



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COMMONWEALTH KEYSTONE BUILDING  
400 NORTH STREET  
HARRISBURG, PENNSYLVANIA 17120

December 10, 2024

*By Electronic Filing*

Honorable Debbie-Anne A. Reese, Acting Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

Re: Request of PJM Interconnection, LLC for Limited, Prospective  
Waiver of One Provision of Schedule 6 of the Operating Agreement,  
Shortened Comment Period and Expedited Action  
Docket No. ER25-612

Dear Acting Secretary Reese:

Please find for e-filing the Pennsylvania Public Utility Commission's  
Comments in the above-referenced proceeding.

Copies of this document have been served upon all parties designated on  
the Commission's official service list, in accordance with Rule 2010 of  
the Commission's Rules of Practice and Procedure.

If you have any questions, please do not hesitate to contact me.

Respectfully submitted,

Elizabeth H. Barnes  
Elizabeth H. Barnes  
Deputy Chief Counsel  
Pennsylvania Public Utility  
Commission  
(717)772-5408

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

Request of PJM Interconnection, LLC	)	
for Limited, Prospective Waiver of One	)	
Provision of Schedule 6 of the Operating	)	
Agreement, Shortened Comment Period and	)	Docket No. ER25-612
Expedited Action	)	

**COMMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PJM Interconnection, LLC (PJM), conducts regional transmission planning for thirteen states and the District of Columbia. With its filing, it seeks to unnecessarily delay presenting a reevaluation of benefits and costs of a Market Efficiency Project for the claimed reason that it wants to account for a new window of transmission projects. Considering the likely buildout of the transmission system in determining the benefit-cost ratio for a particular project is prudent, but it is a red herring. PJM can very well conduct its required annual analysis now, and provide another analysis should circumstances on the transmission system change. Given the scale of transmission buildout in PJM and nationally, there will always be new transmission for which to account. Given the harm of delay and the limited benefit in that PJM will never have a static grid on which to base its analysis, the Pennsylvania Public Utility Commission respectfully requests that the request for waiver be denied.

As the regional planner, PJM routinely presents transmission projects in its stakeholder process, in particular at the Transmission Enhancement Advisory Committee (TEAC). The TEAC is where PJM presents new open competitive transmission windows, and conducts reviews of staff-recommended and ultimately selected projects.

As part of a competitive window for Economic-based Enhancements or Expansions—Market Efficiency Projects—the PJM Board endorsed the Transource Project 9A to construct two high voltage transmission lines between Maryland and Pennsylvania. After the Pennsylvania Public Utility Commission denied a required Certificate of Public Convenience, the PJM Board voted to suspend Transource Project 9A, due to siting risks, in order to remove it from the models pending any future developments in the regulatory process.

In this suspended status, under its Operating Agreement, PJM is required to perform annual analyses of Project 9A to assess ongoing cost effectiveness:

(f) To assure that new Economic-based Enhancements or Expansions included in the Regional Transmission Expansion Plan continue to be cost beneficial, the Office of the Interconnection annually shall review the costs and benefits of constructing such enhancements and expansions. In the event that there are changes in these costs and benefits, the Office of the Interconnection shall review the changes in costs and benefits with the Transmission Expansion Advisory Committee and recommend to the PJM Board whether the new Economic-based Enhancements or Expansions continue to provide measurable benefits, as determined in accordance with subsection (d), and should remain in the Regional Transmission Expansion Plan...

(g) For new economic enhancements or expansions with costs in excess of \$50 million, an independent review of such costs shall be performed to assure both consistency of estimating practices and that the scope of the new Economic-based Enhancements or Expansions is consistent with the new Economic-based Enhancements or Expansions as recommended in the market efficiency analysis.<sup>1</sup>

At the TEAC meeting held on November 6, 2024, PJM represented that it was in the process of completing the annual evaluation for Project 9A and had planned to reveal results at the December 3, 2024, TEAC Meeting. Instead, no presentation regarding the evaluation

---

<sup>1</sup> *PJM Operating Agreement*, Schedule 6, section 1.5.7.

occurred at that TEAC meeting, and 34 days before its due date, on November 26, 2024, PJM filed this request for waiver.

This will be the second request for delay for this project's evaluation. On December 21, 2023, the Federal Energy Regulatory Commission (Commission) issued an order granting a waiver for delaying the 2023 reevaluation and directed that the analysis be completed by June 30, 2024. Now PJM requests the 2024 evaluation be delayed nine-months to the end of Q3 2025.

The consumers in PJM, including but not limited to ratepayers in Pennsylvania, are responsible for paying a portion of the transmission costs allocated by PJM's Tariff, including costs of Project 9A. These ratepayers and the PAPUC would be harmed if the Commission grants this waiver until October 1, 2025, when the re-evaluation is currently due December 31, 2024. A nine-month delay results in unjustified accumulation of Administrative and General Operations and Maintenance costs, as well as Return on Equity costs to be recovered through Transource's Formula Rates.<sup>2</sup>

PJM's most recent analysis shows the benefit-to-cost ratio falls below the necessary standard of 1.25 required to show a market efficiency projects viability. Excluding \$107 million in sunk costs, the ratio was calculated in May 2024 to be 1.09, well below the standard for approval. If sunk costs are included, that ratio plummets to 0.81.<sup>3</sup> With every delay tactic taken for this project, the risk of it becoming another PATH increases.<sup>4</sup> Instead, PJM should be required to follow its own Operating Agreement and complete its required 2024 annual analysis.

---

<sup>2</sup> PJM Open Access Transmission Tariff, Attachments H-29A (Transource Pennsylvania) and H-30A (Transource Maryland).

<sup>3</sup> 2023 Market Efficiency Re-evaluation Analysis, slides 19-24 at <https://www.pjm.com/-/media/committees-groups/committees/teac/2024/20240604/20240604-item-04---market-efficiency-update.ashx> (last checked December 9, 2024).

<sup>4</sup> Potomac-Appalachian Transmission Highline, LLC, Docket No. ER12-2708-010 (Letter Order issued December 19, 2023) (See Christie, Concurring).

This waiver request is not based on an immediate need, is not limited in scope, and does not address a concrete problem that the Operating Agreement does not already contemplate.

WHEREFORE, the PAPUC requests this Commission consider these comments and deny PJM's request for waiver, or, in the alternative, limit the waiver to thirty days until January 31, 2025, solely to accommodate the claimed inability of PJM to run its analysis by the end of the calendar year. No further waivers should be granted.

Respectfully submitted,

/s/ Elizabeth H. Barnes  
Elizabeth H. Barnes, Deputy Chief Counsel  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265  
Telephone: 717-787-5000  
[ebarnes@pa.gov](mailto:ebarnes@pa.gov)

*Counsel for the Pennsylvania  
Public Utility Commission*

Dated: December 10, 2024

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I am on this date serving a copy of the foregoing comments upon each person designated on the official service list compiled by the Federal Energy Regulatory Commission in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure.

Respectfully submitted,

/s/ Elizabeth H. Barnes  
Deputy Chief Counsel  
*Counsel for the Pennsylvania  
Public Utility Commission*

P.O. Box 3265  
Harrisburg, PA 17105-3265  
Tel: (717) 787-5000

Dated: December 10, 2024