

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

Urban Grid Solar Projects, LLC,)	
Complainant,)	
)	
v.)	Docket No. EL24-18-000
)	
PJM Interconnection, L.L.C.,)	
Respondent.)	

ANSWER OF PJM INTERCONNECTION, L.L.C.

Pursuant to Rule 213 of the Federal Energy Regulatory Commission (“Commission”) Rules of Practice and Procedure,¹ PJM Interconnection, L.L.C. (“PJM”) submits this Answer in response to Urban Grid Solar Projects, LLC’s (“Urban Grid”) October 1, 2024 Motion for Expedited Consideration and Action.²

This proceeding arises out of a complaint filed on November 16, 2023³ in which Urban Grid alleged that PJM acted improperly in terminating Urban Grid’s Interconnection Requests that were terminated and withdrawn because Urban Grid failed to provide the necessary Security for its projects as of the Tariff deadline.⁴ Urban Grid in its Motion

¹ 18 C.F.R. § 385.213. Consideration of this answer is appropriate under 18 C.F.R. 385.213(a)(3) because it not being made in response to any of the categories of pleadings listed in 18 C.F.R. 385.213(a)(2).

² *Urban Grid Solar Projects, LLC v. PJM Interconnection, L.L.C.*, Motion of Urban Grid Solar Projects, LLC for Expedited Consideration and Action, Docket No. EL24-18-000 (Oct. 1, 2024) (“Urban Grid Motion”). Terms not defined herein have the meaning set forth in PJM’s Open Access Transmission Tariff (“Tariff”).

³ *Urban Grid Solar Projects, LLC v. PJM Interconnection, L.L.C.*, Complaint of Urban Grid Solar Projects, LLC and Request for Fast Track Processing, Docket No. EL24-18-000 (Nov. 16, 2023) (“Complaint”). PJM filed answers to the Complaint on December 6, 2023, and January 5, 2024, demonstrating that the Complaint is not supported and should be rejected. *Urban Grid Solar Projects, LLC v PJM Interconnection, L.L.C.*, Answer of PJM Interconnection, L.L.C., Docket No. EL24-18-000, at 10-19 (Dec. 6, 2023) (“December 6 Answer”); *Urban Grid Solar Projects, LLC v PJM Interconnection, L.L.C.*, Motion for Leave to Answer and Answer of PJM Interconnection, L.L.C., Docket No. EL24-18-000, at 2-12 (Jan. 5, 2024) (“January 5 Answer”). On January 16, 2024, PJM submitted an informational filing in this proceeding and a number of other dockets notifying the Commission of its Transition Period. *PJM Interconnection, L.L.C.*, Transition Period Status of PJM Interconnection, L.L.C., Docket Nos. EL24-18-000, et al. (Jan. 16, 2024) (“January 16 Filing”).

⁴ Complaint at 20-25; Urban Grid Motion at 2.

requests expedited action on its Complaint, and that the Commission either restore its projects' original priorities with priority over all Interconnection Requests in PJM's ongoing Tariff, Part VII queue, or insert the projects into the Expedited Process stage of PJM's interconnection queue.⁵ However, the fact is that Urban Grid failed to provide the required Security by the deadline established by Tariff, Part VI, Subpart B, section 214.2(a), due solely to errors of its own making, and its Interconnection Requests were properly terminated.⁶

PJM submits this answer to provide additional context and respond to the specific requests in the Urban Grid Motion. Nothing in the Complaint or in the Urban Grid Motion undermines PJM's demonstrations that the Complaint lacks adequate support, and that the relief sought by Urban Grid in the Complaint and its Motion is unjust, unreasonable, and unduly discriminatory. The Commission should therefore deny the Complaint and deny the relief sought in the Urban Grid Motion.

I. ANSWER

A. As PJM Has Demonstrated, the Complaint Lacks Support and Should Be Rejected.

A complete background of this proceeding is provided in PJM's earlier answers in this proceeding.⁷ PJM has implemented Tariff reforms to adopt a first-ready, first-served interconnection process.⁸ The Urban Grid Interconnection Requests were submitted subject to the prior Tariff, Parts IV and VI procedures. PJM is currently evaluating Interconnection Requests under its new Tariff, Part VII procedures, which include the

⁵ Urban Grid Motion at 1, 3.

⁶ See December 6 Answer at 10-19; January 5 Answer at 3-4.

⁷ December 6 Answer at 5-7; January 5 Answer at 2-6.

⁸ See December 6 Answer at 7-10.

Expedited Procedures and Transition Cycle #1 rules. PJM has nearly completed key elements of its Expedited Procedures and Phase II of Transition Cycle #1 is well underway.⁹

As the party bringing a complaint under Federal Power Act (“FPA”) section 206(b), Urban Grid has the “burden . . . to show that any rate, charge, classification, rule, regulation, practice, or contract” complained about “is unjust, unreasonable, unduly discriminatory, or preferential.”¹⁰ The Commission has rejected complaints that fail to meet this burden,¹¹ and should do the same here. In addition, under FPA section 206(a), any “replacement” rate or practice must be just and reasonable,¹² and Urban Grid’s proposal to restore its project to its old queue position or into the Expedited Process does not meet this test.

While Urban Grid raises multiple allegations that PJM unjustly terminated the two Interconnection Requests¹³ associated with Urban Grid’s Monarch Solar Project

⁹ See *Fast Lane & TC1 Progress Update*, PJM Interconnection, L.L.C. (Sept. 2024), <https://pjm.com/-/media/committees-groups/subcommittees/ips/2024/20240926/20240926-item-03---fast-lane-progress-update.ashx>; *TC1 - Phase II Analysis Update*, PJM Interconnection, L.L.C. (Sept. 26, 2024) (“TC1 Phase II Update”), <https://pjm.com/-/media/committees-groups/subcommittees/ips/2024/20240926/20240926-item-04---phase-2-study-update.asx>.

¹⁰ 16 U.S.C. § 824e(b).

¹¹ See *Hecate Energy Greene Cnty. 3 LLC v. Cent. Hudson Gas & Elec. Corp.*, 176 FERC ¶ 61,023, at P 40 (rejecting complaint where complainant failed to satisfy its FPA section 206 burden of proof or show the respondents acted in an unjust or unreasonable manner in implementing the relevant tariff or that their actions violated the FPA), *order on reh’g*, 177 FERC ¶ 61,121, at P 27 (2021) (reiterating that complainant failed to satisfy its burden of proof), *aff’d sub nom. Hecate Energy Greene Cnty. 3 LLC v. FERC*, 72 F.4th 1307 (D.C. Cir. 2023); *Nat’l R.R. Passenger Corp.*, 171 FERC ¶ 61,237, at P 33 (2020) (denying complaint where complainant failed to satisfy its burden under FPA section 206 of demonstrating the complained about rates were unjust, unreasonable, or unduly discriminatory, or that the respondent violated the subject tariff or applicable tariff); *see also infra* note 27.

¹² 16 U.S.C. § 824e(a) (stating that if the Commission finds the complained about rate or practice to be “unjust, unreasonable, unduly discriminatory or preferential, the Commission shall determine the just and reasonable rate, charge, classification, rule, regulation, practice, or contract to be thereafter observed and in force, and shall fix the same by order”).

¹³ The Interconnection Requests are associated with Queue Nos. AE1-068 and AE1-069. December 6 Answer at 5.

(“Monarch Project”),¹⁴ the fact of the matter is that Urban Grid, by its own admittance, failed to provide the required Security for its two projects by the deadline established by Tariff, Part VI, Subpart B, section 214.2(a). *This occurred due to errors and faults on its own part*, resulting from Urban Grid’s incorrect belief that both the Queue Nos. AE1-068 and AE1-069 Interconnection Requests were eligible for deferred Security.¹⁵ Thus, Urban Grid failed to meet its burden under FPA section 206 to show that the complained-about Tariff provisions or practices are unjust, unreasonable, unduly discriminatory, or preferential.

PJM demonstrated the relevant Tariff provisions are clear and certain, and the Tariff’s mandate to provide Security on a “timely” basis¹⁶ establishes the express and unambiguous requirement that Urban Grid provide all of the required Security within 60 days of issuance of the Facilities Studies for its projects.¹⁷ PJM showed that under Tariff, Part VI, Subpart B, section 212.4(d), the failure by Urban Grid to provide the

¹⁴ *See supra* note 4.

¹⁵ December 6 Answer at 6, 10-11; January 5 Answer at 3-4. Specifically, Urban Grid assumed that both projects were eligible for deferred Security, even though its request for deferred Security for the Queue No. AE1-068 Interconnection Request had been denied due to the project’s ineligibility, and it never requested deferred Security for the Queue No. AE1-069 Interconnection Request. December 6 Answer at 6-7, Exhibit II (Queue No. AE1-069 Input Form), Exhibit III (May 1, 2023 Deferred Security Emails). Urban Grid acknowledges this error, which was entirely due to oversights on its part and to which no other entity contributed. Complaint at 16-17; *id.* at Attachment 1 (Affidavit of Jeffrey Hudson) ¶¶ 12, 15 & Attachment 2 (Entry for May 2023 stating “PJM determines that Queue Position AE1-068 does not qualify for a deferral of security, and sends an e-mail to Urban Grid denying the deferral request for AE1-068. Personnel at Urban Grid overlook that e-mail from PJM, and therefore are not aware of PJM’s determination”). While Urban Grid provided the amounts that would have been due (two payments of \$200,000) had both Interconnection Requests been eligible for deferred Security on September 6, 2023, PJM informed Urban Grid that same day that the amounts provided were insufficient. Urban Grid was unable to provide the full Security amount required as of September 6, 2023, because its financial institutions had closed by the time Urban Grid attempted to correct its errors. *See* Complaint at 17. Thus, any statements by Urban Grid that it provided the required Security on a “timely” basis are incorrect. Further, Urban Grid elected to wait until the last minute to provide the required Security; if Urban Grid had made the required payments a few days sooner, it likely would have had adequate time to correct its error. *See* December 6 Answer at 6 n.17; January 5 Answer at 3 n.11.

¹⁶ Tariff, Part VI, Subpart B, section 212.4(d).

¹⁷ December 6 Answer at 11-13.

required Security on a timely basis, i.e., within 60 days of issuance of the relevant Facilities Study(ies), dictates that “its Interconnection Request *shall* be deemed terminated and withdrawn.”¹⁸ While Urban Grid attempts to refute this unambiguous requirement and the unavoidable consequences of failing to meet it, nothing obscures the basic facts: Urban Grid missed the applicable Tariff deadline due to its own errors, and PJM acted properly and as required by its Tariff in terminating the Urban Grid Interconnection Requests. This is also consistent with PJM’s treatment of other Interconnection Customers that have missed required Tariff deadlines.¹⁹

PJM also explained that granting Urban Grid’s request—that the Commission either require PJM to provide Urban Grid with an Interconnection Service Agreement under the Tariff rules in effect on July 7, 2023, or direct PJM to process the Urban Grid Interconnection Requests under the Tariff, Part VII “fast lane” process—is impractical. Given the timing of the Transition Date, the Expedited Process study process and retool,²⁰ the requested relief is infeasible and would harm other Interconnection Customers.²¹ PJM completed the Transition Period sorting process and posted the results on

¹⁸ Tariff, Part VI, Subpart B, section 212.4(d) (emphasis added); December 6 Answer at 13-14.

¹⁹ See *Urbana Solar LLC*, 179 FERC ¶ 61,015, at PP 33-34 (2022) (denying request for waiver of deferred Security deadline); *PJM Interconnection, L.L.C.*, 174 FERC ¶ 61,075, at PP 34-35 (2021) (same finding); see also *Kumquat & Cintron Cleantech, LLC*, 175 FERC ¶ 61,263, at PP 36-37 (2021) (denying request for waiver of Facility Study agreement deposit); *Ridgeview Solar LLC*, 185 FERC ¶ 61,148, at P 21 (2023) (“*Ridgeview*”) (denying request for waiver of Tariff, Part VI, Subpart B, section 212.4 deadline for failure to provide correct letter of credit); *Scioto Farms Solar Project, LLC*, 184 FERC ¶ 61,153, at P 25 (denying request for waiver of a deadline missed by one day on the grounds that applicant sought retroactive relief that is prohibited by the filed rate doctrine), *reh’g denied*, 185 FERC ¶ 62,063 (2023); *CE-Shady Farm, LLC*, 184 FERC ¶ 61,140, at P 24 (2023) (similar finding). In each of these cases, the party seeking relief failed to provide the Security within the 60-day period of the deadline mandated by the Tariff, as did Urban Grid.

²⁰ The term retool refers to a revision or rerun of any past analysis that has been run to evaluate the projects and requests in an existing New Services Queue.

²¹ December 6 Answer at 17-19.

December 15, 2023,²² one month after the Complaint’s November 16, 2023 filing. Of the 622 projects that provided the Transition Period readiness packages required by Tariff, Part VII, Subpart B, section 303, six were withdrawn because they did not meet the readiness requirements.²³ Of the remaining projects, 310 were deemed eligible for Expedited Process.²⁴ The full studies for virtually all of the projects in the Expedited Process have been completed, and Chart 1 provides the status of projects in the Expedited Process as of October 14, 2024:

CHART 1

Status	Count
Waiting for Study Completion	17
Drafting	69
On Hold	1
Legal Review	54
Issued for Agreement Negotiation	65
Issued for Execution	20
Agreement Phase Completed ²⁵	77
Total	303

²² January 5 Answer at 6.

²³ January 5 Answer at 6-7.

²⁴ *Interconnection Analysis Expedited Process & Transition Cycle 1 Status*, PJM Interconnection, L.L.C., 4 (Jan. 29, 2024), <https://www.pjm.com/-/media/committees-groups/subcommittees/ips/2024/20240129/20240129-item-04---fast-lane---tc1-status-update.ashx>. Seven of these projects subsequently withdrew or were deemed terminated.

²⁵ This includes 26 Generation Interconnection Agreements that have been submitted to the Commission for filing.

As of the date of this filing, PJM has completed Phase I of Transition Cycle #1 and is currently in Phase II. The Phase II System Impact Study began on June 21, 2024, the first part of which was completed on September 3, 2024.

B. The Relief Sought in the Urban Grid Motion Is Neither Just nor Reasonable, and Should Be Rejected.

As noted above and in PJM’s earlier answers,²⁶ Urban Grid failed to show the existing Tariff provisions and practices of which it complains are unjust, unreasonable, unduly discriminatory, or preferential. As such, the Commission should dismiss the Complaint and does not need to consider the remedy or other issues raised in the pleadings.²⁷

Notwithstanding the issue of whether Urban Grid has met its initial burden, FPA section 206(a) requires that replacement rate or practice must also be just and reasonable.²⁸ Urban Grid’s proposed replacement practice of inserting the Urban Grid projects back into queue would result in significant delays and disruptions in PJM’s ongoing study processes,

²⁶ January 5 Filing at 2-3; December 6 Filing at 2-3, 11-15.

²⁷ *EDF Renewable Energy, Inc. v. Midcontinent Indep. Sys. Operator, Inc.*, 165 FERC ¶ 61,071, at P 19 (2018) (stating the Commission did not to review the proposed remedy because complaint “because EDF [Renewable Energy, Inc.] did not meet the burden of proof demonstrating that [Midcontinent Independent System Operator, Inc.]’s actions and the current [Definitive Planning Phase] process are unjust and unreasonable”); *New England Power Generators Ass’n, Inc. v. ISO New England Inc.*, 150 FERC ¶ 61,053, at P 35 (rejecting complaint filed by the New England Power Generators Association, Inc. (“NEPGA”) finding that as complainant has failed to meet its FPA section 206 burden to demonstrate the relevant tariff mechanisms were unjust and unreasonable, the Commission “need not address whether NEPGA’s proposed alternative is just and reasonable”); *reh’g denied*, 153 FERC ¶ 61,222, at P 35 (2015) (stating that “[i]f NEPGA had met its section 206 burden to show that the existing tariff provisions were unjust and unreasonable, the Commission would then have determined a just and reasonable replacement rate, whether by accepting NEPGA’s proposal, if supported by record evidence, or implementing its own solution”); *Coal. of MISO Transmission Customers v. Midcontinent Indep. Sys. Operator, Inc.*, 181 FERC ¶ 61,005, at PP 61, 66 (2022) (rejecting complaint because complainants had not met their FPA section 206 burden, and stating that “[b]ecause [c]omplainants have failed to demonstrate that the Tariff is unjust and unreasonable for the reasons discussed above, we need not address the other issues raised in the protests, comments, and answers”). The fact that PJM is making this argument should not in any way be construed as an admission that the Complaint is justified.

²⁸ *See supra* note 12.

to the detriment of those Project Developers that have followed the rules. Urban Grid's remedy is unjust, unreasonable and unduly discriminatory and preferential because it would give Urban Grid relief—and the ability to skirt the Tariff rules—that is not available to other Project Developers, and fails to satisfy the requirements of FPA section 206(a). After PJM announced the results of the Transition Period sorting process on December 15, 2023, Interconnection Customers (now referred to as Project Developers under the Tariff, Part VII definitions and terminology) and their financial backers began review of the posted results. The studies for Expedited Process are substantially completed, and as shown in Chart 1, many agreements have been executed or are in the negotiation stages. Putting the Monarch Projects back into the interconnection process would require additional simulations and repeating all necessary downstream processing requirements to interpret the result, including any consequences to the hundreds of other potentially impacted customers.²⁹

This would not only affect the Expedited Process projects, but would interfere with progress on Transition Cycle #1. PJM has already completed Phase I of Transition Cycle #1. Phase II of Transition Cycle #1 started on June 21, 2024, and is expected to close on December 17, 2024.³⁰ Transmission Owners in PJM are also undertaking the interconnection Facilities Studies in parallel with the Phase II System Impact Study.³¹ Inserting a 900 MW solar generating facility into the Expedited Process or restoring a project's original queue position, as Urban Grid requests, would have a profound adverse effect on PJM's ability to complete the Phase II studies as planned and would result in

²⁹ January 5 Answer at 7; Shoemaker Aff. ¶ 5.

³⁰ See TC1 Phase II Update at 2.

³¹ See TC1 Phase II Update at 2.

direct harm to Project Developers in Transition Cycle #1 that have fully complied with the Tariff rules.³²

Urban Grid tries to minimize these impacts, stating PJM’s action in terminating the Urban Grid Interconnection Requests resulted in an unfair windfall for other Project Developers, and the Project Developers currently in Transition Cycle #1 are subject to cost uncertainty.³³ However, neither of these claims proves that Urban Grid’s proposed replacement practice is just and reasonable. Terminating an Interconnection Request for failing to comply with the mandatory Tariff requirements, such as PJM did with the Urban Grid Interconnection Requests, does not provide a windfall to other Project Developers; it instead benefits all Project Developers by encouraging compliance with the Tariff and not rewarding non-compliance. Additionally, the adverse impact on Project Developers in Transition Cycle #1 of inserting a terminated project back into the queue is not limited cost uncertainty, as Urban Grid implies. The bigger concern is the delays in the study process that would result, a fact that Urban Grid does not refute.³⁴

³² PJM has addressed this impact in other pleadings. See *Freeman Solar, LLC v. PJM Interconnection, L.L.C.*, Answer of PJM Interconnection, L.L.C., Docket No. EL24-135-000, at 26-30 & Attachment 2 (Affidavit of Mark Sims on Behalf of PJM Interconnection, L.L.C.) ¶¶ 5-9 (Sept. 12, 2024); *Big Shoulders Storage, LLC*, Protest of PJM Interconnection, L.L.C., Docket No. ER24-2698-000, at 26-29 & Attachment 2 (Affidavit of Mark Sims on Behalf of PJM Interconnection, L.L.C.) ¶¶ 5-9 (Aug. 23, 2024).

³³ Urban Grid Motion at 4.

³⁴ Urban Grid also points to the fact that it has the land use approvals for 350 megawatts (“MW”) of its 900 MW Monarch projects. Urban Grid Motion at 2. However, this indicates that it still lacks the permits for the remaining 550 MW, which calls into question how “ready-to-go” its project actually is. This fact also does not excuse its failure to provide the required Security on time.

II. CONCLUSION

For the reasons set forth above and in the December 6 and January 5 Answers, the Commission should deny the Complaint, and should also reject the Urban Grid Motion.

Respectfully submitted,

Craig Glazer
Vice President – Federal Government
Policy
PJM Interconnection, L.L.C.
1200 G Street, NW, Suite 600
Washington, DC 20005
202-423-4743 (phone)
202-393-7741 (fax)
craig.glazer@pjm.com

Christopher B. Holt
Associate General Counsel
PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403
610-666-2368
Christopher.Holt@pjm.com

/s/ David S. Berman
Elizabeth P. Trinkle
David S. Berman
WRIGHT & TALISMAN, P.C.
1200 G Street, NW, Suite 600
Washington, DC 20005-3898
202-393-1200 (phone)
202-393-1240 (fax)
trinkle@wrightlaw.com
berman@wrightlaw.com

*Counsel for
PJM Interconnection, L.L.C.*

October 16, 2024

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 Washington, D.C., this 16th day of October 2024.

/s/ David S. Berman
David S. Berman