UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

PJM Interconnection, L.L.C., et al.) Docket No. ER25-49

COMMENTS OF THE AMERICAN COUNCIL ON RENEWABLE ENERGY

Pursuant to Rule 211 of the Federal Energy Regulatory Commission ("Commission") Rules of Practice and Procedure,[1] the American Council on Renewable Energy ("ACORE") submits these comments on the March 24, 2025 Answer of PJM Interconnection, L.L.C. ("PJM Answer") to the Commission's Order Instituting Proceeding Under Section 206 of the Federal Power Act and Consolidating with Other Proceedings ("Show Cause Order") issued in the above-captioned proceeding on February 20, 2025.

I. COMMENTS

A. Further Guidance from the Commission is Warranted.

ACORE supports PJM's request "that the Commission issue detailed guiding principles such as those PJM proposes in this filing that PJM can promptly operationalize in a section 205 filing."[2] As described later in these comments, such guidance is especially warranted for Option 6 (Co-located load that elects to be Network Load and bring its own generation.) Such guidelines should provide additional clarity for parties entering into colocation agreements and greater certainty for other stakeholders, as well as minimize overall costs and risks. To achieve these

[1] 18 C.F.R. § 385.211 (2024).

[2] PJM Answer at 4.

goals, the guidelines could specify the following to the extent applicable to any tariff changes proposed by PJM.

1. *Colocation arrangements must be incorporated into long-range transmission planning scenarios.*

Relevant information required for the transmission planning process will include factors established by PJM in the various Options, such as the extent to which the load is isolated (Option 4), requires some level of backup service (Option 5) or is brings new generation that is either physically collocated or delivers power from another location through a bilateral agreement (Option 6). All these arrangements will have different implications for future transmission needs, and the inclusion of these data is already required by Order 1920.[3] For example, in that Order, the Commission required load-serving entities "to provide transmission providers with information on the load-serving entities' projected loads and resources over the planning horizon."[4] This information, as part of Factor 3, is one of the factors that the Commission determined should not be discounted when determining the long-term scenarios.[5]

The North American Electric Reliability Corporation (NERC) April 17 presentation to the Commission emphasized the need for better data on future large loads, recommending that: "Grid operators and planners should collect data from load developers, owners, and operators that will help them understand the unique risks associated with each emerging large load

[3] *Bldg. for the Future Through Elec. Reg'l Transmission Planning & Cost Allocation* (Order No. 1920), 187 FERC ¶ 61,068.

[4] Order No. 1920 at P 449.

[5] Order No. 1920 at P 507.

connecting to their system."[6] While NERC's focus is on the use of these data to mitigate the potential risks from the large loads, as described in their presentation, such data can also feed into the long-term transmission planning scenarios. As the Brattle Group recently noted, "scenario-based long-term planning will enable transmission planners to identify least-regrets transmission expansions that will enable load interconnections in a variety of futures. That can include creating more flexible (scalable) plans, initiating orders and development of necessary long-lead-time facilities, and leveraging economies of scale where appropriate. Compliance with FERC Orders 1920 and 2023 should naturally lead to these approaches."[7]

Given the contrast between the near-term load increases and the length of time it takes for transmission to be planned, permitted, and built, the Commission and PJM must ensure that grid-enhancing technologies and high-performance conductors are fully incorporated in process for selecting transmission facilities to meet identified needs, as both technologies are essential for maximizing the capabilities of the existing grid. A recently released Brattle Group report, prepared for ACORE, shows how these technologies provide all seven benefits delineated by FERC in Order 1920, and additional benefits of addressing transmission needs faster, and providing greater cost and schedule certainty.[8]

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[6] *Presentation: NERC Seeks to Address Reliability Impacts from Large Load Integration*, Slide 7, Recommendation #7, Presenter Notes (Apr. 17, 2025).

[7] Samuel Newell, Ryan Hledik Johannes, Pfeifenberger, The Brattle Group, *Meeting Unprecedented Load Growth: Challenges & Opportunities* (April 2025), available at: https://www.brattle.com/wp-content/uploads/2025/04/Meeting-Unprecedented-Load-Growth-Challenges-Opportunities.pdf

[8] T. Bruce Tsuchida, Linquan Bai, S. Ziyi Tang, The Brattle Group; Jay Caspary, Grid Strategies, *Incorporating GETs and HPCs into Transmission Planning Under FERC Order 1920*, prepared for the American Council on Renewable Energy (April 2025), available at: https://acore.org/resources/incorporating-gets-and-hpcs-into-transmission-planning-under-ferc-order-1920/

2. *Prioritization of collocated resources should not impede the queue processes for other interconnection customers.*

As discussed below regarding Option 6, further guidelines will be needed on any queue prioritization included in colocation proposals to balance the need for the interconnection of new generation collocated with large loads and avoid disrupting the interconnection of other needed resources.

B. Option 6 Requires Specific and Targeted Guidelines

In describing Option 6, PJM explains that "[i]ncentives could be explored to offer faster processing of generation that enters the queue through this option," which could include accelerating interconnection studies for this new generation, enhancing existing provisional interconnection service options, and the use of a State Agreement Approach whereby states assume cost responsibility for transmission upgrades.[9] Option 6 appears to be intended for both collocated and non-collocated resources. PJM explains that "a physical co-located configuration can still be utilized, but there is an additional opportunity for the new generation to enter into a bilateral agreement with the load for financial and contractual purposes."[10] This "additional opportunity" seems to imply that the generation would not need to be physically co-located. Also worth noting is that PJM appears to be contemplating putting this option in place without tariff changes.[11]

[9] PJM Answer at 17.

[10] PJM Answer at 16.

[11] See "Maybe" as the entry under "Tariff Modifications" for Option 6 in Attachment A to PJM's Answer.

For these reasons, ACORE recommends that guidelines are especially relevant for Option 6, and any other queue prioritization Section 205 proposals by PJM. The Commission's Order approving PJM's Reliability Resource Initiative (RRI) established important parameters for such prioritizations.[12] Such guidelines should at a minimum:

- Ensure that any incentives provided are non-discriminatory and do not disrupt or delay other resources in the queue process. Although ACORE filed a protest to the RRI proposal, the Commission found it to be non-discriminatory and just and reasonable. Commissioners Phillips and Rosner, however, did provide a number of parameters for this finding in their concurrence, including the fact that it was a "one-time emergency request" and that it ensures that projects are "shovel ready."[13] Therefore, the Commission has a basis for establishing clear guidelines for future prioritization projects.

- Recognize the benefits for all grid participants, including interconnection customers, large loads and other end-use customers, of a queue process that brings resources on-line in a timely manner. As noted above, any prioritization process must incorporate the timeline for the development of new resources.[14]

- Include additional guidelines for additional beneficial queue reforms to avoid overreliance on queue prioritizations, as was discussed extensively in the Commission's September 2024 Workshop on Innovations and Efficiencies in Interconnection, including more cost certainty for interconnection customers, such as through the use of an "entry

[12] Order Accepting Tariff Revisions, Docket No. ER25-712-000, 190 FERC ¶ 61,084 (Feb. 11, 2025).

[13] Commissioners Phillips and Rosner, Concurring, Order Accepting Tariff Revisions, Docket No. ER25-712-000, at P 7 (Feb. 11, 2025).

[14] See Newell et al., at 7 recommending "a fast track for 'shovel-ready new plants in a competitive, non-discriminatory fashion."

fee"; greater transparency and consistency for the study methodologies and interconnection data; a more viable Energy Resource Interconnection Service (ERIS) option; greater use of resource replacement; incorporation of planned colocations of large loads and generating resources into the interconnection study process; and opportunities for customer self-funding or interconnection studies.[15]

II. CONCLUSION

ACORE appreciates the careful consideration being given by the Commission and PJM to the need for clear policies on the co-location of large loads and generating resources. Commission guidelines on these policies should be established to achieve clarity and balance the interests of large loads, interconnection customers, retail customers and other stakeholders.

Respectfully submitted,

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[15] See Comments of the American Council on Renewable Energy, *Innovations and Efficiencies in Generator Interconnection*, Docket No. AD24-9-000 (November 14, 2024), available at: https://acore.org/resources/acore-comments-on-ferc-interconnection-workshops/

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 23th day of April, 2025.

/s/ Elise Caplan
Elise Caplan