

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

PJM Interconnection, L.L.C.

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Docket No. ER25-778

**COMMENTS OF THE AMERICAN COUNCIL ON RENEWABLE ENERGY**

Pursuant to Rule 211 of the Federal Energy Regulatory Commission (“Commission”) Rules of Practice and Procedure,<sup>1</sup> the American Council on Renewable Energy (“ACORE”) submits these comments in support of the PJM Interconnection, L.L.C (“PJM”) proposal for revisions to its Open Access Transmission Tariff governing Surplus Interconnection Service that was filed with the Commission on December 20, 2024 (“SIS Proposal”).

ACORE requests that the Commission approve the requested tariff changes to become effective by March 7, 2025, as requested by PJM. These changes will reduce barriers to the use of SIS in PJM, thereby increasing the efficiency of the queue process and bringing needed resources on-line to address reliability needs.

In Order 2023, the Commission recognized the importance of SIS when it required modifications to the *pro forma* LGIP to allow interconnection customers to access SIS sooner than previously allowed, finding that expanding the use of SIS will “ensure that interconnection customers are able to interconnect in a reliable, efficient, transparent, and timely manner.”<sup>2</sup> However, PJM’s implementation of SIS has greatly impeded the realization of these benefits, especially for battery energy storage systems (BESS). In September 2024, ACORE released an analysis by Gabel Associates that found PJM’s implementation of SIS “effectively precludes

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<sup>1</sup> 18 C.F.R. § 385.211 (2024).

<sup>2</sup> *Improvements to Generator Interconnection Procedures & Agreements*, Order No. 2023, 184 FERC ¶ 61,054 (2023) at P 1437. (“Order 2023”)

BESS and other resources from utilizing SIS.”<sup>3</sup> Gabel Associates documented the following significant barriers to the use of SIS in PJM:

- PJM presumes that any new resource that *could* utilize transmission capability beyond what was allocated to the legacy generator is ineligible for SIS, regardless of whether it impacts another project in the queue. This interpretation means that grid-charging batteries are ineligible for SIS because the charging load presumptively utilizes existing transmission headroom during the Light Load deliverability study that *could* be allocated to a conventional interconnection project. Importantly, PJM does not study the new BESS resources to determine if they materially impact another project in the queue. It assumes that the charging load, *per se*, impacts a hypothetical *future* interconnection request.<sup>4</sup>
- During light load periods, PJM studies BESS resources in both charging and discharging modes, meaning both the charging load *and* generation output from discharging can contribute to upgrade cost responsibility. This configuration is antithetical to the anticipated operation of BESS resources, which charge during off-peak periods when power prices are typically lower and discharge during peak periods when prices are higher. Here, PJM’s study model presumes that the BESS resource would deliver energy during the lowest price period. If this energy delivery increases the load on a monitored flowgate, PJM will label the resource a “harmer,” ramp the BESS resource up to the assigned higher deliverability output and assign transmission upgrades to resolve any identified constraints.<sup>5</sup>
- PJM denies any SIS request that impacts short circuit capability, thermal, voltage, or dynamic stability limits, even if the impact is *de minimis*. This is true even in cases where the new generator does not overload any existing transmission facilities.<sup>6</sup>

PJM’s SIS Proposal addresses these impediments and otherwise expands the use of SIS by allowing 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; eliminating the current restrictions on SIS where the service: (i) affects the

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<sup>3</sup> Michael Borgatti and Sarah Yasutake, Gabel Associates, Inc., *ReSISting a Resource Shortfall: Fixing PJM’s Surplus Interconnection Service (SIS) to Enable Battery Storage* (Sep. 2024), at 10, available at: <https://acore.org/resources/resisting-a-resource-shortfall-fixing-pjms-surplus-interconnection-service-sis-to-enable-battery-storage/>

<sup>4</sup> *Ibid* at 17.

<sup>5</sup> *Ibid*.

<sup>6</sup> *Ibid* at 18.

determination of Network Upgrades for projects already in the interconnection process; or (ii) results in material adverse impacts on short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability and response; and expanding SIS to include projects that have an Interconnection Service Agreement or Generator Interconnection Agreement, but are not yet constructed and operating.<sup>7</sup> Moreover, PJM proposes to add language to Section VIII of its Open Access Transmission Tariff specifying that “the process under Tariff, Part VIII, Subpart E, section 414 is available for Surplus Interconnection Requests from resources seeking to receive electric energy from the grid and store it for later injection to the grid.”<sup>8</sup> While PJM still must meet Order 2023’s requirement to “use operating assumptions in interconnection studies that reflect the proposed charging behavior of electric storage resources,”<sup>9</sup> the Tariff revisions proposed within this docket are important steps toward expanding the use of SIS and should be approved.

ACORE also filed a Protest on January 8 of PJM’s proposed Reliability Resource Initiative (“RRI Proposal”). PJM references the SIS Proposal several times in its RRI proposal, presenting them as part of a group of proposals “intended to holistically address significant near-term resource adequacy concerns in PJM.”<sup>10</sup> But these should not be viewed as a package. As discussed in the ACORE RRI Proposal Protest, while the RRI is likely to further delay and complicate the interconnection process and place an additional strain on PJM staff and resources, removing barriers to the SIS would provide a more efficient process that enables the

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<sup>7</sup> SIS Proposal Transmittal letter at 6-7.

<sup>8</sup> SIS Proposal, Attachment A - Revisions to the PJM Open Access Transmission Tariff.

<sup>9</sup> Order 2023 at P 1509.

<sup>10</sup> RRI Proposal Transmittal Letter at 1.

interconnection of greater levels of storage and other needed resources. ACORE therefore asks the Commission to approve the SIS proposal regardless of the RRI outcome.

Respectfully submitted,

/s/ Elise Caplan

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January 13, 2025

**CERTIFICATE OF SERVICE**

The undersigned certifies that a copy of this pleading has been served this day upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated this 13th day of January, 2025.

/s/ Elise Caplan  
Elise Caplan