UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Independent Market Monitor for PJM	)	Docket No. EL26-30
v.	)	
PJM Interconnection, LLC	)	

Protest of Sierra Club, Natural Resources Defense Council, and Sustainable FERC Project

INTRODUCTION

Pursuant to Rule 211 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("FERC" or "Commission"),[1] Sierra Club, Natural Resources Defense Council and Sustainable FERC Project (collectively "Public Interest Organizations" or "PIOs") submit this Protest to the Complaint of the Independent Market Monitor for PJM ("IMM").[2]

The Commission should not act on the IMM's Complaint. While the status quo rules and practices in PJM Interconnection, LLC ("PJM") do not present a just and reasonable mechanism for interconnecting vast amounts of new large loads, the IMM's Complaint neither carries its burden under section 206 of the Federal Power Act ("FPA") nor offers a clear remedy. Instead, the IMM's requested relief is ambiguously written and could risk both foreclosing viable means of allowing large loads to interconnect on just and reasonable terms as well as encroaching on state jurisdiction. While the Commission should not allow data centers to interconnect and receive non-interruptible service where such interconnection would jeopardize reliability or unjustly shift costs to existing customers, this is not the best docket for the Commission to

[1] 18 CFR § 385.211.
[2] Complaint of Independent Market Monitor for PJM, Docket No. EL26-30, Nov. 26, 2025, Accession No. 20251125-5275.

address these matters. Rather than act in this docket, the Commission should require any necessary reforms through other open dockets that present a more developed factual and legal record. If open dockets will not enable timely or thorough reforms, the Commission should open a separate proceeding through an Order to Show Cause.

DISCUSSION

I. The Commission should not act on the Complaint because it does not carry its burden to demonstrate a violation of applicable statutory standards or regulatory requirements and fails to specify a just and reasonable replacement rate.

A complaint under Section 206 of the FPA must both specify what alleged action or inaction violates applicable statutory standards or regulatory requirements and explain how such action or inaction leads to such a violation.[3] The complaint must also specify the relief or remedy requested and the basis for that relief.[4] The Complaint does not meet these requirements.

The Complaint does not specify what action or inaction from PJM is alleged to violate applicable statutory standards or regulatory requirements. The Complaint also fails to specify how PJM has violated any specific provision of the FPA or any specific provision of PJM's governing documents. Finally, the Complaint's proposed remedy is so unclear and imprecise that it fails to specify a just and reasonable remedy and risks intruding on state jurisdiction.

A. The Complaint does not specify what action or inaction from PJM violates applicable statutory standards or regulatory requirements nor how interconnection of large loads violates any specific provision of the FPA or any specific provision of PJM's governing documents.

The IMM relies on section II of the Complaint to satisfy its obligations under Rules 206(b)(1) and (2).[5] The Complaint tries to meet its burden under Rule 206(b)(1) and (2) by asserting that "PJM is not exercising its authority to add large new data center loads only when

[3] 18 CFR § 385.206(b)(1)-(2).
[4] *Id.* § 385.206(b)(7).
[5] Complaint, *supra* note 2, at 10.

they can be served reliably as defined both by transmission and capacity adequacy."[6] The Complaint, however, does not cite to any specific statutory or regulatory requirement to support this claim. Any alleged violation appears to be prospective.

The Complaint asserts that reliable service "should" be defined as including "both reliable transmission service, and enough capacity to serve the load reliably plus a reserve margin."[7] The Complaint, however, provides no citation for this definition, merely stating that is "the only logical definition of reliable service."[8] The Complaint goes on to state that "[t]he obligation to provide service is the obligation to provide reliable service."[9] Following from these two unsupported assertions, the Complaint concludes that "[t]he obligation to provide service is not met if customers are simply interconnected without adequate resources to meet their demand."[10] The Complaint does not cite to any provisions of the FPA, any other regulatory requirements, or anything at all to justify its claim that PJM must provide reliable service as defined by the IMM. Further, these assertions contain several ambiguous terms that make it impossible to evaluate their truth or implications. For example, nowhere does the Complaint define "reliable," "reliably," or "adequate," leading to significant ambiguity. While PIOs agree that new data centers should not be allowed to jeopardize reliability or impose costs on existing customers, the ambiguity of the Complaint's definitions and proposed solutions make this an inappropriate docket to address the complex problems around data center interconnection.

Even if the Commission adopted the Complaint's assertions around "reliable service", however, the Complaint has not made any claims that PJM has actually taken any steps that

[6] *Id.*
[7] *Id.* at 8.
[8] *Id.*
[9] *Id.*
[10] *Id.*

would violate such reliable service. The Complaint argues that under proposals that PJM has not adopted, PJM "will be in the position of recommending the allocation of load curtailments rather than ensuring reliable service for all customers."[11] Even if the Commission were to find such allocations would be unjust and unreasonable, PJM has not adopted any such proposal to date. The Commission should not act on a complaint that fails to meet the minimum requirements of a complaint under Section 206.

B. The requested relief is too vague and unsupported to be adopted and risks intrusion on state jurisdiction.

Rule 206(b)(7) requires a complaint to state "the specific relief or remedy requested."[12] A complaint fails to meet this requirement where the relief requested falls outside the Commission's jurisdiction or is vague and unsupported.[13] The Complaint is deficient on both counts.

The Complaint asks the Commission to find that "PJM has the authority to add large new data center loads only when they can be served reliably as defined both by transmission and capacity adequacy and directing PJM to file tariff language stating this explicitly."[14] This requested relief is too vague and unsupported to be adopted. Further, if interpreted as broadly as the Complaint appears to seek, it could be a significant intrusion on state jurisdiction and major retraction of PJM's authority over how best to manage its territory.

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[11] *Id.* at 7.
[12] 18 CFR § 385.206(b)(7).
[13] *See* Complaint of Cotter Seeking Modifications to Critical Infrastructure Sec. Stds., 181 FERC ¶ 61,202, at P 20 (2022) (denying a complaint where the relief "is either in the form of generic conclusions, not specific actionable items, falls outside of the Commission's jurisdiction, or is vague and unsupported, as we discuss in more detail below.").
[14] Complaint, *supra* note 2, at 11.

1. The requested relief is vague and unsupported.

The Complaint's request that the Commission find that "PJM has the authority to add large new data center loads only when they can be served reliably as defined by both transmission and capacity adequacy," is vague and unsupported. As such, it is not possible to predict the practical consequences of granting such relief.

As discussed above, the Complaint provides an inadequate, unsupported definition of "reliable service." The further attempt to define "served reliably" to mean "both transmission and capacity adequacy" is not an improvement because the Complaint does not define transmission or capacity adequacy. While the Complaint references the Reliability Assurance Agreement and the Operating Agreement, neither document provides definitions of transmission or capacity adequacy. The Complaint appears to rely on some kind of common sense understanding of "reliable" and "adequacy," but common-sense definitions are not up to the task when asking the Commission to radically alter how PJM is required to manage the interconnection of large load.

To complicate matters further, the Complaint specifically asks the Commission to limit when PJM can "add" data center loads. The Complaint does not define "add" and therefore it is impossible to assess the scope of the requested relief. The ambiguity is not resolved by simply reading "add" to mean "interconnect" because, as discussed in more detail below, the scope of "interconnect" is also ambiguous and could implicate significant intrusion on state jurisdiction.

2. The requested relief may limit PJM's ability to avoid cost shifts associated with interconnecting new large loads.

The vagueness of the Complaint makes it impossible identify its implications with certainty. The Complaint's framing of reliability may limit PJM's ability to manage new large loads through voluntary or mandatory curtailments. Because interruptible service can provide a range of benefits—such as preventing the need for substantial investments in transmission

network upgrades or new generation and thus avoiding unjust and unreasonable cost shifts to other consumers—the Commission should be wary of any remedy that could foreclose the use of interruptible service for new large loads. While not explicitly stated, the Complaint appears to assume that all loads must be served at all times and that any form of interruptible service is not "reliable." For example, the Complaint states that "[r]reliable service should be clearly and explicitly defined to include both reliable transmission service and *enough capacity* to serve load reliably plus a reserve margin."[15] The Complaint also asserts that "[t]he obligation to provide service is not met if customers are simply interconnected without adequate resources to meet their demand."[16] Though the Complaint does not explicitly say so, it strongly suggests that the ability to interrupt load would not count as form of "adequate resources." If the Complaint implies that interruptible service is not reliable, then it seems to foreclose the ability for load to receive interruptible service—even if the load would prefer interruptible service.

While the Commission has not yet explicitly weighed in on the precise process with which RTOs like PJM could or could not allow new large loads to interconnect as interruptible loads, interruptible loads are already an important component of the bulk electric system. The Commission requires transmission providers like PJM to allow demand response—a form of interruptible load—to participate in wholesale markets and to treat such demand response as comparable to generation where feasible.[17] The Complaint does not provide any evidence or rationale for why PJM should be forbidden to allow new load to come be served on an interruptible basis.

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[15] *Id.* at 8 (emphasis added).
[16] *Id.*
[17] *See* Wholesale Competition in Regions with Organized Electric Markets ("Order No. 719"), 125 FERC ¶ 61,071, at P 3 (2008); Preventing Undue Discrimination and Preference in Transmission Service, Order on Rehearing and Clarification ("Order No. 890-A"), 121 FERC ¶ 61,297, at PP 213–216 (2007); Demand Response Compensation in Organized Wholesale Energy Markets ("Order No. 745"), 134 FERC ¶ 61,187, at P 119 (2011).

3. The requested relief risks intruding on state jurisdiction.

The Complaint seeks to limit the circumstances under which PJM can "add" (or "interconnect") new large data centers to the PJM system.[18] It is unclear to what extent the requested relief asks the Commission to intrude on state jurisdiction over new load.

The FPA grants FERC jurisdiction over interstate transmission and the wholesale sale of electricity,[19] but the law "leaves to the States alone the regulation of 'any other sale' . . . of electricity"[20] maintaining "a zone of exclusive state jurisdiction."[21] In addition to state control over retail rates, the Commission and the courts have held that interconnection to the distribution system is under control of the states.[22] The Department of Energy recently acknowledged this split in jurisdiction when it issued its Advanced Notice of Proposed Rulemaking Ensuring the Timely and Orderly Interconnection of Large Loads, stating that "to avoid *even arguably* affecting the States' jurisdiction over generation facilities, facilities used in local distribution or only for transmission of electric energy in intrastate commerce, or transmissions consumed by the transmitter, the Commission's jurisdiction should be limited to the interconnections directly to transmission facilities, consistent with the Commission's seven-factor test."[23]

By restricting the ability to "add" new data center load, the Complaint may unduly intrude on state jurisdiction. Many states have adopted or are considering policies that dictate the

[18] Complaint, *supra* note 2, at 11.
[19] 16 U.S.C. § 824(a).
[20] *FERC v. Elec. Power Supply Ass'n*, 577 U.S. 260, 266 (2016).
[21] *Id.* at 260.
[22] *See* Electric Storage Participation in Markets Operated by Regional Transmission Organizations and Independent System Operators, Order on Rehearing and Clarification, ("Order No. 841-A"), 167 FERC ¶ 61,154, at P 48 (2019); *Nat'l Ass'n of Regulatory Util. Comm'rs v. FERC*, 964 F.3d 1177, 1184 (2020).
[23] Advanced Notice of Proposed Rulemaking, at P 18, Docket No. RM26-4-000 (Oct. 27, 2025), Accession No. 20251027-4001.

terms by which new data centers interconnect and receive retail service.[24] The Complaint's broad assertion of federal jurisdiction may risk inappropriately preempting some of these regulations. Further, state regulators may wish to impose conditions on large load interconnections, such as curtailable service, that may not be permitted under the complaint's requested remedy. Even if FERC has jurisdiction to impose the Complaint's requested remedy, the better course would be for FERC to honor the FPA's cooperative federalism principles by avoiding the preemption of state regulation of large loads.[25]

II. PJM's existing tariff provisions do not provide a just and reasonable method to interconnect vast amounts of new large loads.

As discussed above, the Complaint fails to meet the Commission's requirements to specify what action or inaction violates applicable legal requirements and to offer a clear remedy. Nevertheless, the status quo in PJM does require reform to prevent the interconnection of new large loads from unjustly and unreasonably shifting costs to existing consumers.

A. PJM's transmission planning process does not allocate network upgrade costs appropriately.

As PIOs have explained, PJM's existing processes for planning transmission upgrades to accommodate the interconnection of new large loads are unjust and unreasonable because they result in the allocation of upgrade costs to other consumers who bear no, or trivial, benefits from those upgrades.[26] While PJM has several processes to assess the need for transmission

[24] *See generally,* Andrew Satchwell et al., Lawrence Berkeley Laboratory, *Electricity Rate Designs for Large Loads: Evolving Practices and Opportunities,* at 3–4, 10–11, https://eta-publications.lbl.gov/sites/default/files/2025-01/electricity_rate_designs_for_large_loads_evolving_practices_and_opportunities_final.pdf (January 2025).
[25] *See*, *e.g.*, *Hughes v. Talen Energy Marketing, LLC*, 578 U.S. 150, 167 (2016) (noting that "the Federal Power Act, like all collaborative federalism statutes, envisions a federal-state relationship marked by interdependence"); *FERC v. Elec. Power Supply Ass'n*, 577 U.S. 260, 288 (2016) (approving regulation of demand response in part because it was "a program of cooperative federalism, in which the States retain the last work," a feature which "remove[d] any conceivable doubt as to its compliance with § 824(b)'s allocation of federal and state authority").
[26] *See* Comments of Public Interest Organizations, at 7–15, Docket No. EL25-49 (Apr. 23, 2025), Accession No. 20250423-5243 ("PIO Colocation Comments"); Comments of Public Interest Organizations, at 31–41, Docket No. RM26-4 (Nov. 21, 2025), Accession No. 20251121-5386 ("PIO ANOPR Comments").

upgrades—including the Necessary Study, the Transmission Owner Load Integration Studies, and the Regional Transmission Expansion Plan—none of those processes adequately allocates the costs of transmission upgrades to the upgrades' beneficiaries and avoids shifting costs to other consumers.[27]

The FPA's fundamental cost-causation principles require that costs be allocated roughly commensurate with benefits. "[A]ll rates must reflect to some degree the costs actually caused by the customer who must pay them," and costs must not be shifted to ratepayers who "derive no benefits, or benefits that are trivial in relation to the costs sought to be shifted."[28] Where large load interconnections require network upgrades, the large loads actually cause the costs of those upgrades and must thus be responsible for those costs. Moreover, new large loads or hybrid facilities are the principal—and often the only—beneficiaries of the network upgrades required for their interconnection; neither the new large loads nor the network upgrades required to serve them provide significant benefits to the broader grid or other ratepayers. Indeed, as PIOs have demonstrated, data from the PJM region show that transmission upgrades caused by data center loads have not led to system benefits, but only provide the benefit of allowing the large load to operate:[29]

[27] PIO Colocation Comments, *supra* note 26, at 7–15.
[28] *Ill. Com. Comm'n v. FERC*, 576 F.3d 470, 476 (7th Cir. 2009).
[29] PIO Colocation Comments, *supra* note 26, at 13.

Project / Location	Scope / Cost	Purpose / Trigger	Why It Doesn't Benefit the Whole System	Planning Process	Who Pays	Source
Wishing Star Substation – Loudoun County, VA	$627.6M – New 500/230 kV substation with tie-ins to Mosby and Brambleton lines	7.5 GW of projected load growth in 'Data Center Alley'	Tailored to serve hyperscaler reliability needs; no evidence of CETL or transfer capacity benefit	RTEP – 2022 Window 3	Dominion Zone	2022 PJM RTEP Report, p. 61
Marley Neck 115 kV Substation – BGE Zone	$107.6M – Substation upgrade with 230/115 kV transformers	Overloads at seven Baltimore-area facilities	PJM explicitly states 'no broader system benefits'	RTEP – 2024 Window 1 (Baseline Project b3906)	BGE Zone (Baseline)	2024 RTEP Window 1 Report, Proposal 295
Beaumeade STATCOM – Northern Virginia	300 MVAR Static Synchronous Compensator at Beaumeade Substation	Reactive power support for clustered datacenter load	Voltage-only fix; does not improve bulk power flow or transfer capability	RTEP – 2023 Baseline	Dominion Zone	2023 PJM TEAC Whitepaper, p. 12
Kraken Loop – Fredericksburg Corridor	$704M – 500 kV loop and new Kraken substation; 230 kV upgrades deferred	Local overloads and data center-driven load growth near North Anna	Local components are deferred to M-3 process; no broader regional impact	RTEP – 2024 Window 3 (Revised Proposal 967)	Dominion (for now); 230 kV deferred to M-3	2024 RTEP Window 3 Summary, Proposal 967
Talen–Amazon Co-Located Load – Susquehanna Nuclear	Up to 960 MW behind-the-meter load; capped at 480 MW to avoid violations	Co-located load increase at nuclear plant	PJM confirmed upgrades would be triggered above 480 MW, with no broader system benefit	FERC Interconnection Filing – ER24-2172	Unknown (but customer would trigger upgrades >480 MW)	FERC Order ER24-2172

However, despite the fact that network upgrades to serve interconnecting large loads are caused by the interconnecting large loads, primarily benefit the large loads, and provide no, or trivial, benefits to other ratepayers, PJM's existing planning processes shift those upgrade costs to other ratepayers. For example, identification of necessary network upgrades may occur through Transmission Owners' Load Integration studies, or through PJM's follow-on do-no-harm study, both of which contribute to the planning of locally planned, Supplemental Projects. However, even where Supplemental Projects are caused by, and solely benefit, an interconnecting large load, Supplemental Project costs are allocated to all of the relevant

Transmission Owner's ratepayers.[30] And while PJM's RTEP process generally features a method of allocating costs commensurate with benefits, there is no guarantee that transmission upgrades that facilitate large load interconnections will provide any network benefits at all, meaning that the RTEP is not well-suited to allocate the cost of upgrades to interconnect large loads.[31] In short, PJM does not appear to have any transmission planning process that is capable of reasonably allocating the costs of transmission network upgrades to interconnecting large loads rather than inappropriately shifting those costs to other ratepayers. As discussed below, other ongoing dockets present this issue with a more developed factual record and provide a more appropriate opportunity for the Commission to address this issue.

B. PJM's capacity market does not provide a just and reasonable mechanism to procure resource adequacy for new large loads without shifting costs to regular consumers.

The purpose of PJM's capacity market is "to obtain forward binding commitments from capacity resources to be available in order to ensure reliability, and to create sufficient incentives for new generation projects and demand resources to participate in the program."[32] In other words, the capacity market serves two purposes: to supply the "missing money" needed to ensure that resources required for reliability, but unable to earn sufficient revenue in the energy and ancillary markets, remain in operation;[33] and to "provide[] long-term price signals to attract

[30] *Id.* at 12.
[31] *Id.* at 13.
[32] *Maryland Pub. Serv. Comm'n et al.,* 124 FERC ¶ 61,276 (2008) at P 26.
[33] *See New York State Pub. Serv. Comm'n et al.,* 170 FERC ¶ 61,120 (2020) (Glick, Comm'r, dissenting at P 4); *PJM Interconnection, L.L.C.*, 176 FERC ¶ 61,056 (2021) (Glick, Comm'r, dissenting at P 8) (capacity market "*is* an administrative construct, with some market features, that exists to pay money to resources to replace the 'missing money' that generating resources lost when restructuring took resources out of rate base—with its guaranteed revenue stream—to pay for the all-in costs of a resource, including capital costs" (emphasis original)).

needed investment in the PJM region through a competitive auction process three years in advance."[34]

As new large loads come onto the PJM system, the basic economic principle of supply and demand drives up the prices of the capacity market dramatically. For example, the capacity price for the 2025/2026 delivery year increased from $28.92/MW-day in the previous auction to $269.92/MW-day.[35] This price increase cost consumers $14.7 billion for just a single delivery year.[36] The capacity price for the 2026/2027 delivery year was even higher, hitting the $329.17/MW-day cap approved by the Commission to protect consumers from runaway prices.[37]

In theory, these prices should provide a market signal for new generation to be built and meet the new demand. However, in recent and upcoming delivery years, the PJM capacity market has been and is effectively closed to new entrants.[38] According to a study conducted by RMI, as of July 2023, the majority of projects with signed interconnection agreements had entered the queue between 2017 and 2019, with the most recent entrants (approximately 10 projects) having entered in 2021.[39] In 2022, PJM stopped accepting new projects into its interconnection queue altogether while it transitioned to a new study methodology.[40] PJM anticipates that it will sign interconnection agreements with resources that entered the queue

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[34] *PJM Interconnection, L.L.C.*, 132 FERC ¶ 61,173, 61,870 (2010).
[35] PJM, 2025/2026 Base Residual Auction Report, at 3 (July 30, 2024), https://www.pjm.com/-/media/DotCom/markets-ops/rpm/rpm-auction-info/2025-2026/2025-2026-base-residual-auction-report.ashx.
[36] *Id.*
[37] PJM, 2026/2027 Base Residual Auction Report, 3 (July 22, 2025), https://www.pjm.com/-/media/DotCom/markets-ops/rpm/rpm-auction-info/2026-2027/2026-2027-bra-report.pdf
[38] Complaint of Commonwealth of Pennsylvania, at 18, Docket No. EL25-46 (Dec. 30, 2024), Accession No. 20241230-5225.
[39] Claire Wayner, *Analysis of PJM Interconnection Queue Projects with Signed ISAs* (July 2023), https://rmi.org/wp-content/uploads/2023/07/pjm_queued_projects_isa_analysis_v3.pdf.
[40] *See PJM Interconnection, L.L.C.*, 181 FERC ¶ 61,162, at P 8 (2022) (eligibility for transition projects limited to those entering the queue between April 1, 2018 and September 30, 2021); PJM Interconnection, L.L.C., Transition Cycle #1 Phase 1 System Impact Study Results: FAQ for Developers, at 1, (May 2024) https://www.pjm.com/planning/m/-/media/782894D7B1F24ECE91D13F36BCC6C63B.ashx.

between 2018 and 2021 and which are part of two transitional cohorts in late 2025 and late 2026.[41] The first batch of interconnection agreements under the new study process are anticipated in late 2027.[42] The cumulative effect of these delays and the pause in new interconnection requests is that it is effectively impossible for new generation to respond to price signals from the capacity market, including those caused by anticipated new large loads. The market merely provides a windfall to existing generation rather than an actionable price signal.

As more new large loads are projected to be added to the PJM system, capacity prices will continue to surge. Even at a conservative rate of new large load additions, capacity costs will reach as much $163 billion through 2033.[43] The lion's share of these costs will be borne by existing consumers even though their demand for electricity is not increasing.

The status quo in PJM's capacity market forces existing consumers to pay exorbitant sums for costs caused by new large loads, and existing consumers will receive at best trivial benefits from the vast sums they must pay. To begin with, existing consumers will foot the bill for the resource adequacy needs of new large loads because such large loads are incorporated into the market through PJM's load forecast significantly before the large loads materialize and incur any actual capacity costs. Moreover, to the extent the large loads fail to materialize as forecast, existing consumers may pay inflated capacity costs for little or no reason. Additionally, because high capacity prices cannot effectively incent timely entry of new generation, existing consumers will not actually receive more reliable service in any timely manner. In short, existing consumers will be forced to pay handsomely and receive little in return. And even if capacity prices do eventually stimulate entry of new generation, that additional capacity is only needed to

[41] *Id.*

[42] *Id.*

[43] Tom Rutigliano, *Building Data Centers Without Breaking PJM* (September 2025), https://www.nrdc.org/bio/tom-rutigliano/building-data-centers-without-breaking-pjm.

serve—and will only benefit—new large loads, because existing consumers' demand for electricity is not growing significantly. For these reasons, the status quo violates fundamental cost-causation principles.

III. The Commission should require reforms in PJM outside of this docket.

Although the Commission should not grant this Complaint, PIOs encourage the Commission to require significant reforms that will enable the interconnection of large loads on just and reasonable terms that protect existing consumers. While reforms are necessary in PJM to accommodate the interconnection of large loads on just and reasonable terms, other dockets offer the Commission better opportunities to require such reforms. Several open dockets feature much more developed records that provide a stronger foundation for reasoned action by the Commission. For example, in Docket No. EL25-49, PIOs have provided principles that will assist the Commission in crafting just and reasonable terms for the interconnection of co-located generation and large loads.[44] Likewise, in Docket No. EL25-18, Consumer Advocates amply documented that surging prices in PJM's capacity market cannot effectively stimulate the timely entry of new generation in light of years-long interconnection queue delays.[45] That core flaw in the capacity market will become even more egregiously unjust and unreasonable as interconnecting large loads drive capacity market prices to their highest possible levels. Additionally, in Docket No. EL23-105, the Office of the Ohio Consumers' Counsel documents how insufficient oversight of locally planned transmission projects leads to unjust and unreasonable rates, which is a problem that will likely be exacerbated by an increase in locally

[44] PIO Colocation Comments, *supra* note 26, at 24–43.
[45] *See* Complaint of Joint Consumer Advocates, Docket No. EL25-18-000 (Nov. 18, 2024), Accession No. 20241118-5200.

planned transmission projects to accommodate numerous large load interconnections.[46] Finally, in Docket No. RM26-4, the Commission has already received voluminous comments that, among other issues, address the core of the IMM's Complaint—the authority the Commission and Regional Transmission Organizations like PJM have to regulate the pace of large load interconnections. The more developed records in those dockets make them better opportunities for reasoned action by the Commission.

If the Commission is inclined to act in this docket, it should first require the IMM to clarify significant aspects of the Complaint and provide another opportunity for responses to the Complaint as clarified. For example, the IMM should clarify whether the Complaint argues that PJM's Tariff violates some portion of the FPA and, if so, what specific provisions. Alternatively, the IMM could clarify that the Complaint instead argues that PJM is acting, or failing to act, in violation of its own Tariff and, if so, what specific Tariff provisions are at issue. Similarly, the IMM should clarify its requested remedy, including whether the requested remedy would allow for the interconnection of flexible large loads, as well as what authority state regulators would retain over the pace of large load interconnections. Until these key features of the Complaint are clear, it is not possible for commenters or the Commission to reasonably address the Complaint's merits or for the Commission to develop a just and reasonable replacement rate.

Importantly, if the Commission finds that the Complaint has merit, the FPA mandates that "the Commission shall determine" the just and reasonable replacement rate.[47] In doing so, the Commission is not limited to the remedy proposed by the Complaint and may issue a narrower remedy. Because the IMM's proposed remedy is ambiguous and its implications for

[46] *See* Complaint of the Office of the Ohio Consumers' Counsel, Docket No. EL23-105 (Oct. 28, 2023), Accession No. 20230928-5134.
[47] 16 U.S.C. § 824e(a).

load flexibility and state jurisdiction are unclear, PIOs urge the Commission not to adopt that remedy. Instead, if the Commission decides to act in this docket, it should provide an opportunity for input into the scope and terms of an appropriate remedy. In crafting any remedy, the Commission should be wary of false solutions that could provide undue preference to certain market participants. Any just and reasonable replacement rate must ensure that new large loads actually bear the costs caused by their interconnection rather than inappropriately shifting such costs to other ratepayers who receive no, or trivial, benefits.

Finally, if the Commission declines to act in response to the IMM's Complaint and determines that open dockets do not provide a sufficient opportunity to institute necessary reforms, PIOs urge the Commission to open its own proceeding under section 206 of the FPA to holistically address the resource adequacy and capacity price risks and transmission cost-allocation issues associated with new large loads in the PJM region.[48]

Respectfully submitted,

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[48] *See, e.g,* Order Instituting Proceeding Under Section 206 Of the Federal Power Act and Consolidating with Other Proceedings, 190 FERC ¶ 61,115 (Feb. 20, 2025) (opening a separate section 206 proceeding rather than acting on a Complaint with uncertain merits).

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing has been served in accordance with 18 C.F.R. § 385.2010 upon each party designated in the official service list compiled by the Secretary in this proceeding, by email.

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Dated December 15, 2025