

**BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
TRANSOURCE PENNSYLVANIA LLC
APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
AND SITING IN FRANKLIN COUNTY
DOCKET NOS. A-2026-3062675, A-2026-3062686 and A-2026-3062687
COMMENTS OF KERYN NEWMAN
OCTOBER 15, 2026**

While the Pennsylvania Public Utility Commission (PUC) may be prohibited from questioning PJM's determination of need for the Transource 9A project by a wrongly-decided federal court precedent, that does not mean that PJM can break its own FERC-approved rules on the way to making its need determination. PJM's actions regarding the Transource 9A project have been suspect ever since 2023, just two years after it suspended the project in 2021 in response to the PUC's denial of its state application, and right about the time the federal court battle began.

Even though I live in West Virginia, I am a PJM ratepayer who has paid some portion of the annual transmission revenue requirements of Transource-Pennsylvania and Transource-Maryland. In 2025, these Transource subsidiaries collected a combined total of approximately \$14M from PJM ratepayers. I am also a concerned ratepayer that regularly attends monthly PJM Transmission Expansion Advisory Committee meetings where Transource 9A is often discussed as part of PJM's Market Efficiency presentations. I have closely followed PJM's treatment of this project and questioned their actions at every step. PJM's answers have been less than satisfactory.

In 2021, PJM suspended the Transource project in response to the PUC's denial of its application to build the project "pending any future developments in the regulatory process."¹ Thereafter PJM was required to reevaluate the Transource 9A project every year it remained in suspension and "[i]n 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."²

When PJM determines the new benefit-cost ratio every year while reevaluating a suspended project, it uses a 15-year future comparison of benefits to costs. Each year, fresh data is created using the next 15 years, with past years forgotten. In order to create a new "cost", PJM

¹ See Attachment A, PJM TEAC slides

² PJM Operating Agreement, Schedule 6, Section 1.5.7(f)

eliminates any prior year sunk costs of the project that is being reevaluated and only considers future costs. This leaves behind hundreds of millions of dollars of sunk costs from projects like Transource 9A that are no longer considered in the benefit/cost ratio, but have already been paid for by ratepayers as part of the project's total cost. With a project suspended over a long period of time, such as Transource 9A, these costs can add up to hundreds of millions of dollars paid by ratepayers but not considered a project "cost" when calculating the benefit to cost ratio. For instance, in PJM's 2022 reevaluation of the Transource 9A project, PJM excluded \$136.27M of sunk costs from the project's actual total cost of \$428.76M, using a total project "cost" of \$292.49M in its benefit to cost ratio.³ PJM's benefit to cost ratio does not use the actual cost ratepayers will pay to build the entire project and operate it over its 40–60-year lifetime.

PJM's first project reevaluation in 2022 determined the project retained a B/C ratio of 2.48 with sunk costs excluded.⁴ The Transource 9A project was retained in a suspended state.

In 2023, PJM requested and received a waiver from the Federal Energy Regulatory Commission⁵ so that it could perform further review of the potential reliability violations, impacts of new reliability projects, constructability concerns, and regulatory uncertainties. Of course, the constructability and regulatory issues were directly related to the ongoing Third Circuit case.⁶ Perhaps PJM was hoping that that case would turn out the way it did and give PJM supreme power over states as the sole voice on the question of need, but PJM needed to keep Transource 9A alive so that the case would not become moot. FERC's approval of the waiver allowed PJM to postpone its 2023 reevaluation of Transource 9A until June, 2024. At that time, the 2023 reevaluation found that the Transource 9A project's B/C ratio had fallen to .081 and that the project now caused uncontrolled congestion and potential reliability violations.⁷ Because the costs and benefits had changed, PJM was required to review the project with the Office of Interconnection and make a recommendation to the Board of Managers whether the project still provided measurable benefits in accordance with the PJM Operating Agreement, Schedule 6, Section 1.5.7(f). **PJM did not.**

At the end of 2024 PJM was required to reevaluate the Transource project once again, however PJM was in a tough spot. The Third Circuit Case had not yet concluded so PJM did not know whether the project would be cleared to proceed with a new PA PUC application, free from any scrutiny about project need. To stall, PJM requested another reevaluation waiver from FERC.⁸ Several interventions, protests, and comments were filed in that docket, including those by the

³ See Attachment A, PJM TEAC Slides

⁴ *Id*

⁵ *PJM Interconnection, L.L.C.*, 185 FERC ¶ 61,212 (Dec. 21, 2023) FERC Docket No. ER24-477

⁶ *Transource Pennsylvania LLC v. DeFrank*, 156 F.4th 351 (3d Cir. 2025)

⁷ See Attachment A, PJM TEAC Slides

⁸ FERC Docket No. ER25-612

Pennsylvania PUC, Monitoring Analytics, the Coalition to Protect Franklin County, PA State Representative Rob Kauffman, and Keryn Newman. FERC ultimately dismissed PJM's request for a waiver as moot in April 2025⁹, after time ran out in 2024 and PJM was forced to make its reevaluation before the end of the year. FERC never addressed the substantive issues raised in comments and protests regarding PJM's failure to adhere to its Operating Agreement when reevaluating the Transource9A project. PJM's 2024 reevaluation of Transource 9A once again showed that the B/C ratio was 0.81 and that the project caused uncontrolled congestion and potential reliability violations.¹⁰ PJM was again required to review the project with the Office of Interconnection and make a recommendation to the Board of Managers whether the project still provided measurable benefits in accordance with the PJM Operating Agreement, Schedule 6, Section 1.5.7(f). Once again, **PJM did not**.

When questioned at the December 3, 2024 TEAC meeting about its lack of following through with the 2023 reevaluation of the Transource 9A Project by making a recommendation to the Board of Managers, PJM struggled to come up with a reason for its lack of action. One PJM employee suggested that because the Transource IEC Project was already suspended PJM was not required to make any recommendations to the Board. This does not agree with what PJM told FERC in its Request for Waiver, where it acknowledged it was required to make a recommendation to the Board of Managers. There was absolutely no point to the 2023 reevaluation of the Transource 9A Project if no recommendations were made and no action was taken. PJM continued to ignore its own rules as it waited for a decision from the Third Circuit.

PJM's 2025 reevaluation of the Transource9A project completely flipped the prior year's results, showing that it was needed again and that the B/C ratio had increased markedly to 3.85. Suddenly, after the Third Circuit decision, Transource 9A was once again needed to solve transmission congestion on the AP South interface. PJM finally made that long-required recommendation to the Board of Managers in the summer of 2026 to remove Transource 9A from suspension and return it to the RTEP, and of course the Board rubber stamped it. If PJM had actually followed its rules and made the proper timely recommendations to cancel Transource 9A at the 2023 or 2024 reevaluation, the project would have been cancelled, and the Third Circuit case would have collapsed because the project no longer existed. Today's reality cannot help but foment suspicion about PJM's motives and actions.

However, shortly after the Board added Transource 9A back to the RTEP, PJM made a Market Efficiency presentation at its Transmission Expansion Advisory Committee showing that the congestion on AP South was back at greater than \$50M.¹¹ I asked if this congestion was *before*

⁹ *PJM Interconnection, L.L.C.*, 191 FERC ¶ 61,056 (April 17, 2025)

¹⁰ See Attachment A, PJM TEAC Slides

¹¹ *Id*

or *after* the recent addition of Transource 9A back into the RTEP, and was informed that it was **after**. Transource 9A didn't completely solve the AP South congestion after all. It makes sense that perhaps PJM ought to reconsider Transource 9A at this time and examine whether it can be modified to solve the new AP South congestion as well, or whether a completely different project should be proposed to solve all of the congestion. PJM refused to entertain this idea, insisting that it requires another, new market efficiency project to solve the newly developed AP South congestion because Transource 9A was moving forward as planned. Transource 9A was saved from having to compete with any other proposals as the solitary solution to AP South congestion from 2016. We may never know if right-sizing Transource 9A, or proposing a completely different project, may be a better or more economic solution because PJM refuses to consider it. PJM has become a God-like creature that doesn't have to explain itself anymore while it runs roughshod over the due process rights of citizens.

As we all know quite well, PJM's Market Efficiency process is profoundly flawed, and now PJM has pulled an ace out of its sleeve that it believes makes it omnipotent, despite its decidedly undemocratic stakeholder process that makes decisions in favor of its members, instead of the public it exists to serve. Drunk on its own power, PJM has lost its way and its purpose.

The Public Utility Commission's mission is also to protect the public interest. Bowing to a regional cartel of energy interests is not in the public interest. Transource 9A is no more needed now than it was a decade ago when it was dreamed up to solve transmission congestion that has fluctuated wildly in the past decade. I urge the Commission to carefully examine Transource's application and exercise its authority to deny it for the second time.

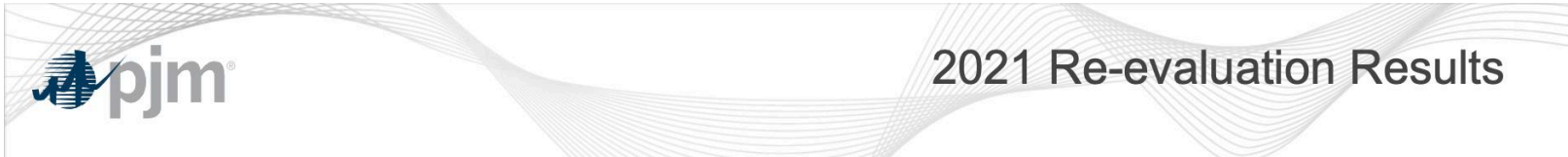
Respectfully submitted October 15, 2026 by

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ATTACHMENT A

PJM TEAC SLIDES

2021 PJM Suspends Transource Project

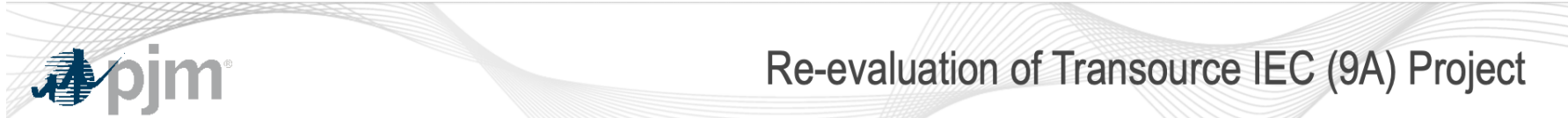


- Transource IEC (9A) is the only eligible project for 2021 re-evaluation.
 - On September 22, 2021, the PJM Board endorsed PJM's recommendation to suspend the Transource IEC (9A) Project, due to permitting risks, in order to remove it from the models pending future updates.



Re-evaluation	Benefit / Cost Ratio (sunk costs excluded*)	Benefit / Cost Ratio (full in-service cost*)
Project 9A Base Case Analysis	1.44	1.00
Sensitivity scenario with higher load growth	2.08	1.44
Sensitivity scenario with additional coal retirements	2.00	1.39

2022 PJM Re-evaluates Transource Project



- On September 22, 2021, the PJM Board endorsed PJM's recommendation to suspend the Transource IEC (9A) Project, due to siting risks, in order to remove it from the models pending any future developments in the regulatory process.
- Transource IEC (9A) Project re-evaluation results October 2022:
 - B/C Ratio = **2.48**
 - In-Service Cost = \$428.76 Millions

Re-evaluation	Benefit / Cost Ratio November 2022 (In-Service Project Cost)	Notes
Project 9A Base Case Analysis	2.48	B/C Ratio (Sunk Costs Excluded*) = 3.64 In-Service Project Cost: \$428.76 MM Project Cost With Sunk Costs Excluded: \$292.49 MM Sunk Cost: \$136.27 MM

* Sunk costs represent \$136.27 MM unavoidable costs (\$428.76 MM In-Service Cost).

2023 PJM Re-evaluates Transource Project



2023 Re-evaluation - Results and Assumptions Transource IEC (9A) Project

Re-evaluation	B/C Ratio (May 2024)	Notes
Project 9A Base Case Analysis	0.81	B/C Ratio (Sunk Costs Excluded) = 1.09 In-Service Cost: \$420.94 millions Sunk Cost: \$107.96 millions



9A Creates Uncontrolled Congestion (Potential Reliability Violations)

System conditions with projects in the RTEP approved after Project 9A suspension have changed the topology and impacts of Project 9A:

- Project 9A increases uncontrollable congestion on a number of constraints.
- The increased number of hours with PROMOD violations may indicate reliability concerns for years starting 2030.

2024 PJM Re-evaluates Transource Project



2024 Re-evaluation Results

- The results of the 2024 Re-evaluation Analysis are the same as the results from the [2023 Re-evaluation Analysis](#) because the model used in the 2023 Re-evaluation is the latest available feasible model despite known changed system conditions.
 - B/C Ratio of 0.81 (B/C ratio = 1.09 when sunk costs are excluded).
 - Significant impacts may be presently and temporarily masked by reliability and other issues which are being addressed by RTEP projects that are expected to be approved in first quarter of 2025.

HOWEVER



2024 Re-evaluation Results (continued)

- PJM recommends retention of the Transource IEC (9A) Project in a suspended state in the RTEP for reasons including:
 - changed system conditions including substantially increased load forecasts and generation deactivations;
 - newly approved transmission system enhancements and not-yet-addressed needs identified in the planning process;
 - the uncertainty facing approved transmission projects due to ongoing regulatory proceedings that may impact the development and timing of a number of proposed PJM transmission projects;
 - Transource's investment in the Project;
 - one state's (Maryland) approval of the Project; and
 - a finding by a federal court that another state (Pennsylvania) violated the United States Constitution in denying approval of the Project.
- Updated Re-evaluation for 2025 will be performed after a feasible model is available that includes RTEP projects anticipated to be approved in 2025.

2025 PJM Re-evaluates Transource Project



Re-evaluation	B/C Ratio	Cost (\$M)
Original 9A	3.74	430.41
Alternate 9A	3.42	584.57
9A West Only	3.85	264.61

Assumptions:

- Includes 2024W1 reliability solutions
- 2024 PJM Load Forecast
- Includes First Energy supplemental s3540.1 upgrading station equipment downstream of Rice-Ringgold 230 kV line (western portion)

Key Takeaway: Project 9A continues to exceed the 1.25 B/C threshold under these scenarios.

- Recommendation to the PJM Board in July to modify Project 9A to remove the eastern portion.

JULY 2026 TEAC PRESENTATION

MORE AP SOUTH CONGESTION SHOWS UP



2031 Preliminary Simulated Congestion – MAAC & Reactive Interfaces

Constraint*	Area	Simulated 2031 Annual Congestion (\$M)	M2M Coordinated	2026W1 Identified Reliability Violation	2024-2026 Historical Congestion
Peach Bottom #1 TR 500/230 kV	PECO	>\$50M			Y
Brunner Island Reactor-W Hempfield 230 kV	PLGRP	\$10M - \$50M			Y
Safe Harbor-Manor 69 kV	PLGRP	\$1M - \$10M			
Bennett-Milford 230 kV	DPL	\$1M - \$10M			Y
East Towanda-Canyon 230 kV	PENELEC	\$1M - \$10M		Y	Y
North Meshoppen #4 TR 230/115 kV	PENELEC	\$1M - \$10M		Y	Y
Philipsburg-Shawville 115 kV	PENELEC	\$1M - \$10M			Y
Dickerson H-Dickerson #2 230 kV	PEPCO	\$1M - \$10M			Y
AP South Interface	PJM	>\$50M			Y
Cloverdale-Joshua Falls Interface	PJM	>\$50M			

*Includes prospective PJM and M2M constraints with annual simulated congestion greater than \$1M and binding hours greater than 25.