Edith Webster-Freed
Senior Vice President & General Counsel
EWF@exus.us
929-715-3876
New York
www.exus.us

June 6, 2025

Matthew Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

RE: En Banc Hearing on Interconnection and Tariffs for Large Load Customers
M-2025-3054271

Dear Secretary Homsher:

Enclosed for consideration by the Pennsylvania Public Utility Commission, please find the comments of Exus Renewables North America in the above-referenced proceeding.

Sincerely,

Edith Webster-Freed
Senior Vice President & General Counsel

cc: James A. Mullins (via jamullins@pa.gov)
Scott J. Thomas (via sjthomas@pa.gov)

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

IN RE:	:	
	:	
EN BANC HEARING CONCERNING	:	Docket No. M-2025-3054271
INTERCONNECTION AND TARIFFS	:	
FOR LARGE LOAD CUSTOMERS	:	

COMMENTS OF EXUS RENEWABLES NORTH AMERICA

TO THE HONORABLE, PENNSYLVANIA PUBLIC UTILITY COMMISSION:

Pursuant to the Pennsylvania Public Utility Commission's ("PUC" or "Commission") Secretarial Letters issued on April 12, 2025 and May 15, 2025 in the above-referenced proceeding, Exus Renewables North America ("Exus") hereby submits these comments for consideration by the Commission. As a leading independent owner, developer, and operator of utility-scale renewable energy projects throughout the United States as well as an active project developer seeking to revitalize and redevelop utility sites and infrastructure in the Commonwealth of Pennsylvania, Exus appreciates the opportunity to offer its perspective to the Commission on important matters pertaining to interconnection and tariff issues for large load customers. Through these comments, Exus asks the Commission to further support and incentivize new large load projects that bring their own generation and minimize impacts on the existing grid and existing customer base.

I. RELEVANT PROCEDURAL BACKGROUND

On February 20, 2025, the Federal Energy Regulatory Commission ("FERC") issued an order pertaining to the PJM Interconnection, L.L.C. ("PJM") region to investigate several issues associated with the co-location of large loads at generating facilities in PJM, including whether, to

ensure just and reasonable rates under the Federal Power Act, the PJM Open Access Transmission Tariff ("Tariff") needs to set forth clear rules on such large load interconnection and co-location arrangements to ensure both just and reasonable rates and grid reliability ("FERC Show Cause Proceeding").[1] The order issued by FERC instituted a show cause proceeding involving PJM and the PJM Transmission Owners and combined the records of two pending proceedings because of the common issues associated with each docket.[2] FERC found that PJM's Tariff did not appear to sufficiently address the rates, terms, and conditions of service that apply to co-location arrangements. FERC directed PJM and the PJM Transmission Owners to explain why the PJM Tariff remains just and reasonable or, alternatively, what changes to the PJM Tariff would remedy FERC's identified concerns.[3] FERC also directed interested parties to thereafter respond and comment.[4]

On March 24, 2025, answers were filed by PJM[5] and certain PJM Transmission Owners as well as other parties in the FERC Show Cause Proceeding. In its answer ("PJM Answer"), PJM presented several new (and existing) options to serve large loads.[6] Exhibit A to PJM's Answer provides a summary chart that reviews and evaluates each option from a reliability and resource adequacy perspective, including three existing options (Options 1-3) and five new options (Options 4-8). Under New Option 6 (known as Bring Your Own Generation or BYOG), the new large co-

[1] *FERC Order Instituting Proceeding Under Section 206 of the Federal Power Act and Consolidating with Other Proceedings*, Docket Nos. EL25-49-000, AD24-11-000, and EL25-20-000 (Feb. 20, 2025) ("FERC Show Cause Order").

[2] FERC combined FERC's November 2024 technical conference on large load co-location (Docket No. AD24-11) and a complaint filed on November 22, 2024, by Constellation Energy Generation, LLC against PJM (Docket No. EL25-20) to form a consolidated proceeding, identified under Docket EL25-49.

[3] FERC Show Cause Order at 56.

[4] FERC Show Cause Order at 57.

[5] *See* "Answer of PJM Interconnection, L.L.C." *PJM Interconnection, L.L.C. et al.* Docket Nos. EL25-49-000, AD24-11-000, and EL25-20-000 (filed Mar. 24, 2025) (hereinafter "PJM Answer").

[6] PJM Answer, Exhibit A.

located load would elect to be networked load and bring its own networked generation in order to receive an incentive for a faster interconnection.[7]

On March 27, 2025, the Commission, in response to a motion by Chairman DeFrank, set out to convene a public hearing to explore the growing impact of large-scale electric customers on the electric grid in Pennsylvania. In the subsequent Secretarial Letter issued on April 12, the Commission explained it would hold an *en banc* hearing on April 24, 2025 to elicit testimony on the prudent design of a large load customer model tariff ("Model Large Load Tariff").

On April 23, 2025, several parties filed responsive comments to the March 24, 2025 answers of PJM and the PJM Transmission Owners in the FERC Show Cause Proceeding. The Commission and Exus both submitted comments for FERC's consideration. The Commission asked FERC to "direct PJM to revise its Tariff and conduct long-term scenario analyses on the potential cumulative reliability and cost impacts of behind-the-meter co-located load arrangements" and to implement more transparency measures around co-location arrangements.[8] Noting that the PUC "favors economic growth in Pennsylvania,"[9] the Commission also emphasized the longstanding precedent in Pennsylvania supporting private utility arrangements that do not provide public utility services regulated either by FERC or the PUC.[10] In referencing the comments of PJM's Independent Market Monitor ("IMM"), the Commission emphasized the benefits to the grid and existing customers when new large loads directly connect to the grid and

[7] *See* PJM Answer at 16-18, Exhibit A.

[8] *See* "Comments of the Pennsylvania Public Utility Commission," *PJM Interconnection, L.L.C. et al.*, Docket No. EL25-49-000 *et al*., at 10 (filed Apr. 22, 2025) (hereinafter "PA PUC FERC Comments").

[9] PA PUC FERC Comments at 5.

[10] PA PUC FERC Comments at 3-4 (emphasizing that the "capability to create private arrangements is a boon, not an oversight, in Pennsylvania law").

pay for energy and capacity.[11] Finally, the PUC emphasized the need for revisions to PJM's Tariff to ensure that "participants in a co-located load arrangement are held financially responsible commensurate with the extent to which they receive benefits from the transmission grid according to the cost-causation and beneficiary pays principles."[12] In its comments to FERC,[13] Exus responded to PJM's Answer to FERC, and advocated that FERC approve Option 6, which incentivizes a new large load to become a networked load and bring its own generation that would connect to the grid and serve as a PJM Capacity Resource.[14] Exus explained that Option 6 addresses reliability, operational, and fairness concerns raised in FERC's Show Cause Order.[15]

II. COMMENTS

A. The Commission's Policy and the Model Large Load Tariff Should Prioritize Faster Interconnections for Large Loads That Bring Their Own Generation.

PJM Option 6 (Bring Your Own Generation) reflects several longstanding ratemaking objectives and the Commission's public interest objectives in protecting both the grid and existing customers. The perspective and principles raised in the PUC's comments in the FERC Show Cause Proceeding involving co-located loads in FERC Docket No. EL25-49 *et al*. are fully consistent with the rationale and mechanics behind PJM Option 6. PJM Option 6 reduces the strain on resource adequacy in Pennsylvania and the PJM grid. Further, entities that utilize PJM Option 6 will help minimize the need for additional infrastructure development and necessary upgrades when a new large load brings its own replacement generation to a site where a large

[11] PA PUC FERC Comments at 5.

[12] PA PUC FERC Comments at 6.

[13] A copy of Exus's comments is appended to these comments. *See* **Attachment A** (Exus FERC Comments on Co-Located Load Issues).

[14] Attachment A at 1.

[15] *Id.*

baseload generation facility is deactivating and retiring. Accordingly, the Commission's Model Large Load Tariff should prioritize and incentivize interconnecting large loads to bring their own generation and propose other creative mechanisms to limit the impact of that new large load on the existing grid and existing customer base in the relevant utility zone.

The Model Large Load Tariff should explicitly provide an opportunity for faster customer application processing and interconnection for a new large load that brings with it all of its required generation supply. Providing prioritization of study and interconnection processes for loads does not yield any undue discrimination concerns because there is a just and reasonable basis for prioritizing such new large load applications that provide significant system-wide reliability benefits, help ensure resource adequacy, and help minimize delays in the queue.

The Commission is uniquely positioned to facilitate regulatory solutions that balance various diverse perspectives and further Pennsylvania's dual policy objectives. The Commission can help facilitate new economic development in the Commonwealth by affording some flexibility to co-location arrangements[16] while also ensuring that it protects the existing customer base and any adverse impacts on the distribution and transmission grid. PJM Option 6 presents an avenue that helps the Commission achieve those objectives.

1. At a Time of Deactivating Baseload Generation Resources in Pennsylvania, PJM Option 6 Helps the Commission Accelerate Replacement Generation Capacity in Pennsylvania While Protecting Both the Grid and Existing Customers.

PJM explains that Option 6 is available for existing generation to serve the needs of a new large load (so long as the generation would be available to PJM as a Capacity Resource) or, ideally, the new generation could be replacement generation that makes arrangements with

[16] *See* PA PUC FERC Comments at 2-4 (explaining the limits of Pennsylvania law and PUC jurisdiction over private co-location arrangements that do not facilitate the offering of *public utility* services to or for the public for compensation).

generation(in equivalent Megawatts) that is scheduled to deactivate in the near future.[17] PJM Option 6 offers a potentially faster interconnection path for generation resources in states that desire new generation. PJM currently has pending with FERC a proposal to enhance and expedite the transfers of Capacity Interconnection Rights ("CIRs") from deactivating generation resources to replacement generation resources.[18] CIRs are the rights to input generation as a Generation Capacity Resource into the PJM transmission system at the point of interconnection where the generating facilities connect to the transmission system.[19]

Per Section 203.4 of the PJM Tariff, CIRs may be transferred to a new generator, an existing generator as an uprate, or to a third party. The entity holding the CIRs/rights must request study of a new interconnection request using rights from the existing generator. PJM's CIR transfer enhancement proposal clarifies that the CIR transfer process applies to all energy-injecting capacity resource types to ensure the accelerated replacement of *networked* generation resources. At a time of substantial resource adequacy concerns in the PJM footprint, PJM has proposed a new process for Replacement Generation Interconnection Requests that is separate from but parallel to PJM's reformed three-phase, clustered cycle process for projects in the generation queue.[20]

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[17] *See* PJM Answer at 16.

[18] PJM's CIR Transfer Efficiency package is summarized in a PJM slide deck available here, "Enhancing CIR Transfer Efficiency – Solution Package," PJM Markets & Reliability Committee (Nov. 21, 2024), https://www.pjm.com/-/media/DotCom/committees-groups/committees/mrc/2024/20241121/20241121-item-02a---1-enhance-cir-transfer-efficiency---presentation.ashx (last accessed June 4, 2025). PJM filed the CIR Transfer Reforms with FERC on January 31, 2025 in Docket No. ER25-1128. *PJM Interconnection, L.L.C.*, Docket No. ER25-1128 (filed Jan. 31, 2025) (hereinafter "PJM Transmittal"). Thereafter, PJM revised its proposal in response to questions from FERC. As of June 4, 2025, PJM's revised proposal was pending with FERC.

[19] PJM Tariff, Section 1 (Definitions – C-D).

[20] *See* PJM Transmittal, Docket No. ER25-1128, at 1, 7-8.

The Commission should ensure that, in developing the Large Load Model Tariff, the provisions in the model tariff appropriately work within the PJM framework for Option 6 and transferring CIRs. Critically, Option 6 and the enhanced CIR transfer process help encourage new business investment in Pennsylvania to ensure accelerated replacement generation and to help avoid any adverse economic impacts on communities where a large baseload generation facility is deactivating.

2. PJM Option 6 Can Help Ensure That the Commission's Model Large Load Tariff Design Reflects Cost of Service and Cost Causation Principles.

In its comments to FERC, the PUC emphasized its preference for grid-interconnected load due to greater transparency and potentially fairer cost allocation.[21] The PUC also emphasized the importance of ensuring that co-locating parties "are held financially responsible commensurate with the extent to which they receive benefits from the transmission grid according to the cost-causation and beneficiary pays principles."[22] PJM Option 6 helps the Commission meet these objectives. Under the cost causation principle, "all approved rates [must] reflect to some degree the costs actually caused by the customer who must pay them."[23] Further, costs for transmission facilities must be allocated to customers in a manner that is "roughly commensurate" with benefits.[24] Similarly, Pennsylvania has long embraced the cost-of-service principle as the "polestar" of utility ratemaking.[25] The cost-of-service principle allows

[21] PA PUC FERC Comments at 9.

[22] PA PUC FERC Comments at 6.

[23] *K N Energy, Inc. v. FERC*, 968 F.2d 1295, 1300 (D.C. Cir. 1992); *City of Lincoln v. FERC*, 89 F. 4th 926, 930 (D.C. Cir. 2024); *see BNP Paribas Energy Trading GP v. FERC*, 743 F.3d 264, 268 (D.C. Cir. 2014) (ensuring that "the burden is matched with benefit"); *see also Midwest ISO Transmission Owners v. FERC*, 373 F.3d 1361, 1368 (D.C. Cir. 2004) ("we evaluate compliance with this unremarkable [cost causation] principle by comparing the costs assessed against a party to the burdens imposed or benefits drawn by that party.").

[24] *Ill. Commerce Comm'n v. FERC*, 576 F.3d 470, 477 (7th Cir. 2009); *Neb. Pub. Power Dist. v. FERC*, 957 F.3d 932, 941 (8th Cir. 2020); *Old Dominion Elec. Coop. v. FERC*, 898 F.3d 1254, 1264 (D.C. Cir. 2018).

[25] *Lloyd v. Pa. Pub. Util. Comm'n*, 904 A. 2d 1010 (Pa. Cmwth Ct. 2006).

the utility to earn a fair return on and of the utility plant investment over the duration of the useful life of the plant in-service.[26] Because cost-of-service is the polestar, utilities providing more than one type of utility service should not shift costs from one operation or service to another.[27]

To be administrable, the Model Large Load Tariff should only apply to new large loads that are above a substantial threshold of projected load (*e.g.,* 100-200 Megawatts) or for customer profiles that do not fit neatly within the existing rate schedules of the electric distribution company ("EDC"). The Model Large Load Tariff must be consistent with cost-of-service and cost causation principles. To ensure the implementation of cost-of-service and cost causation principles, the Model Large Load Tariff must consider:

1. Cost of service study process for new large load application and any associated load studies for interconnecting at the transmission voltage level;
2. Distribution and transmission infrastructure investments needed to support new load, including a fair and just and reasonable allocation of direct and indirect costs to the new interconnecting large load;
3. Risks associated with overestimated or overbuilt assets based on over-projections; and
4. A fair and just and reasonable allocation of direct costs to the interconnecting large load customer.

[26] *See* "A Guide to Utility Ratemaking," PA PUC By J. Cawley and N. Kennard (2018 Edition) at p. 107, *available at* https://www.puc.pa.gov/General/publications_reports/pdf/Ratemaking_Guide2018.pdf (last accessed June 4,2025).

[27] *Id.* at p. 141.

The Commission should incentivize and encourage projects to bring their own networked generation (and any new behind the meter back-up or supplemental generation) because those projects are appropriately paying for their utility costs and those projects are minimizing impacts on the grid and existing customers.

3. PJM Option 6 Presents the Commission with an Opportunity to Evaluate Whether the PJM State Agreement Approach Would Help Facilitate Any of Pennsylvania's Policy Goals Around Economic Development and Retaining Generation In-State.

Exus recognizes that several new large load interconnections and new or replacement generation will often trigger various levels of necessary transmission system upgrades. To help facilitate a measured energy transition and to help maintain robust generation capacity in the Commonwealth, Pennsylvania may be evaluating use of the PJM State Agreement Approach. Under the PJM State Agreement Approach, Pennsylvania would seek to remove a barrier to entry for investment in large load infrastructure by assuming cost responsibility for transmission upgrades in the PJM Regional Transmission Expansion Plan ("RTEP") that may be triggered by a new large load, such as a data center.[28] For a particular project where Pennsylvania desires to see sufficient economic development or revitalization,[29] Pennsylvania could select the project and the Designated Entity (likely the incumbent transmission owner for a PJM Supplemental Project[30]) to complete the project or could request PJM to open a competitive window to seek proposed transmission solutions for any baseline projects and larger upgrades that may be

[28] *See* PJM Answer at 17 (citing PJM Operating Agreement, Schedule 6, section 1.5.9 (State Agreement Approach)).

[29] For an overview of the current Administration's policy goals related to energy, see https://www.pa.gov/governor/newsroom/2025-press-releases/governor-shapiro-unveils--lightning-plan--to-strengthen-commonwe.html (last accessed June 4, 2025) and https://www.pa.gov/governor/newsroom/2024-press-releases/governor-josh-shapiro-s-energy-plan-builds-on-pennsylvania-s-leg.html (last accessed June 4, 2025).

[30] The process for Supplemental Projects, which are not subjected to competitive solicitations, is provided in PJM Tariff Attachment M-3.

needed.[31] Notably, Pennsylvania ratepayers would be assigned the costs of the selected transmission upgrades pursuant to a FERC-accepted cost allocation methodology or a methodology determined by Pennsylvania. Costs will not be recovered from customers in any state that does not agree to be responsible for the project in the State Agreement Approach.

Given that Pennsylvania adheres strongly to cost-of-service and cost causation principles, the PUC may want to initiate a study and cost-benefit analysis to ensure that any Pennsylvania ratepayers would sufficiently benefit from a public policy economic revitalization effort within the PJM State Agreement Approach framework. For example, if Pennsylvania were to sponsor a State Agreement Approach to fund network transmission upgrades needed for particular data center load(s) and any associated generation, would the Commonwealth receive a reasonable return on its investment and would affected ratepayers receive roughly commensurate benefits from the costs assigned to them? Pennsylvania may wish to explore supporting high voltage back transmission in the Commonwealth (*e.g.,* 500 kV) that helps strengthen the existing grid and provides economic development opportunities to communities undergoing transformative experiences associated with a forthcoming deactivation of a large baseload generation resource (and employer). As a result, Pennsylvania could take a more meaningful role in the transmission planning performed by PJM.

B. In Developing a Model Large Load Tariff, the Commission Should Also Ensure that the Existing Tariff Rules for Reviewing New Large Load Customer Applications Are Sufficiently Clear and Detailed in EDC Tariffs.

The existing retail electric distribution company tariffs in Pennsylvania include certain rules around new customer service applications. However, the application process for requesting new service, especially if the customer is a large load and seeking to obtain transmission-level

[31] For a summary of the PJM State Agreement Approach, see https://www.pjm.com/-/media/DotCom/about-pjm/newsroom/fact-sheets/the-state-agreement-approach.ashx (last accessed June 4, 2025).

service, is not often delineated in thorough detail in the tariff. The PUC's Model Large Load Tariff should include rules and timelines as well as fees and collateral requirements for the EDC's processing and review of the new large load customer application and the load study(ies) necessary to evaluate that new large load customer application. Transparency and clarity should be provided as to where the new large load customer is in the EDC's new customer queue, and the EDC should provide a means for the new large load to track and review the current status of the EDC's processing of the new large load customer application. The information requirements of the EDC should be clearly spelled out in the tariff so that the new large load customer can compile and submit all information needed without incurring delays associated with an EDC's supplemental requests for project information. Open channels of communication should be established between the EDC and the new large load so that the customer understands as soon as practicable the potential cost responsibility of transmission upgrades and the timing considerations around addressing those upgrades. The Commission can consider developing a model contract for the new large load customer; however, there must be flexibility to modify certain terms to account for the particular circumstances of the new large load customer application, including the amount of networked and/or behind-the-meter generation that customer plans to bring to the project site. Early exit fees must be just and reasonable.

C. The Commission Should Continue to Support the Role of Behind-the-Meter Generation and Billing Based on a Customer's Actual Use of the Transmission and Distribution System.

As discussed herein, there is tremendous value in incenting new large loads to bring both networked generation (as envisioned by PJM Option 6) and any behind-the-meter generation that serves as back-up or supplemental generation. Pennsylvania should continue to support PJM policy and FERC precedent authorizing large loads with behind-the-meter generation to be charged based on their actual use of the system, thus allowing any behind-the-meter load to be

netted against total gross load of the customer. Section 34.2 of the PJM Tariff specifies that "The daily load of a Network Customer does not include load served by operating Behind The Meter Generation."

FERC has approved such netting of behind-the-meter generation against gross load when such netting has been shown to be just, reasonable, not unduly discriminatory, and results in a cost allocation that is consistent with cost causation and promotes demand response.[32] In supporting the use of behind-the-meter generation to net against network transmission load, FERC explained that PJM's market rules would "provide a benefit to qualifying behind the meter generation that contributes to network load reductions by allocating a fairer share of transmission system and other operating costs."[33] Further, in *Occidental Chemical Corp. v. PJM Interconnection, L.L.C.*, FERC explained that "[network] access charges for use of PJM's transmission system should be allocated to network customers based on a network customer's *actual use* of PJM's system, consistent with the principle of cost causation."[34] Therefore, FERC held that the netting approach is "in the public interest because it ensures that PJM allocates its transmission charges to those using the system on peak periods and helps ensure that customers have incentives to curtail load during peak periods."[35]

The Pennsylvania PUC should continue to support billing based on actual use of the transmission and distribution system, and in the Model Large Load Tariff, the Commission can consider provisions that make it clear that a retail electric customer with behind-the-meter generation will not be charged on a gross load basis for any distribution-related charges. The

[32] *PJM Interconnection, L.L.C.*, 107 FERC ¶ 61,113 at PP 27-29 (2004), *reh'g denied*, 108 FERC ¶ 61,302 (2004).

[33] *Id.* at P 29.

[34] *Occidental Chem. Corp. v. PJM Interconnection,* 102 FERC ¶ 61,275, at P 14 (2003) (emphasis added).

[35] *Id*. at P 2.

Commission could affirm that charging customers on a gross-load basis (*i.e.*, charging for all consumption regardless of how much of that consumption utilized the grid vs. being generated on-site behind the meter) is contrary to cost-of-service principles and just and reasonable ratemaking.

D. In Processing New Large Load Customer Applications, the Commission Must Ensure That Utilities Optimize Existing Infrastructure To Accelerate New Large Load Connections and to Minimize Impacts on the Grid and Existing Customers.

In restructuring the electric industry, the General Assembly through its enactment of revisions to the Public Utility Code emphasized that the purpose of electric restructuring is to "ensure the reliability of the interconnected electric system by maintaining the efficiency of the transmission and distribution system."[36] Consistent with that policy around transmission and distribution system efficiency, the Model Large Load Tariff should encourage the EDC processing a new large load customer application to evaluate repurposing and utilizing the existing distribution and transmission facilities, including an assessment of whether the capacity of certain facilities can be better optimized through the application of any Grid Enhancing Technologies ("GETs"), such as Dynamic Line Ratings ("DLRs"), Ambient Adjust Ratings, Power-Flow Control Devices, and other analytical tools. PPL Electric Utilities has been recognized for its efforts to deploy DLRs,[37] and so the Commission should evaluate opportunities to encourage and incentivize EDCs to harness available technologies to optimize existing distribution and transmission facilities. In the Model Large Load Tariff, the Commission could implement a provision that requires the EDC, when evaluating various

[36] 66 Pa. C.S. 2802(12).

[37] *See* "PPL Electric Utilities' first-of-its-kind innovation improves reliability reduces costs," *available at* https://news.pplweb.com/2023-07-11-PPL-Electric-Utilities-first-of-its-kind-innovation-improves-reliability,-reduces-costs (last accessed June 4, 2025).

engineering and construction solutions to serve the new large load, to consider maximizing available infrastructure and harnessing GETs.[38]

III. CONCLUSION

Exus Renewables North America respectfully requests that the Commission consider these comments when determining next steps in its review and evaluation of a model tariff for new large load interconnections. As discussed herein, Exus Renewables North America asks the Commission to expressly support and incentivize – through faster interconnections – new large load applications that bring their own generation.

Respectfully submitted,

Edith Webster-Freed
Senior Vice President & General Counsel
Exus Renewables North America
489 Fifth Ave., Floor 31
New York, New York 10017
EWF@exus.us
929-715-3876

Dated: June 6, 2025

[38] *See* "Grid Enhancing Technologies Do Exactly What They Say," Power (June 2, 2025), *available at* https://www.powermag.com/grid-enhancing-technologies-do-exactly-what-they-say/ (last accessed June 4, 2025). Exus recognizes that deployment of some of these transmission optimizing solutions is primarily FERC-jurisdictional.

ATTACHMENT A

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COMMISSION

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FEDERAL ENERGY
REGULATORY COMMISSION

Edith Webster-Freed
Senior Vice President & General Counsel
EWF@exus.us
929-715-3876
New York
www.exus.us

April 23, 2025

Debbie-Anne A. Reese
Secretary, Office of the Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

RE: Large Loads Co-Located at Generating Facilities and Show Cause Proceeding in PJM Interconnection, L.L.C.; Docket Nos. EL25-49-000 and AD24-11-000

Dear Secretary Reese:

On behalf of Exus Renewables North America ("Exus"), a leading independent owner, developer, and operator of utility-scale renewable energy projects throughout the United States, I am writing in support of Option 6 proposed by PJM Interconnection, L.L.C. ("PJM") in PJM's March 24, 2025 answer ("Answer") to the Federal Energy Regulatory Commission's ("Commission" or "FERC") February "Order to Show Cause" in the above-referenced dockets.[1] PJM, in furtherance of its fundamental responsibility to maintain grid reliability, proposes to maintain Existing Option 1 and Existing Option 2 because those options should achieve the highest levels of reliability while utilizing existing Network Integration Transmission Service ("NITS") rules.[2]

In its Answer, PJM emphasizes the obligation to serve new large loads and advances several new options to serve large loads. Option 6, which incentivizes a new large load to become a networked load and bring its own generation that would serve as a PJM Capacity Resource, presents several compelling features to a project developer like Exus while also addressing reliability, operational, and fairness concerns raised in the Commission's Show Cause Order.

Option 6 balances the interests of new large loads with existing consumers. Exus understands that Option 6 ensures fair treatment to existing customers because the new networked load would remain responsible for the appropriate NITS charges based on the load's actual use of the transmission system. The co-located, front-of-the-meter generation resource would be responsible for reasonable costs associated with the generator interconnection. As a result, the

[1] Exus is not requesting to intervene in the above-referenced proceedings out of time or to otherwise become a party of record. Exus is instead submitting these brief comments from the perspective of an active project developer for consideration by the Commission in rendering a decision in response to PJM's Answer.
[2] *See* "Answer of PJM Interconnection, L.L.C." *PJM Interconnection, L.L.C. et al.* Docket Nos. EL25-49-000, AD24-11-000, and EL25-20-000 at Exhibit A (filed Mar. 24, 2025).

existing grid and customer base would not be adversely impacted by the large load addition because the large load would not be causing improper cost shifts or facilitating the removal of any existing generation capacity from participating in the PJM-administered markets.

Unlike other new proposed options, Option 6 addresses resource adequacy in an accelerated fashion by incentivizing the new large load to bring networked generation in exchange for a faster interconnection with accelerated interconnection studies of any new (or replacement) generation. Critically, Option 6 would be open to both existing generation and new generation that has arrangements in place with generation that is scheduled to deactivate, thereby advancing several state and federal policies around economic redevelopment and repurposing existing infrastructure.

Option 6 would allow bilateral transactions (transparently reflected in the market) between the networked co-located generation and the new large load for financial and contractual purposes. The co-located generation would be able to retain its Capacity Resource status through a grid connection, thereby allowing PJM to call on the resource during capacity emergencies.

Option 6 also accommodates different state policies, allowing an interested state to pursue its policy goals on a case-by-case basis through the State Agreement Approach that would allow accelerated investment in the new large load infrastructure connection via the State's assumption of cost responsibility for applicable transmission upgrades in PJM's Regional Transmission Expansion Plan.

Further, PJM explains that, while some Tariff revisions may be required, most of the existing framework is in place and the new large load would be studied pursuant to the existing transmission owner/electric distribution company application and study processes for new customers and new load connections.

Thank you for the Commission's consideration of these comments.

Sincerely,

Edith Webster-Freed
Senior Vice President & General Counsel