

190 FERC ¶ 61,083
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Mark C. Christie, Chairman;
Willie L. Phillips, David Rosner,
and Judy W. Chang.

PJM Interconnection, L.L.C.

Docket No. ER25-778-000

ORDER ACCEPTING TARIFF REVISIONS

(Issued February 11, 2025)

1. On December 20, 2024, pursuant to section 205 of the Federal Power Act (FPA)¹ and part 35 of the Commission's regulations,² PJM Interconnection, L.L.C. (PJM) filed proposed revisions to Part VIII of PJM's Open Access Transmission Tariff (Tariff)³ governing surplus interconnection service, to facilitate the rapid expansion of existing and planned generating facilities on PJM's system. In this order, we accept PJM's proposed revisions, effective March 7, 2025, as requested.

I. Background

2. In Order Nos. 845 and 845-A,⁴ the Commission amended the *pro forma* Large Generator Interconnection Procedures (LGIP) and the *pro forma* Large Generator Interconnection Agreement (LGIA) to improve certainty, promote more informed interconnection, and enhance interconnection processes.⁵ As part of these reforms, the

¹ 16 U.S.C. § 824d.

² 18 C.F.R. pt. 35 (2024).

³ PJM, Intra-PJM Tariffs, OATT, pt. VIII, subpart A, § 400 (Definitions S) (2.0.0) (Proposed Tariff Part VIII, Subpart A, § 400); PJM, Intra-PJM Tariffs, OATT, pt. VIII, subpart A, § 401 (Applications for Cycle Process Intro) (2.0.0) (Proposed Tariff, Part VIII, Subpart A, § 401); PJM, Intra-PJM Tariffs, OATT, pt. VIII, subpart E, § 414 (Surplus Interconnection Service) (1.0.0) (Proposed Tariff Part VIII, Subpart E, § 414).

⁴ *Reform of Generator Interconnection Procs. & Agreements*, Order No. 845, 163 FERC ¶ 61,043 (2018), *errata notice*, 167 FERC ¶ 61,123, *order on reh'g*, Order No. 845-A, 166 FERC ¶ 61,137, *order on reh'g*, Order No. 845-B, 168 FERC ¶ 61,092 (2019).

Commission required transmission providers to create a process for interconnection customers to use surplus interconnection service at existing points of interconnection.⁶ The Commission defined surplus interconnection service as any unneeded portion of interconnection service established in an LGIA such that if the surplus interconnection service is utilized then the total amount of interconnection service at the point of interconnection would remain the same.⁷

3. In compliance with Order Nos. 845 and 845-A, PJM established a process for surplus interconnection service requests. The Commission accepted PJM's process, which, among other things, provided that PJM would terminate a surplus interconnection service request if it determined that network upgrades may be required, if there may be impacts affecting the determination of what upgrades are necessary for new service customers in the new services queue, or if there may be material impacts on short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability and response.⁸

4. In Order No. 2023, the Commission adopted further reforms to address interconnection queue backlogs, improve certainty, and prevent undue discrimination for new technologies.⁹ Pertinent to surplus interconnection service, the Commission adopted revisions to section 3.3.1 of the *pro forma* LGIP to require transmission providers to allow interconnection customers to access the surplus interconnection service process once the original interconnection customer has an executed LGIA or requests the filing of

⁵ Order No. 845, 163 FERC ¶ 61,043 at P 2. The *pro forma* LGIP and *pro forma* LGIA establish the terms and conditions under which public utilities that own, control, or operate facilities for transmitting energy in interstate commerce must provide interconnection service to large generating facilities. *Id.* P 6.

⁶ *Id.* P 471.

⁷ *Id.* P 467; *pro forma* LGIP § 1; *pro forma* LGIA art. 1.

⁸ *PJM Interconnection, L.L.C.*, 171 FERC ¶ 61,145, at P 30 (2020) (“If PJM determines that network upgrades may be required or there may be impacts affecting the determination of what upgrades are necessary for new service customers in the new services queue, or there may be material impacts on short circuit capability limits, steady-state thermal and voltage limits or dynamic system stability and response, PJM will terminate and withdraw the surplus interconnection request upon issuance of the surplus interconnection study.”).

⁹ *Improvements to Generator Interconnection Procs. & Agreements*, Order No. 2023, 184 FERC ¶ 61,054, *order on reh'g*, 185 FERC ¶ 61,063 (2023), *order on reh'g*, Order No. 2023-A, 186 FERC ¶ 61,199 (2024).

an unexecuted LGIA.¹⁰ The Commission found that this would enable interconnection customers with unused interconnection service to let other generating facilities use that interconnection service earlier than is currently allowed and, therefore, increase overall efficiency of the interconnection queue.¹¹

II. PJM Filing

5. PJM states that its proposed Tariff revisions will encourage and facilitate the use of surplus interconnection service from existing and planned generating units on PJM's system by removing existing limitations and allowing requests to be submitted earlier in the project development cycle.¹² PJM explains that it faces an extreme and rapid tightening of supply and demand for capacity resources in the near term and needs additional resources to promptly address PJM's near-term reliability challenge.¹³

6. PJM's proposed Tariff revisions consist of four changes. First, PJM proposes to add language to the Tariff to explicitly allow the construction of additional physical interconnection facilities where Surplus Project Developers¹⁴ need them to accommodate the requested surplus interconnection service.¹⁵ PJM explains that this change would allow Surplus Project Developers to have additional interconnection facilities constructed to accommodate the parallel operation of a surplus generating unit and an existing or planned generator, which is important for solar facilities that are seeking to add a closed loop for storage resources.

7. Second, PJM proposes to eliminate the current tariff restrictions that do not allow the use of surplus interconnection service in instances where the service would: (1) affect the determination of network upgrades for projects already in the interconnection process; or (2) result in material impacts on short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability and response.¹⁶ PJM's proposed

¹⁰ Order No. 2023, 184 FERC ¶ 61,054 at P 1436.

¹¹ *Id.* P 1437.

¹² Transmittal at 6.

¹³ *Id.* at 5 (citations omitted).

¹⁴ A Surplus Project Developer is an entity that submits a request to use surplus interconnection service. *See* Proposed Tariff Part VIII, Subpart A, § 400.

¹⁵ Transmittal at 6-7.

¹⁶ *Id.* at 7; Proposed Tariff, Part VIII, Subpart E, §§ 414.A, 414.B.2, 414B.3.

revision to Tariff, Part VIII, Subpart E, section 414 is shown below to illustrate PJM's proposed change:

Surplus Interconnection Service cannot be granted if doing so would require new Network Upgrades not inclusive of additional Interconnection Facilities necessary to accommodate the Surplus Interconnection Service ~~or would have additional impacts affecting the determination of what Network Upgrades would be necessary to New Service Customers already in the New Services Queue or that have a material impact on short circuit capability limits, steady state thermal and voltage limits, or dynamic system stability and response.~~¹⁷

PJM notes that although the current restrictions were found to be compliant with Order No. 845,¹⁸ it is submitting these revisions under FPA section 205 with the intent to expand generation on the system to address the reliability challenges facing the region. PJM also notes that this change will bring PJM's Tariff more in line with the Midcontinent Independent System Operator, Inc. (MISO) tariff, which allows for surplus interconnection service except when it requires new network upgrades.¹⁹

8. Third, PJM proposes to expand the availability of surplus interconnection service to projects that have an Interconnection Service Agreement or Generator Interconnection Agreement but are not yet constructed and operating.²⁰ PJM explains that the Tariff currently only permits surplus interconnection service requests from existing, operational generating facilities. PJM notes that its proposal will allow such requests to be processed through the Tariff's expedited surplus interconnection service process during the agreement implementation phase of the main interconnection queue, which will further expedite the utilization of surplus interconnection service.

¹⁷ Proposed Tariff, Part VIII, Subpart E, §§ 414.A.

¹⁸ Transmittal at 7 (citing *PJM Interconnection, L.L.C.*, 171 FERC ¶ 61,145, at PP 36-37 (2020)).

¹⁹ *Id.* (citing MISO, Open Access Transmission, Energy and Operating Reserve Markets Tariff, attach. X, Generator Interconnection Procedures (GIP) (167.0.0), § 3.2.3.2).

²⁰ *Id.* at 1-2, 7; Proposed Tariff, Part VIII, Subpart E, §§ 414.A, 414.A.i, 414.A.k, 414.A.l.i, 414.A.I.ii.

9. Fourth, PJM proposes to revise its Tariff to allow for surplus interconnection service “from resources seeking to receive electric energy from the grid and store it for later injection to the grid.”²¹

10. PJM states that, to facilitate the acceptance of the filing without delay, it consents to the Commission’s exercise of authority to modify the proposed Tariff language to the extent necessary and permitted under FPA section 205 and *NRG Power Marketing, LLC v. FERC*,²² where such modification is consistent with PJM’s overarching objective in this filing of facilitating the rapid expansion of existing and planned generating units on PJM’s system by removing restrictions on surplus interconnection service.²³ PJM further states that, to the extent the Commission exercises its authority pursuant to FPA section 205 and *NRG Power Marketing* to modify the proposed Tariff language, PJM’s submittal of any compliance filing implementing such modifications will constitute PJM’s consent and acceptance of the Commission’s modifications.²⁴

11. PJM avers that the proposed Tariff revisions are just and reasonable and will align PJM’s approach with the approach to surplus interconnection service taken by other regional transmission organizations (RTO).²⁵ PJM states that these revisions also address the complaint filed by EDP Renewables North America LLC in Docket No. EL24-125-000 and certain Order No. 2023 compliance requirements related to surplus interconnection service.²⁶

12. PJM requests an effective date for the proposed revisions of March 7, 2025.²⁷

²¹ Proposed Tariff, Part VIII, Subpart A, § 401, para. C.

²² 862 F.3d 108 (D.C. Cir. 2017) (*NRG Power Marketing*).

²³ Transmittal at 2-3.

²⁴ *Id.* at 3.

²⁵ *Id.* at 8 (citing ISO New England Inc., ISO New England Inc. Transmission, Markets and Services Tariff, Schedule 22, Large Generator Interconnection Procedures (22.0.0), § 3.3.1; MISO, Business Practices Manual: Generation Interconnection, Manual No. 015, § 6.7.3).

²⁶ *Id.* at 1.

²⁷ *Id.* at 9.

III. Notice and Responsive Pleadings

13. Notice of PJM's filing was published in the *Federal Register*, 89 Fed. Reg. 106469 (Dec. 30, 2024), with interventions and protests due on or before January 10, 2025. On January 3, 2025, in response to a request from Clean Energy Associations,²⁸ the Commission issued a notice extending the comment due date to January 13, 2025.²⁹

14. Timely motions to intervene were filed by: Advanced Energy United; American Clean Power Association; American Electric Power Service Corporation; American Municipal Power, Inc.; Appalachian Voices; Arevon Energy, Inc.; Avangrid Renewables, LLC; Buckeye Power, Inc.; Calpine Corporation; Clearway Energy Group LLC; Constellation Energy Generation, LLC; Cordelio Services LLC; Crete Energy Venture, LLC and Lincoln Generating Facility, LLC (collectively, Earthrise PJM Companies); Deriva Energy Solar, LLC; Dominion Energy Services, Inc. (Dominion); Duke Companies;³⁰ EDP Renewables North America LLC (EDP Renewables); Electric Power Supply Association; Elevate Renewables F7, LLC (Elevate); Illinois Attorney General's Office; Illinois Citizens Utility Board; Illinois Municipal Electric Agency; Indiana Office of Utility Consumer Counselor; Invenergy Solar Development North America LLC, Invenergy Wind Development North America LLC, and Invenergy Storage Development LLC (collectively, Invenergy); Maryland Public Service Commission; Mid-Atlantic Renewable Energy Coalition; Middle River Power LLC (Middle River); Natural Resource Defense Council and Sustainable FERC Project; North Carolina Electric Membership Corporation; Office of the Ohio Consumers' Counsel; Old Dominion Electric Cooperative; Organization of PJM States, Inc. (OPSI); Orsted Wind Power North America LLC; PJM Industrial Customer Coalition; PJM Power Providers Group; PPL Electric Utilities Corporation; Public Citizen, Inc; Rockland Capital, LP; Rockland Electric Company; Savion, LLC; Shell Energy North America (US), L.P.; Solar Energy Industries Association; Talen Energy Corporation; Union of Concerned Scientists (UCS); and Vistra Corp. The Illinois Commerce Commission filed a notice of intervention.

²⁸ Clean Energy Associations include: Advanced Energy United, American Clean Power Association, Mid-Atlantic Renewable Energy Coalition, and Solar Energy Industries Association.

²⁹ *PJM Interconnection, L.L.C.*, Notice Granting Extension of Time, Docket No. ER25-778-000 (Jan. 3, 2025).

³⁰ Duke Energy Corporation filed a motion to intervene on behalf of Duke Energy Ohio, Inc., Duke Energy Kentucky, Inc., Duke Energy Indiana, LLC, Duke Energy Carolinas, LLC, Duke Energy Progress, LLC, and Duke Energy Business Services, LLC (collectively, Duke Companies).

Vitol Inc. and VC Renewables LLC filed a motion to intervene out-of-time on January 17, 2025.

15. Comments were filed by: EDP Renewables; OPSI; UCS; Earthrise PJM Companies; Dominion; Invenergy; Clean Energy Associations; American Council on Renewable Energy (ACORE); Elevate; Maryland Office of People's Counsel; Public Interest Organizations;³¹ and Middle River.

16. On January 28, 2025, PJM filed an answer to the comments.

A. Comments

17. Commenters generally support PJM's filing and urge the Commission to accept it.³² Elevate and the Public Interest Organizations assert that the potential benefits of surplus interconnection service have not yet been fully realized in PJM due to arbitrary restrictions on the use of this service.³³ According to Clean Energy Associations and Middle River, the proposed reforms will fix longstanding flaws in PJM's surplus interconnection service by eliminating the "materiality" review that effectively discourages or denies requests for surplus interconnection service.³⁴ Dominion, Middle River, ACORE, Clean Energy Associations, Maryland Office of People's Counsel, and Public Interest Organizations aver that eliminating unnecessary restrictions on surplus interconnection service will facilitate improvements to the capacity value of grid resources, including the addition of battery storage resources to existing projects.³⁵

³¹ Public Interest Organizations include: Appalachian Voices, Natural Resources Defense Council, RMI, Sierra Club, and Sustainable FERC Project.

³² ACORE Comments at 1, 3; Clean Energy Associations Comments at 1-2; Dominion Comments at 1; Earthrise PJM Companies Comments at 1; EDP Renewables Comments at 1; Elevate Renewables Comments at 2; Invenergy Comments at 2; Maryland Office of People's Counsel Comments at 1; Middle River Power Comments at 1-3; OPSI Comments at 1; Public Interest Organizations Comments at 1; UCS Comments at 7.

³³ Elevate Comments at 1; Public Interest Organizations Comments at 3-4.

³⁴ Clean Energy Associations Comments at 2; Middle River Comments at 4.

³⁵ Dominion Comments at 3; Middle River Comments at 2, 5; ACORE Comments at 1; Clean Energy Associations Comments at 3; Maryland Office of People's Counsel Comments at 2; Public Interest Organizations Comments at 7, 10.

18. Dominion, Elevate, Middle River, Clean Energy Associations, OPSI, and Invenergy state that the proposed changes will allow for faster expansion of generating facilities, which will help PJM address ongoing resource adequacy concerns.³⁶ Public Interest Organizations note that surplus interconnection service is a particularly valuable solution for this region because it can accelerate the addition of new generation without relying on PJM's delayed interconnection queue or harming already-queued projects.³⁷ Maryland Office of People's Counsel and Public Interest Organizations state that the expansion of surplus interconnection service may help decrease capacity prices.³⁸

19. Middle River, Invenergy, and Public Interest Organizations assert that the proposed tariff revisions align with Commission precedent and the analogous surplus interconnection service processes adopted in other RTOs and Independent System Operators (ISO; together, RTO/ISO).³⁹

20. EDP Renewables notes that, if the Commission accepts PJM's filing without change, it will withdraw its complaint filed in Docket No. EL24-125-000 regarding PJM's implementation of surplus interconnection service and the denial of EDP Renewables' request for surplus interconnection service.⁴⁰

21. Several commenters urge PJM to provide certain clarifications or request that the Commission direct PJM to undertake additional process or further tariff revisions. Earthrise PJM Companies request that the Commission direct PJM to: (1) engage in and complete stakeholder consultations to approve changes to Manual 14H by April 1, 2025; (2) develop transparent and collaborative system impact study procedures for surplus interconnection service; and (3) clarify details for specific surplus interconnection service

³⁶ Dominion Comments at 2-3; Elevate Comments at 4; Middle River Comments at 2, 6; Clean Energy Associations Comments at 3; OPSI Comments at 1-3; Invenergy Comments at 5.

³⁷ Public Interest Organizations Comments at 4-5, 8-9.

³⁸ Maryland Office of People's Counsel Comments at 2; Public Interest Organizations Comments at 11.

³⁹ Middle River Comments at 5-6; Invenergy Comments at 2; Public Interest Organizations Comments at 11-12.

⁴⁰ EDP Renewables Comments at 2.

scenarios including, for example, the differences between hybrid resources and co-located resources.⁴¹

22. Middle River urges PJM to establish operational and bidding rules to determine how two different resources that share an interconnection will offer into the day-ahead and real-time energy markets.⁴²

23. Elevate requests that PJM clarify that: (1) PJM will no longer automatically deem certain resource classes or combinations as ineligible for surplus interconnection service; (2) PJM will revise its business practice manuals to eliminate existing restrictions on the use of surplus interconnection service that appear inconsistent with the proposed tariff changes; and (3) classification of a resource as a co-located or hybrid resource will not affect a customer's eligibility for surplus interconnection service.⁴³

24. Invenergy urges PJM to consider further revisions to its Tariff that would permit High Voltage Direct Current (HVDC) interconnection customers to participate in surplus interconnection service arrangements with generators on the PJM system.⁴⁴

25. UCS states that "the PJM proposal should be adopted in conjunction with two changes."⁴⁵ First, UCS states that the wording of the revisions proposed for Tariff, Part VIII, Subpart A, section 401, paragraph C, should be clarified by adding the phrase shown in italics, so that it states: "Notwithstanding the above, the process under Tariff, Part VIII, Subpart E, section 414 is available for Surplus Interconnection Requests from *Surplus Project Developers proposing Energy Storage Resources* seeking to withdraw electric energy from the grid and store it for later injection to the grid."⁴⁶ UCS contends that the wording regarding eligibility for energy storage is somewhat unclear and differs from language used in the Tariff for PJM's Energy Storage Resource Participation Model.⁴⁷ UCS, along with ACORE, also requests that the Commission require PJM to

⁴¹ Earthrise PJM Comments at 2-4.

⁴² Middle River Comments at 8.

⁴³ Elevate Comments at 2.

⁴⁴ Invenergy Comments at 6-7.

⁴⁵ UCS Comments at 7.

⁴⁶ *Id.*

adopt the requirement in Order No. 2023 directing transmission providers to use operating assumptions in interconnection studies that reflect the proposed charging behavior of electric storage resources, at the request of the interconnection customer.⁴⁸

B. PJM Answer

26. PJM urges the Commission to reject requests from commenters that it asserts are beyond the scope of the proceeding, specifically: (1) the request of Invenenergy to clarify that HVDC interconnection customers may utilize surplus interconnection service; (2) the request from Earthrise PJM Companies to clarify the differences between hybrid resources and co-located resources; (3) the request from Elevate that classification of a resource as a co-located or hybrid resource will not affect eligibility for surplus interconnection service; and (4) the requests from ACORE and UCS to require PJM to adopt the Order No. 2023 requirement to use operating assumptions in interconnection studies that reflect the proposed charging behavior of electric storage resources.⁴⁹ PJM argues that these requests involve complex and controversial issues and would likely delay consideration and implementation of the proposed Tariff revisions.⁵⁰

IV. Commission Determination

A. Procedural Matters

27. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2024), the notice of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

28. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(d), we grant Vitol Inc. and VC Renewables LLC's late-filed motion to intervene given their interest in the proceeding, the early stage of the proceeding, and the absence of undue prejudice or delay.

⁴⁷ *Id.* at 6 (citing PJM, Intra-PJM Tariffs, OATT, attach. K, appx. § 1.4A (Energy Storage Resource) ("electric energy that is withdrawn from the grid and stored in the Energy Storage Resource")).

⁴⁸ *Id.* at 5-7 (citing Order No. 2023, 184 FERC ¶ 61,054 at P 1509). *See also* ACORE Comments at 3.

⁴⁹ PJM Answer at 1-2.

⁵⁰ *Id.* at 3.

29. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2024), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We accept the answer filed by PJM because it has provided information that assisted us in our decision-making process.

B. Substantive Matters

30. We find that PJM's proposed Tariff revisions are just and reasonable and not unduly discriminatory or preferential and accept them, as discussed below. PJM's proposal will facilitate the use of existing surplus interconnection capacity by removing certain limitations in the PJM Tariff and by making surplus interconnection capacity available sooner in the interconnection process. PJM represents that its proposal should expand the use of surplus interconnection service and allow additional capacity resources to connect to the PJM system to help address PJM's stated near-term reliability needs as well as increase the overall efficiency of PJM's interconnection queue.

31. We find that, in addition to being just and reasonable and not unduly discriminatory or preferential, the proposal accomplishes the purposes of the surplus interconnection service reforms set forth in Order Nos. 845 and 2023 and therefore meets the independent entity variation standard. As discussed below, some of PJM's proposed Tariff revisions deviate from the Commission's *pro forma* LGIP. The Commission applies an independent entity variation standard to evaluate RTO/ISO proposals for deviations from the Commission's *pro forma* LGIP and *pro forma* LGIA established in Order Nos. 2003,⁵¹ 845, and 2023. Under the independent entity variation standard, PJM must demonstrate that its proposed variations are just and reasonable and not unduly discriminatory or preferential and accomplish the purposes of, as relevant here, the Order Nos. 845 and 2023 requirements from which the variations are sought.⁵² We find that the test to support an independent variation is satisfied here. As we note and explain in greater detail below, we find that PJM has demonstrated that the proposed variations are just and reasonable and that PJM's proposal accomplishes the purposes of Order Nos. 845 and 2023 because the Tariff revisions will increase the utilization of existing interconnection facilities and network upgrades, which could reduce costs for

⁵¹ *Standardization of Generator Interconnection Agreements & Procs.*, Order No. 2003, 104 FERC ¶ 61,103 (2003), *order on reh'g*, Order No. 2003-A, 106 FERC ¶ 61,220, *order on reh'g*, Order No. 2003-B, 109 FERC ¶ 61,287 (2004), *order on reh'g*, Order No. 2003-C, 111 FERC ¶ 61,401 (2005), *aff'd sub nom. Nat'l Ass'n of Regul. Util. Comm'rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007).

⁵² *See, e.g., PJM Interconnection, L.L.C.*, 181 FERC ¶ 61,162, at P 2, *order on reh'g*, 184 FERC ¶ 61,006 (2023), *appeal dismissed sub nom. Hecate Energy LLC v. FERC*, No. 23-1089 (D.C. Cir. Jan. 21, 2025).

interconnection customers and increase overall efficiency of the interconnection queue.⁵³ We therefore accept the proposed Tariff revisions, effective March 7, 2025, as requested.

32. We find just and reasonable PJM’s revisions to allow the construction of additional interconnection facilities where Surplus Project Developers need them to accommodate the requested surplus interconnection service. Unlike new network upgrades, the construction of additional interconnection facilities does not impact other interconnection queue customers since “interconnection facilities are always the sole cost responsibility of the relevant interconnection customer.”⁵⁴ In the proposal before us, we note that allowing for the construction of interconnection facilities to connect a surplus interconnection service customer is consistent with the Commission’s description of surplus interconnection service in Order No. 845.⁵⁵

33. We also find just and reasonable PJM’s proposal to remove current Tariff restrictions that do not allow the use of surplus interconnection service in instances where the service would: (1) affect the determination of network upgrades for projects already in the interconnection process; or (2) result in material impacts on short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability and response. While the Commission previously accepted the current tariff language as part of PJM’s compliance with Order No. 845, Order No. 845 did not require RTOs/ISOs to include this specific language in their tariffs. Importantly, PJM’s revised Tariff would maintain the critical prohibition from Order No. 845-A that “surplus interconnection service cannot be granted if doing so would require new network upgrades,”⁵⁶ which ensures that granting surplus interconnection service “should have no additional impacts affecting the determination of what upgrades are necessary for interconnection customers that are already in the queue.”⁵⁷ Because Order No. 845 does not require the additional restrictions that PJM proposes to remove for the surplus interconnection service procedures to be just and reasonable, we find that the removal from the PJM Tariff of such provisions is just and reasonable. Additionally, removal of the material impact restriction would allow for non-thermal impacts on system limits up to the point where

⁵³ See Order No. 845, 163 FERC ¶ 61,043 at P 467; Order No. 2023, 184 FERC ¶ 61,054 at P 1437.

⁵⁴ Order No. 845-A, 166 FERC ¶ 61,137 at P 138, n.283.

⁵⁵ *Id.* (“We note that surplus interconnection service will likely require new directly assignable interconnection facilities to connect the surplus interconnection service customer to the original interconnection customer’s interconnection facilities.”).

⁵⁶ *Id.* P 135.

⁵⁷ *Id.* P 135.

network upgrades are required, which allows more interconnection customers to access surplus interconnection service when there are impacts that will not require any network upgrades, thereby improving the efficiency of existing interconnections by allowing them to be more fully utilized.

34. We also find just and reasonable PJM’s proposed revisions to expand the availability of surplus interconnection service to interconnection customers that have “executed (or requested to file unexecuted) an Interconnection Service Agreement or Generator Interconnection Agreement.”⁵⁸ PJM’s proposal is consistent with the requirement established in Order No. 2023 for “transmission providers to allow interconnection customers to access the surplus interconnection service process once the original interconnection customer has an executed LGIA or requests the filing of an unexecuted LGIA.”⁵⁹ As discussed in Order No. 2023, this reform “enable[s] interconnection customers with unused interconnection service to let other generating facilities use that interconnection service earlier than is currently allowed and, therefore, increases overall efficiency of the interconnection queue.”⁶⁰

35. Last, PJM’s proposed Tariff revision to allow electric storage resources to use surplus interconnection service is just and reasonable as it provides this subset of generating facilities the same option to use surplus interconnection service as other generating facilities in PJM and, along with the other reforms proposed in the instant filing, this revision would promote just and reasonable rates by facilitating timely and efficient interconnection of new generating facilities. We decline to direct PJM to adopt the alternate tariff language on energy storage resources suggested by UCS. PJM’s proposal to allow for surplus interconnection service “from resources seeking to receive electric energy from the grid and store it for later injection to the grid,” instead of from “Energy Storage Resources” as UCS suggests, is just and reasonable because it is inclusive of generating facilities that may include such resources in different

⁵⁸ Transmittal at 2, 7-8; Proposed Tariff, Part VIII, Subpart E, §§ 414.A, 414.A.i, 414.A.k, 414.A.l.i, 414.A.I.ii.

⁵⁹ Order No. 2023, 184 FERC ¶ 61,054 at P 1436.

⁶⁰ *Id.* P 1437. PJM’s proposed Tariff revisions to expand the availability of surplus interconnection service to interconnection customers that have filed (or request to file unexecuted) an Interconnection Service Agreement or Generator Interconnection Agreement are consistent with Order No. 2023’s requirement to allow requests for surplus interconnection service once the original interconnection customer has an executed LGIA or requests the filing of an unexecuted LGIA. We note that PJM should include, in any future filing it makes to comply with Order No. 2023, an explanation of how its Tariff complies with this Order No. 2023 requirement.

configurations, whereas an Energy Storage Resource, as defined in PJM's Tariff, can only be in a standalone electric storage configuration.⁶¹

36. Some commenters urge PJM to provide clarifications or request that the Commission direct PJM to undertake additional process or further tariff revisions, including: developing system impact study procedures for surplus interconnection service and clarifying details for specific surplus interconnection scenarios;⁶² establishing operational and bidding rules for resources that share an interconnection;⁶³ revisions to permit high voltage direct current interconnection customers to participate in surplus interconnection service arrangements;⁶⁴ the eligibility of certain resource classes or combinations, including classification of a resource as a co-located or hybrid resource for surplus interconnection service;⁶⁵ and compliance with certain requirements of Order No. 2023.⁶⁶ We find these requests to be beyond the scope of this proceeding, which is limited to determining whether PJM's proposed Tariff revisions to facilitate use of surplus interconnection service are just and reasonable and accomplish the purposes of the Commission's final rules addressing surplus interconnection service (i.e., Orders No. 845 and 2023).

37. Regarding commenters' requests that the Commission direct PJM to update its business practice manuals, we note PJM's commitment that it will "work with

⁶¹ See UCS Comments at 6. PJM's Tariff defines "Energy Storage Resource," in part, as "a resource capable of receiving electric energy from the grid and storing it for later injection to the grid that participates in the PJM Energy, Capacity and/or Ancillary Services markets as a Market Participant." PJM, Intra-PJM Tariffs, OATT, § I.1, (Definitions – E – F) (38.0.0). In Order No. 2023, the Commission recognized that electric storage resources may include configurations such as standalone resources, co-located generating facilities, or part of a hybrid generating facility. See Order No. 2023, 184 FERC ¶ 61,054 at P 52.

⁶² Earthrise PJM Comments at 2-4.

⁶³ Middle River Comments at 8.

⁶⁴ Invenergy Comments at 6-7.

⁶⁵ Elevate Comments at 2.

⁶⁶ ACORE Comments at 3; UCS Comments at 6-7.

stakeholders on the necessary changes to Manual 14H to conform the manual to these Tariff revisions.”⁶⁷

The Commission orders:

PJM’s proposed Tariff revisions are hereby accepted, effective March 7, 2025, as discussed in the body of this order.

By the Commission. Commissioner See is not participating.

(S E A L)

Carlos D. Clay,
Deputy Secretary.

⁶⁷ Transmittal at 4 n.14.