

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To:
PJM Interconnection, L.L.C.
Docket No. ER22-2110-000

Issued: August 30, 2022

Wright & Talisman, P.C.
1200 G Street, NW, Suite 600
Washington, DC 20005

Attention: Wendy B. Warren, Esq.

Reference: PJM Interconnection Process Reform

Dear Ms. Warren:

On June 14, 2022, you submitted, on behalf of PJM Interconnection, L.L.C. (PJM), revisions to PJM's Open Access Transmission Tariff (Tariff). Specifically, PJM proposes to revise its interconnection procedures to transition from a serial "first-come, first-served" queue approach to a "first-ready, first-served" cluster cycle approach.

Please be advised that your filing is deficient and that additional information is required in order to process the filing. Please provide the information requested below. To the extent that some of the required information may contain confidential material, please submit a non-public version in addition to the public version for Commission review.

1. PJM proposes to remove Tariff, Part II, section 19.8 and Tariff, Part III, section 32.5, which provide for, among other things, reporting and penalties applicable to PJM if it fails to complete a certain percentage of transmission service request studies in a certain timeframe. These provisions were accepted as part of PJM's Order No. 890¹ compliance filing.²

¹ *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, 118 FERC ¶ 61,119, *order on reh'g*, Order No. 890-A, 121 FERC ¶ 61,297 (2007), *order on reh'g*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh'g*, Order No. 890-C, 126 FERC ¶ 61,228, *order on clarification*, Order No. 890-D, 129 FERC ¶ 61,126 (2009).

Please explain how the proposed removal of these sections is consistent with or superior to the reporting and penalty requirements of Order No. 890.³

2. As part of the proposed tariff provisions in both the Transition Cycle (Proposed Tariff, Part VII, Subpart D, section 307(A)(4)(c)) and New Rules (Proposed Tariff, Part VIII, Subpart C, section 404(A)(4)(c)) regarding additional system impact study procedures for Eligible Customers, PJM proposes that “[r]equests for long-term firm transmission service will be evaluated, to the extent possible, as a part of the on-going planning process for Bulk Transmission Supply in the PJM Region.” PJM also proposes that the type of the request (i.e., short-term or long-term) and whether the request is made during a normal planning cycle be determinative for whether the request is included in the aggregate planning process or requires a special impact study. Specifically, these sections state:

The loads and resources of Eligible Customers requesting new or additional service during the normal planning cycle will be incorporated into this aggregate planning process along with the loads and resources of all other Firm Point-to-Point and load serving entities for which prior commitments to provide service have been made. Requests for long-term firm service made at times that will not permit the evaluation of impacts as part of the normal planning process, and requests for short-term firm service, will require that special impact studies be completed.

Please explain how PJM will determine, under the transition process rules and the new rules, whether a request for long-term firm service can be studied as part of the planning process for Bulk Transmission Supply in the PJM Region or whether special impact studies must be completed.

3. The proposed provisions regarding proof of site control in the Transition Cycle (Proposed Tariff, Part VII, Subpart A, section 302(A)(2)(d)) and New Rules (Proposed Tariff, Part VIII, Subpart A, section 402(A)(2)(d)) contain provisions specific to developers whose projects are to be sited on government-owned or -controlled land subject to environmental or other permitting requirements. Such developers must provide “acceptable evidence” that, for Decision Points I and III, the Project Developer is taking identifiable, acceptable steps to secure government authorization, including an estimate of when the relevant regulatory requirements

² *PJM Interconnection, L.L.C.*, 123 FERC ¶ 61,145 (2008).

³ See Order No. 890 at P 1340.

will be met. For Decision Points I and III, such developers must also identify any additional property rights, for non-governmental land, that are needed but cannot be secured until the regulatory requirements have been met and the governmental entity provides the required authorization.

Please explain if changes to the proposed site required by the authorizing governmental entity that occur on the project side of the point of interconnection (POI) and that do not change the electric output of the project or the electrical characteristics of the project's interconnection will be considered violations of the Site Control evidentiary requirement. If so, please explain how a developer that submits an interconnection request and is subject to potential changes in site directed by an authorizing governmental entity is able to meet the proposed site control requirements. Please also explain how developers can satisfy the requirement to identify additional required property rights if they are unaware of potential changes to their proposed project site that may be directed by an authorizing governmental entity.

4. Under the Transition Rules and New Rules, PJM proposes site control provisions during Decision Points I and II that allow a project developer to change the project site if, among other things, the initial site and the proposed site are adjacent parcels.⁴

Please explain what constitutes adjacent parcels. For example, can adjacent parcels be two distinct parcels within a particular geographic area or region or do the parcels need to be contiguous? Please provide the criteria for making these determinations.

5. Under the Transition Rules, PJM proposes that, for projects in queue windows AE1 through AG1 that have (i) cost allocation eligibility for, or are identified as the first to cause, a Network Upgrade with total estimated costs of \$5 million or less and (ii) have not been tendered or executed an interconnection service agreement or a wholesale market participant agreement, such projects will be processed through the proposed Expedited Process.⁵

Please explain whether the determination of the \$5 million or less requirement includes costs to expedite construction or other similar costs.

⁴ Proposed Tariff, Part VII, Subpart D, sections 309(B)(5)(b) and 311(B)(4)(e); Proposed Tariff, Part VIII, Subpart C, sections 406(B)(5)(b) and 408(B)(4)(e).

⁵ Proposed Tariff, Part VII, Subpart B, section 304(A)(1).

6. During the transition process, PJM states that applications for New Service Requests will continue to be accepted, but will not be processed until the New Rules go into effect.⁶ PJM adds that all applications submitted from October 1, 2021 through the processing of the first new cycle will comprise the first projects to proceed under the New Rules as Cycle #1. Taken together, these statements imply that Cycle #1 may be much larger than normal because it will be comprised of all of the New Service Requests submitted during multiple years.

Is there a risk that this could result in Cycle #1 becoming unmanageably large, and if so, how will PJM address such a risk?

7. Order No. 2006⁷ adopted a 10 kW Inverter Process and a Fast Track Process, the latter of which was revised in Order No. 792.⁸ PJM proposes to consolidate interconnection procedures for both small and large generators. However, PJM's proposal does not include either a 10 kW Inverter Process or a Fast Track Process. Please explain why it is just and reasonable for PJM's generator interconnection procedures to exclude these processes.

This letter is issued pursuant to 18 C.F.R. § 375.307 (2021) and is interlocutory. This letter is not subject to rehearing under 18 C.F.R. § 385.713 (2021). A response to this letter must be filed with the Secretary of the Commission within 30 days of the date of this letter by making a deficiency filing in accordance with the Commission's electronic tariff requirements. For your response, use Type of Filing Code 170 if your company is registered under program code "M" (Electric Market Based Rate Public Utilities) or Type of Filing Code 180 if your company is registered under program code "E" (Electric Traditional Cost of Service and Market Based Rates Public Utilities).⁹

⁶ Transmittal Letter at 39-40.

⁷ *Standardization of Small Generator Interconnection Agreements and Procedures*, Order No. 2006, 111 FERC ¶ 61,220, *order on reh'g*, Order No. 2006-A, 113 FERC ¶ 61,195 (2005), *order granting clarification*, Order No. 2006-B, 116 FERC ¶ 61,046 (2006).

⁸ *Small Generator Interconnection Agreements and Procedures*, Order No. 792, 78 Fed. Reg. 73,240 (Nov. 22, 2013), 145 FERC ¶ 61,159 (2013), *clarified*, Order No. 792-A, 146 FERC ¶ 61,214 (2014).

⁹ The filing must include at least one tariff record to restart the statutory timeframe for Commission action even though a tariff revision might not otherwise be needed. *See generally Electronic Tariff Filings*, 130 FERC ¶ 61,047, at PP 3-8 (2010) (explaining that the Commission uses the data elements resulting from the tariff filing process to establish

In addition, submit an electronic version of your response to Natalie Propst at Natalie.Propst@ferc.gov. The information requested in this letter order will constitute an amendment to your filing and a new filing date will be established.¹⁰ A notice will be issued upon receipt of your filing.

Pending receipt of the above information, a filing date will not be assigned to your filing. Failure to respond to this letter order within the time period specified may result in a further order rejecting your filing.

Issued by: Kurt M. Longo, Director, Division of Electric Power Regulation – East

statutory filing and other procedural dates).

¹⁰ See *Duke Power Co.*, 57 FERC ¶ 61,215, at 61,713 (1991) (“the Commission will consider any amendment or supplemental filing filed after a utility’s initial filing . . . to establish a new filing date for the filing in question”).