

basis for the Commission to accept the Third Co-Located Load ISA in the Docket No. ER24-2172 Filing, and does not here endeavor to repeat all of the points set forth therein.

I. ANSWER: THE COMMISSION SHOULD ACCEPT THE THIRD CO-LOCATED LOAD ISA AS JUST AND REASONABLE

Several years ago now, consistent with its obligations under the *pro forma* ISA, Susquehanna Nuclear, LLC (“Susquehanna”) provided advanced notification to PJM and PPL Electric Utilities Corporation (“PPL”)⁵ to pursue planned modifications to add co-located load behind the generator.⁶ Those proposed modifications were studied by PJM and PPL, who found that such modifications could be reliably accommodated without system upgrades subject to the development of non-conforming terms deemed necessary to advance system reliability. Today, Susquehanna is indirectly supplying power to a co-located configuration that is set forth in a Commission-approved ISA reflecting such terms and conditions.⁷ PPL agreed to the terms and conditions of the currently effective Second Co-Located Load ISA (along with the First Co-Located Load ISA). There was no objection to the First or Second Co-Located Load ISAs on the grounds that they interfere with, or conflict with, Pennsylvania law or jurisdiction.⁸ Indeed, no challenge or protest was filed by anyone to the First or Second Co-Located Load ISAs that give

⁵ PPL is both a PJM Transmission Owner, and a state-regulated distribution utility. *See, e.g.*, PPL, *About Us / Our Companies*, describing PPL Electric Utilities, available at: <https://www.pplweb.com/about-us/our-companies/#> (“A pure electric transmission and distribution company, PPL Electric Utilities delivers safe, reliable and affordable electricity to more than 1.4 million homes and businesses in central and eastern Pennsylvania.”).

⁶ *See* Appendix 2, section 3 in the service agreement filed in *PJM Interconnection, L.L.C.*, Amendment to Service Agreement No. 1442; Queue No. NQ123, Docket No. ER17-1591-000 (May 12, 2017), accepted effective June 2, 2015, in *PJM Interconnection, L.L.C.*, Letter Order, Amended Interconnection Service Agreement, Docket No. ER17-1591-000 (June 22, 2017).

⁷ *See* the Second Co-Located Load ISA, n.4, *supra*.

⁸ The *pro forma* ISA requires Susquehanna to construct and operate any additions or modifications to its interconnection arrangement in accordance with, among other things, applicable state law. *See, e.g.*, First, Second, and Third Co-Located Load ISAs, Appendix 2, section 3.3.

rise to the existing co-located load arrangement pursuant to which Susquehanna is today indirectly supplying power.

As prelude to the pending Third Co-Located Load ISA, Susquehanna again duly provided notice of an intent to modify its interconnection arrangement, resulting in additional study and findings from PJM and PPL. Based upon the results finding no adverse impact on transmission system reliability, the Third Co-Located Load ISA provides a mechanism for Susquehanna to relinquish Capacity Interconnection Rights⁹ and accordingly increase the co-located load to which on-site generation will indirectly supply power. The Third Co-Located Load ISA also advances additional terms and conditions (many of which the Protest acknowledges were raised in the stakeholder process¹⁰) that further support PJM's (and the other parties') reliability interests. Such terms are consistent with Commission precedent, in that they address "specific reliability concerns, novel legal issues, or other unique factors."¹¹ Such revisions also offer clarity to the parties (and others) about expectations regarding Susquehanna's conduct in light of the operational realities of the co-located load and the requirements of the PJM Governing Agreements (which are not being amended). PJM has adequately described and justified the need for the provisions.¹² The Third

⁹ As used herein, capitalized terms have the meanings given to them in the PJM Governing Agreements and the Third-Amended Co-Located Load ISA.

¹⁰ See Protest at 20-21 (noting the PJM document labeled Guidance on Co-Located Load, and the April 3, 2024 Market Implementation Committee discussion and the April 25, 2024 Markets & Reliability Committee discussion on that guidance, meeting materials available at: <https://www.pjm.com/-/media/committees-groups/committees/mic/2024/20240403/20240403-item-07---co-located-load-guidance.ashx> ; and <https://www.pjm.com/-/media/committees-groups/committees/mrc/2024/20240425/20240425-item-09---1-co-located-load-guidance---presentation.ashx>); see also PJM, *Guidance on Co-Located Load* (Mar. 22, 2024, updated Apr. 17, 2024), available at: <https://www.pjm.com/-/media/markets-ops/rpm/rpm-auction-info/pjm-guidance-on-co-located-load.ashx>.

¹¹ See e.g., *Midcontinent Indep. Sys. Operator, Inc.*, 149 FERC ¶ 61,224 (2014); *PJM Interconnection, L.L.C.*, 111 FERC ¶ 61,163 (2005); see also Protest at 13.

¹² Docket No. ER24-2172 Filing at 4-14.

Co-Located Load ISA, which followed the requisite processes for amendment, is just and reasonable and should be accepted.

The Protest focuses on three words in one of the Third Co-Located Load ISA's provisions stating that the co-located load is "not Network Load."¹³ The co-located load here has not been designated Network Load by any Network Customer, most especially not by PPL which is also the electric distribution company.¹⁴

To be clear, the Third Co-Located Load ISA does not foreclose the need for additional engagement on the issue of co-located load that is being served by a generation station (in this case indirectly) and located behind the generator's point of interconnection. Indeed, the Third Co-Located Load ISA expressly preserves the parties' rights to seek changes pursuant to Sections 205 and 206 of the Federal Power Act. By way of example, the Third Co-Located Load ISA reserves the question of whether there is an appropriate, non-discriminatory charge that should be assessed in the case of co-located load facilities, which are synchronized to the grid, and against whom such a charge could be duly assessed.¹⁵ As the Protest and roster of intervenors demonstrates, this issue

¹³ Third Co-Located Load ISA, Schedule F, Part F.4 ("The Co-Located Load is not Network Load, and it is intended that the Co-Located Load will never consume capacity and/or energy from the PJM Transmission System, including the Interconnected Transmission Owner's transmission facilities.")

¹⁴ The PJM Open Access Transmission Tariff ("Tariff"), Part I, Definition of "Network Load" means "the load that a Network Customer designates for Network Integration Transmission Service under Tariff, Part III." Further, precedent establishes that "the Commission will allow a network customer to either designate all of a discrete load as network load under the network integration transmission service or to exclude the entirety of a discrete load from the network service and serve such load with the customer's 'behind-the-meter' generation and/or through any point-to-point transmission service[.]" See *Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities*, Order No. 888-A, FERC Stats. & Regs. ¶ 31,048, at 30,260, 62 Fed. Reg. 12,274-01, at 12,324 (May 10, 1996) (nn.248 and 249 omitted), order on reh'g, Order No. 888-B, 81 FERC ¶ 61,248 (1997), order on reh'g, Order No. 888-C, 82 FERC ¶ 61,046 (1998), aff'd in relevant part sub nom. *Transmission Access Policy Study Group v. FERC*, 225 F.3d 667 (D.C. Cir. 2000), aff'd sub nom. *New York v. FERC*, 535 U.S. 1 (2002).

¹⁵ Third Co-Located Load ISA, Schedule F, Part F.8 ("The provisions in this Interconnection Service Agreement are subject to change in accordance with Section 22.3 of Appendix 2 to this Agreement pursuant to Section 205 and Section 206 of the Federal Power Act and/or FERC's rules and regulations thereunder, including but not limited to PJM's right to assessing a non-discriminatory manner additional rates, terms or conditions which may include transmission or ancillary services charges."); Third Co-Located Load ISA, Schedule F, Part F.9 (no party "is waiving

is of interest to PJM stakeholders.¹⁶ In fact, PJM stakeholders previously engaged in an almost two-year-long process in 2022 and 2023 that did not reach a resolution on any changes to the PJM Governing Agreements that would have resulted in the assessment of any such charges.

For the reasons set forth herein and in PJM’s Docket No. ER24-2172 Filing, the Commission should accept the Third Co-Located Load ISA. Such acceptance is, of course, subject to future revisions pursuant to Sections 205 and 206 of the Federal Power Act based upon any changes or clarifications in law effecting co-located load and related general policy issues regarding the utilization of the transmission system. Depending upon the outcome of any such process, other ISA revisions may be necessary.¹⁷ But those are separate matters for another day in another docket and should be viewed as outside the scope of this narrow proceeding about a single amended service agreement. Any open policy issues do not change the fact that, today, Susquehanna is indirectly supplying power to a co-located load arrangement. The enhancements in the Third Co-Located Load ISA should be accepted as just and reasonable because they recognize and expand upon the existing co-located load arrangement and propose additional terms to further protect grid reliability.

any legal or regulatory rights in any fora, including *inter alia* supporting or opposing any charges . . . that could be imposed . . . , as well as the collection of such charges.”).

¹⁶ Protest at 10 (protestors have “no objection to co-location per se, but such load should pay its fair share of system use and other charges, just like other load and customers”).

¹⁷ See n.16, *supra*; First, Second, and Third Co-Located Load ISAs, Appendix 2, section 22.3 (recognizing that the terms and conditions of an ISA are subject to change pursuant to Sections 205 and 206 of the Federal Power Act).

II. CONCLUSION

For the reasons provided herein and in PJM's Docket No. ER24-2172 Filing, PJM requests that the Commission grant the motion for leave to answer, consider this answer in accepting the Third Co-Located Load ISA as just and reasonable, and not make any findings on policy issues of general applicability in this proceeding but defer such matters to future regulatory processes.

Respectfully submitted,

/s/ Mark J. Stanisz

Mark J. Stanisz
Associate General Counsel
PJM Interconnection, L.L.C.
2750 Monroe Boulevard
Audubon, PA 19403
(610) 666-4707 (phone)
Mark.Stanisz@pjm.com

Craig Glazer
Vice President–Federal Government Policy
PJM Interconnection, L.L.C.
1200 G Street, N.W., Suite 600
Washington, D.C. 20005
(202) 423-4743 (phone)
Craig.Glazer@pjm.com

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Audubon, PA on this 8th day of July 2024.

/s/ Mark J. Stanisz

Mark J. Stanisz

Associate General Counsel

PJM Interconnection, L.L.C.

2750 Monroe Boulevard

Audubon, PA 19403

(610) 666-4707 (phone)

Mark.Stanisz@pjm.com