completion of these extreme contingencies. PJM will similarly alert SE DC DevCo, PORTS 2 Interconnect, Portsmouth Gas DevCo, AEP, and any Affected System Operators and affected Transmission Owners as soon as practicable if it appears an Affected Systems study is necessary. However, PJM's final assessment of the stability results will only be provided with the Reliability Report upon completion of the entire set of dynamic stability studies.

6. Reliability Report: Following completion of all Studies, PJM will prepare and provide to the Parties and PUCO a report identifying the reliability violations, if any, identified through the Studies (the "Reliability Report") and, expressed as percentages of the total number of such violations, the share of such violations attributable to the proposed load and the proposed generation, respectively. The Reliability Report will also identify whether PJM has determined that an Affected Systems Study is required. The Reliability Report will not identify the transmission facilities or upgrades necessary to address the identified reliability violations. Concurrently with the Reliability Report, PJM will provide to the individuals with approved CEII clearances at each of the Parties, complete copies of all study models and associated data files used to perform the Studies and produce the results reflected in the Reliability Report, including, as applicable, the base cases, project-modified cases, contingency and monitored-element files, short circuit models, dynamic models and data, model assumptions and modifications, and final solved cases. PJM will not provide training on the use or interpretation of these study materials for the Parties or their consultants.

7. Actions Following Reliability Report: Within thirty (30) days following receipt of the Reliability Report, SE DC DevCo shall notify PJM in writing that it elects to either:

1. terminate this Study Agreement;
2. request that PJM proceed with the identification of Required Transmission Upgrades (defined below) and prepare a System Upgrade Report (defined below); or,
3. revise the levels of requested service, or modify the equipment specifications, equipment configurations, or other specifications listed in Schedule B, in which case PJM will determine whether and to what extent any of the Studies must be repeated in accordance with the Revised Study process (described below).

8. Revised Study and Revised Reliability Report: If SE DC DevCo elects to modify the Flagship Project or requested service pursuant to Section 6 of this Schedule C, SE DC DevCo shall provide PJM with all Study Data necessary to evaluate the proposed modification. PJM will determine, in its sole discretion, whether and to what extent the modification requires PJM to repeat or modify any portion of the Studies (the "Revised Study"). Any Revised Study will be performed in accordance with the applicable study assumptions, methodologies, and requirements set forth in this Schedule C. PJM anticipates completing the Revised Study within

sixty (60) days following its determination that the Study Data necessary to perform the Revised Study is sufficient; provided, however, that the time required to complete the Revised Study may vary depending on the nature and complexity of the proposed modifications.

Upon completion of the Revised Study, PJM will prepare and provide to the Parties and PUCO a revised Reliability Report reflecting the results of the Revised Study (“Revised Reliability Report”). The Revised Reliability Report will identify the reliability violations, if any, resulting from the Revised Study and whether PJM has determined that an Affected System Study is required. The Revised Reliability Report will not identify the transmission facilities or upgrades necessary to address the identified reliability violations.

Within thirty (30) days following receipt of the Revised Reliability Report, SE DC DevCo shall notify PJM in writing whether it elects to: (i) proceed with the identification of the Required Transmission Upgrades (defined below) and preparation of the System Upgrade Report (defined below); or (ii) terminate this Study Agreement.

9. Identification of Required Transmission Upgrades and System Upgrade Report: If SE DC DevCo elects to proceed following receipt of the Reliability Report or Revised Reliability Report, as applicable, PJM will coordinate with AEP Ohio, Affected System Operators, and affected Transmission Owners as necessary, to identify the transmission facilities and upgrades required to interconnect the Flagship Project and solve all reliability violations identified in the applicable Reliability Report or Revised Reliability Report (the “Required Transmission Upgrades”).

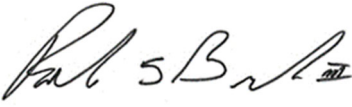
Following identification of the Required Transmission Upgrades, PJM will prepare and provide to the Parties and PUCO a System Upgrade Report identifying the Required Transmission Upgrades. PJM estimates completing the System Upgrade Report within thirty (30) days following SE DC DevCo’s election to proceed, subject to the timely receipt of information required from AEP Ohio, any other affected Transmission Owner(s) and/or Affected System Operator(s). PJM shall use best efforts to coordinate with affected Transmission Owner(s) and/or Affected System Operator(s) as expeditiously as possible; provided, that the Parties acknowledge that PJM cannot unilaterally control the timing of Affected System Studies, which are coordinated with neighboring regions and transmission owners; the time necessary to complete Affected Systems studies will vary depending on the magnitude and nature of identified reliability violations or impacts, if any.

Attachment B:

Signature Pages to the Study Agreement

IN WITNESS WHEREOF, the Parties have caused this Study Agreement to be executed by their respective authorized officials. By each individual signing below each represents to the other that they are duly authorized to sign on behalf of that Party and have actual and/or apparent authority to bind the respective Party to this Study Agreement.

PJM:

By: /s/  Chief Operating Officer September 25, 2026
Name Title Date

Printed name: Frederick S. Bresler III

SE DC DevCo:

By: /s/ September , 2026
Name Title Date

Printed name:

PORTS 2 Interconnect:

By: /s/ September , 2026
Name Title Date

Printed name:

Portsmouth Gas DevCo:

By: /s/ September , 2026
Name Title Date

Printed name:

AEP Ohio:

By: /s/ September , 2026
Name Title Date

Printed name:

IN WITNESS WHEREOF, the Parties have caused this Study Agreement to be executed by their respective authorized officials. By each individual signing below each represents to the other that they are duly authorized to sign on behalf of that Party and have actual and/or apparent authority to bind the respective Party to this Study Agreement.

PJM:

By: /s/ _____ September , 2026
Name Title Date

Printed name: _____

SE DC DevCo:

By: /s/  _____ September 25, 2026
Name Title Date

Printed name: Rich Hossfeld

PORTS 2 Interconnect:

By: /s/  _____ September 25, 2026
Name Title Date

Printed name: Rich Hossfeld

Portsmouth Gas DevCo:

By: /s/  _____ September 25, 2026
Name Title Date

Printed name: Rich Hossfeld

AEP Ohio:

By: /s/ _____ September , 2026
Name Title Date

Printed name: _____

IN WITNESS WHEREOF, the Parties have caused this Study Agreement to be executed by their respective authorized officials. By each individual signing below each represents to the other that they are duly authorized to sign on behalf of that Party and have actual and/or apparent authority to bind the respective Party to this Study Agreement.

PJM:

By: /s/ _____ September, 2026
Name Title Date

Printed name: _____

SE DC DevCo:

By: /s/ _____ September, 2026
Name Title Date

Printed name: _____

PORTS 2 Interconnect:

By: /s/ _____ September, 2026
Name Title Date

Printed name: _____

Portsmouth Gas DevCo:

By: /s/ _____ September, 2026
Name Title Date

Printed name: _____

AEP Ohio:

By: /s/ [Signature] President & COO September 25, 2026
Name Title Date

Printed name: Marc Reitter