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September 3, 2024

Honorable Debbie-Anne A. Reese, Acting Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE, Room 1A  
Washington, DC 20426

Re: *PJM Interconnection, L.L.C.*, Docket No. ER24-2172-000  
Response to Deficiency Letter

Dear Acting Secretary Reese:

PJM Interconnection, L.L.C. (“PJM”) submits for filing this response to the Federal Energy Regulatory Commission’s (“Commission”) August 2, 2024 letter requesting additional information<sup>1</sup> concerning PJM’s June 3, 2024 filing of an amended Interconnection Service Agreement (“ISA”) by and among PJM as Transmission Provider, Susquehanna Nuclear, LLC (“Susquehanna”) as Interconnection Customer, and PPL Electric Utilities Corporation (“PPL EU”), as Interconnected Transmission Owner (PJM, Susquehanna, and PPL EU are each referred to individually as a “Party” and collectively as the “Parties”), designated as Service Agreement No. 1442 and associated with PJM Queue No. NQ-123 (“Third Co-Located Load ISA”).<sup>2</sup>

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<sup>1</sup> *PJM Interconnection, L.L.C.*, Letter Order, Docket No. ER24-2172-000 (Aug. 2, 2024) (“August 2 Letter”).

<sup>2</sup> The Third Co-Located Load ISA is the third time the parties have filed with the Commission an interconnection service agreement reflecting a co-located load configuration. See *PJM Interconnection, L.L.C.*, Amended Interconnection Service Agreement by and among PJM, PPL Electric Utilities Corporation (“PPL”), and Susquehanna Nuclear, LLC (“Susquehanna”), Docket No. ER24-2172-000 (June 3, 2024) (the “Third Co-Located Load ISA” and “Docket No. ER24-2172 Filing”).

The Third Co-Located Load ISA would modify the Second Co-Located Load ISA that was filed with the Commission on February 8, 2024 (and amended), and was accepted effective April 9, 2024, by letter order issued May 10, 2024. *PJM Interconnection, L.L.C.*, Amendment to ISA, SA No. 1442; Queue No. NQ-123 (amend), Docket No. ER24-1215-000 (Feb. 8, 2024), accepted, *PJM Interconnection, L.L.C.*, Letter Order, Docket No. ER24-1215-001 (May 10, 2024).

The Second Co-Located Load ISA modified an earlier version of the ISA – which was the First Co-Located Load ISA – filed with the Commission in 2023. *PJM Interconnection, L.L.C.*, Amendment to ISA, SA No. 1442; Queue No. NQ-123 (amend), Docket No. ER23-1043-000 (Feb. 3, 2023). The First Co-

The Third Co-Located Load ISA enhances an existing ISA among the Parties (both the currently-effective Second Co-Located Load ISA and a superseded First Co-Located Load ISA) that allows the Interconnection Customer to co-locate large load. In particular, the Third Co-Located Load ISA permits the amount of co-located load to increase from 300 megawatts (“MW”) to 480 MW, includes revisions related to the responsibilities of the Interconnection Customer in regards to the Co-Located Load,<sup>3</sup> and effectuates other changes to the original ISA.<sup>4</sup> PJM’s Docket No. ER24-2172 Filing explains why this particular interconnection is unique such that the enhancements are necessary and just and reasonable for the interconnection of a generator with co-located load *under the terms of this specific ISA* and would help, among other things, promote reliable system operations.

Because of the procedural posture of this filing as an amendment to an existing co-located load arrangement, the Commission should review this filing narrowly and in its specific context. More generic issues concerning co-located load remain to be explored and PJM is supportive of the Commission’s scheduling of the November 1, 2024 Technical Conference on these issues. Further Commission guidance on some of these policy issues will aid both PJM and stakeholders in addressing issues such as the appropriate level of cost allocation and compensation to the interconnected transmission owner and resource adequacy implications of co-located arrangements involving existing Generation Capacity

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Located Load ISA was accepted on March 17, 2023. *PJM Interconnection, L.L.C.*, Letter Order, Docket No. ER23-1043-000 (Mar. 17, 2023).

<sup>3</sup> When capitalized in this transmittal letter and in the Amended Susquehanna ISA, the term Co-Located Load has the meaning set forth in the Amended Susquehanna ISA, Specifications section 1.0(d). The ISA reference is to retail load.

<sup>4</sup> A majority of such revisions involved changes to Schedule F of the Second Co-Located Load ISA, Non-Standard Terms and Conditions, and were considered non-conforming changes.

Resources – especially as PJM receives additional requests to study co-located load and revise interconnection service agreements. Given the potential policy and legal evolution in this area, the Parties negotiated terms in this particular ISA that make clear that, consistent with the *pro tariff* ISA, the agreement in the Third Co-Located Load ISA remains subject to revision pursuant to Sections 205 and 206 of the Federal Power Act.<sup>5</sup>

PJM has previously explained<sup>6</sup> (and will further elaborate here) why “reliability concerns, novel legal issues, or other unique factors . . . call for the filing of a non-conforming interconnection agreement.”<sup>7</sup> Since the submission of the Docket No. ER24-2172 Filing and the PJM Answer, the Commission and the North American Electric Reliability Corporation (“NERC”) have commenced regulatory processes that appear to corroborate the need to address reliability concerns, novel legal issues, and/or other unique factors associated with co-located loads generally – which are factors that gave rise to the development of the non-conforming terms and conditions submitted in the Third Co-Located Load ISA. Here, PJM provides the information the Commission requested in its August 2 Letter to assist the Commission in its decision-making. The Commission should take this response into consideration, and subject to the reservations set forth in the ISA itself and amplified herein, accept the Third Co-Located Load ISA as filed to be effective August 3, 2024.<sup>8</sup>

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<sup>5</sup> Third Co-Located Load ISA, Appendix 2, section 22.3; Third Co-Located Load ISA, Schedule F, Sections F.8 and F.9.

<sup>6</sup> See Docket No. ER24-2172 Filing; see also *PJM Interconnection, L.L.C.*, Motion for Leave to Answer and Answer of PJM Interconnection, L.L.C., Docket No. ER24-2172-000 (July 8, 2024) (“PJM Answer”).

<sup>7</sup> August 2 Letter at 1-2.

<sup>8</sup> Docket No. ER24-2172 Filing at 2, 16.

**I. THE COMMISSION AND NERC HAVE COMMENCED REGULATORY PROCESSES THAT APPEAR TO CORROBORATE THE UNIQUE FACTORS ASSOCIATED WITH CO-LOCATED LOAD CONFIGURATIONS**

Since PJM submitted the Docket No. ER24-2172 Filing and the PJM Answer about a single generator and its specific co-located load configuration, the Commission and NERC have commenced regulatory processes that appear to corroborate that there are unique and challenging factors associated with Commission-jurisdictional interconnections of generation with large co-located loads and the treatment of such loads generally (separate and apart from this particular docket). These generic regulatory issuances suggest the potential for reliability concerns with generator/co-located load configurations (if such concerns are unmitigated), novel legal issues that require terms and conditions not found within the four corners of the ISA template, and other unique factors that, collectively, support the development of necessary contractual terms if a generator interconnected pursuant to Commission jurisdiction has co-located load, and, in particular, a significant quantity of load. This is the case in this Third Co-Located Load ISA which contains terms that supplement the *pro forma* ISA.

Specifically, the Commission has issued a supplemental notice of a Commissioner-led technical conference to discuss issues “[b]roadly” including “whether co-located loads require the provision of wholesale transmission or ancillary services, related cost allocation issues, and potential resource adequacy, reliability, affordability, market and customer impacts.”<sup>9</sup> More details are expected in advance of the November 1, 2024 technical conference.

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<sup>9</sup> *Large Loads Co-Located at Generating Facilities*, Supplemental Notice of Commissioner-Led Technical Conference, Docket No. AD24-11-000 (Aug. 16, 2024).

NERC’s Reliability and Security Technical Committee has also recently published requests for participation in its Large Loads Task Force (the “LLTF”) “to better understand the reliability impact(s) of emerging large loads such as Data Centers (including crypto and AI), Hydrogen Fuel Plants, etc., and their impact on the bulk power system (BPS).”<sup>10</sup> In August 2024, NERC issued a Scope Document that explains that its LLTF will proceed with work in two phases, the first of which identifies “unique characteristics and risks of large loads” and the second that “[i]dentif[ies] gaps and potential risk mitigation.”<sup>11</sup> The LLTF plans to issue at least two different white papers, and to “[d]evelop a reliability guideline identifying potential risk mitigations including improvements to existing planning, and operation processes and interconnection requirements for large loads.”<sup>12</sup>

These regulatory developments appear to confirm that issues involving the co-location of generation and large loads have attracted significant attention and engagement. It should hardly be surprising that Susquehanna’s first-of-its-kind Co-Located Load configuration between an existing nuclear power plant and a large data center load fits within the Commission-envisioned category of the “small number of extraordinary interconnections where reliability concerns, novel legal issues, or other unique factors would call for the filing of a non-conforming interconnection agreement.”<sup>13</sup>

These developments are consistent with what PJM explained in the Docket No.

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<sup>10</sup> NERC’s Large Load Task Force webpage, available at: <https://www.nerc.com/comm/RSTC/Pages/LLTF.aspx> (last accessed: August 26, 2024).

<sup>11</sup> NERC Large Loads Task Force (LLTF) Scope Document, August 2024, at 1-2, available at: <https://www.nerc.com/comm/RSTC/LLTF/LLTF%20Scope.pdf> (last accessed: August 26, 2024) (“LLTF Scope Document”).

<sup>12</sup> *Id.* at 2.

<sup>13</sup> August 2 Letter at 1-2.

ER24-2172 Filing: that notwithstanding any larger policy issues (including any state roles relating to retail load), the specifications of particular generator interconnection requests with co-located load configurations (and perhaps even their existence) are likely to vary based on numerous factors, including but not limited to: business needs and objectives of the loads; state and local laws; state and local regulations and tariffs; and Commission tariffs. A generator seeking to interconnect with a co-located load, or add a co-located load, will be subject to the application of different laws and regulations, depending upon the generating facility's state and/or the nature of the service area in which it is located (investor-owned utility, municipally owned, or cooperative-owned). Assuming an interconnection request<sup>14</sup> involving co-located load is submitted to PJM and the interconnected transmission owner for studies, the results of such studies may vary depending upon the fact-specific nature of each proposal as well as the evolving state, local, and federal regulatory considerations of issues surrounding co-located load. These factors, in turn, could materially impact the proposed interconnection request and co-located load configuration.

The amendments here were developed to address the needs of the Parties based on the circumstances of this particular interconnection. And approval of the provisions should be limited to these circumstances. While this docket remains a narrow proceeding about a single amended service agreement for a generator with an existing co-located load, the Commission should consider exploring in other proceedings opportunities to provide PJM and stakeholders with:

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<sup>14</sup> PJM does not determine who may lawfully serve retail load, such that entities may need to resolve disputes concerning such issue before their state/local regulators.

- Generic guidance concerning how co-located load should be considered in light of issues concerning resource adequacy impacts, and appropriate compensation for ancillary services and transmission services;
- Opportunities to hear from states about any role they see themselves playing in reviewing requests to serve retail co-located load (if and where applicable under law); and
- Any guidance regarding case-specific details to be embodied in any implementing ISA — including such things as the type of generator, the capacity factor of the generation, the nature of the load, the potential for back-up supply, the location of the load and related facilities, and other similar matters.<sup>15</sup>

## II. RESPONSE TO THE AUGUST 2 ORDER

The Commission's August 2 Letter provides that:

Schedule F of the Amended ISA includes new non-conforming provisions related to Co-Located Load configuration; Generation Capacity Resource status and capacity modifications; operations; System Protection Facilities; Co-Located Load transmission facilities; and other terms and conditions. Please explain in detail why each of these proposed provisions are necessary deviations from PJM's *pro forma* ISA. In particular, please elaborate on whether there are any specific reliability concerns, novel legal issues, or other unique factors that make the non-conforming language necessary.

For example, with specific regard to proposed Part E, Provisions Relating to System Protection Facilities, please explain in your response whether and why the proposed revisions are necessary as

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<sup>15</sup> Even if certain of the non-conforming provisions described in the Third Co-Located Load ISA may be appropriate for use in other ISAs reflecting co-located load configurations, different circumstances may necessitate the development of modified, additional, and different non-conforming terms than those described in the Third Co-Located Load ISA.

compared against the existing language in Schedule F, to address specific reliability concerns.

The new nonconforming revisions in Schedule F of the Third Co-Located Load ISA are necessary and relate to the novel and unique operational and other characteristics *of this specific ISA*. PJM addresses those provisions below.

**Text of Schedule F, Part B (Provisions Related to Co-Located Load Configuration):**

Interconnection Customer has proposed modifications to the Customer Facility to allow for Interconnection Customer to physically transfer 960 MW of power to the transmission facilities of co-located load behind the Customer Facility's two generating units. Transmission Provider has undertaken necessary studies for the proposed modifications and determined that up to 480 MW of power total may be physically transferred to the transmission facilities of the Co-Located Load without a material impact on the Transmission System.

The necessary studies determined that any co-located load addition in excess of 480 MW would result in generation deliverability violations as detailed in the Susquehanna Phase 3 BTM Load Reliability Analysis Final Report, Non-Queue Position # NQ-123, dated December 21, 2023 ("December 2023 Report"), and Interconnection Customer's installation of identified system upgrades, at Interconnection Customer's expense, would be necessary to mitigate these violations to ensure system reliability. Entry into a construction services agreement, construction of the mitigation system upgrades, the amendment of this Interconnection Service Agreement, and the satisfaction of other terms and conditions to be set forth in such agreements must occur before the Interconnection Customer may physically transfer power in excess of 480 MW to the transmission facilities of the Co-Located Load.

As of the time the necessary studies were completed, Interconnection Customer was uncertain of the timing and MW quantity of the co-located load. As such, these Schedule F provisions will be considered as permitting Interconnection Customer to physically transfer no more than 480 MW to the transmission facilities of the Co-Located Load upon satisfaction of any Project Specific Milestones in Section 6.0 of this Agreement, and no more than 960 MW of co-located load after the generation deliverability violations referenced in the December 2023 Report are eliminated or otherwise resolved, subject to compliance with the requirements and specifications in this Interconnection Service Agreement.



**PJM Explanation for Schedule F, Part B (Provisions Related to Co-Located Load Configuration):**

Schedule F, Part B provides background information and sets forth facts specific to the novel Susquehanna interconnection. It provides clarity to the contracting parties and transparency to the marketplace generally about present term, shorter term, and longer term developments relating to co-located load at this interconnection.

Specifically, it describes Susquehanna’s ultimate intent to physically transfer 960 MW of power to the transmission facilities of co-located load – but to be clear, the Third Co-Located Load ISA is not authorizing such a configuration. The agreement instead makes clear that additional milestones must be satisfied (including the construction of certain system upgrades and the filing of and acceptance of a subsequent ISA authorizing this amount of co-located load).

Part B reiterates that upon acceptance of the Third Co-Located Load ISA, only up to 480 MW of power total may be physically transferred to the transmission facilities of the Co-Located Load without material impact on the Transmission System based on results of a necessary study. *See also* Third Co-Located Load ISA, Specifications, section 1.0(d) (defining Co-Located Load for purposes of this ISA only as including “no more than 480 MW of load, in total, behind Unit # 1 and Unit # 2 at the Customer Facility”).

The implication of this provision is that until the Third Co-Located Load ISA is accepted, the Second Co-Located Load ISA continues to control this interconnection. The Second Co-Located Load ISA presently allows no more than 300 MW of co-located load.

**Text of Schedule F, Part C.1 (Provisions Relating to Generation Capacity Resource Status and Capacity Modifications) (Generation Capacity Resource Status):**

1. To the extent the Interconnection Customer’s Customer Facility is a Generation Capacity Resource, it must fulfill its obligations as a PJM Generation Capacity Resource at all times it retains that status. Interconnection Customer shall reduce the capacity value of each unit by the amount of incremental load additions as they occur via the submittal of a Capacity Modification reduction into PJM’s Capacity Exchange system. Provided, however, that the Interconnection Customer shall only be permitted to commence service of such incremental load addition and reflect such additions after the Interconnection Customer has first obtained replacement capacity at an amount that is equal to or greater than the incremental load addition (and reported such transaction to the Transmission Provider via Capacity Exchange). The Interconnection Customer shall submit Capacity Modification reductions to reflect any new incremental physical transfers of power to the transmission facilities of the Co-Located Load no later than seven calendar days following the commencement of service to such load. The Capacity Modification reductions shall reflect a decrease in capacity value in a MW amount equal to the highest

expected hourly MW level of consumption associated with the new incremental load(s). This paragraph 1 of Part C must be followed for all load additions. However, if Interconnection Customer's request to remove Unit # 1 and/or Unit # 2's Capacity Resource status by a certain amount of MW ("Resource Reduction MW") is accepted for any Delivery Year for which it is seeking a reduction ("Reduction Delivery Year"), then for those Resource Reduction MW only, Interconnection Customer must submit a Capacity Modification reduction into PJM's Capacity Exchange system for the applicable unit(s) of the Customer Facility prior to the start of the Reduction Delivery Year and no additional Capacity Modification reduction shall be submitted for incremental load additions up to the Resource Reduction MW amount that were added for the applicable Reduction Delivery Year.

**PJM Explanation for Schedule F, Part C.1 (Provisions Relating to Generation Capacity Resource Status and Capacity Modifications) (Generation Capacity Resource Status):**

This section provides clarity by affirming and clearly defining Susquehanna's obligations regarding its status as a Generation Capacity Resource in PJM. It adds further clarity as to Susquehanna's rights and obligations, principally regarding its Co-Located Load, markets obligations, and communication requirements.

The Third Co-Located Load ISA does not change the PJM Tariff or the market rules with respect to the unit surrendering its Capacity Interconnection Rights ("CIRs"); instead, it eliminates uncertainties about how the generator subject to the novel interconnection is to follow those existing market rules and communication requirements to provide clarity to the marketplace and the Parties about who is expected to do what and when. As noted above, although there are larger resource adequacy issues to be considered if there becomes a proliferation of co-located load requests, this provision is simply clarifying how Susquehanna must address its existing status as a Generation Capacity Resource given this modification to its existing interconnection with co-located load.

The provision sets forth the procedural mechanism by which capacity values are to be reduced (both in terms of the timing of such reductions and the method of such submittal). The provision also sets forth other critical prerequisites – principally the procurement of replacement capacity – that must be satisfied before service to any incremental load additions can take effect during a Delivery Year and only if replacement capacity is available for procurement. While one could argue these terms are inherent in the PJM Tariff today, PJM's discussions with market participants (not necessarily Susquehanna) have led it to conclude that such clear and clarifying statements will promote compliance by generators with PJM's market rules and minimize the risk for potential non-compliance going forward.

In addition, the provision provides guidance about how capacity value reductions are to be implemented and communicated to PJM when a Capacity Market Seller of a Generation Capacity Resource invokes the PJM Tariff, Attachment DD, section 6.6 process

to seek removal of capacity resource status for all or part of the resource, which will result in the reduction of a commensurate amount of CIRs.<sup>16</sup> It is notable that this tariffed process requires engagement with the Market Monitoring Unit.

**Text of Schedule F, Part C.2 (Provisions Relating to Generation Capacity Resource Status and Capacity Modifications) (Use of Generation Unit as a Back-Up Unit):**

2. As the Co-Located Load configuration [as shown in Schedule B to this Agreement] allows for a back-up generating unit of the Customer Facility (which is a Generation Capacity Resource) to physically transfer power to the transmission facilities of the Co-Located Load, then that back-up generating unit of the Customer Facility (which is a Generation Capacity Resource) must fulfill its obligations as a PJM Generation Capacity Resource, for which the Capacity Interconnection Rights/capacity value exist, including providing power to the PJM Transmission System when needed and meeting the capacity and energy market must-offer requirements. To the extent this obligation is not met, a Generation Capacity Resource may be subject to Capacity Resource Deficiency Charges and/or Non-Performance Charges based on its obligation. In the event the Interconnection Customer intends to transfer power from a back-up generating unit to the transmission facilities of the Co-Located Load and authorization of an outage request is withheld or withdrawn due to conditions that may threaten the integrity or reliability of the PJM Region or the regional power system, the Interconnection Customer shall first obtain replacement capacity for an amount that is equal to or greater than the amount of power being transferred from the back-up generating unit to the transmission facilities of the Co-Located Load, report such transaction to the Transmission Provider via Capacity Exchange, and then submit a capacity modification for the back-up generating unit of the Customer Facility in accordance with the reduction procedure set forth in Part C, Paragraph 1. Nothing shall prevent the Interconnection Customer from seeking to timely remove its Capacity Resource status by the amount of MW necessary to provide back-up power for a given Delivery Year pursuant to Tariff, Attachment DD, section 6.6.

**PJM Explanation for Schedule F, Part C.2 (Provisions Relating to Generation Capacity Resource Status and Capacity Modifications) (Use of Generation Unit as a Back-Up Unit):**

This section provides clarity by affirming and clearly defining Susquehanna's obligations regarding its status as a Generation Capacity Resource in the scenario where a second unit (which is a Generation Capacity Resource and retained its CIRs) physically transfers power to the transmission facilities of the Co-Located Load as a back-up to the

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<sup>16</sup> See Tariff, Part VI, section 230.3.3 (Loss of Capacity Interconnection Rights).

unit that is primarily dedicated (in whole or in part) to supplying the co-located load. Not all interconnections have multiple units. Not all interconnections pursuing co-located load may explore the potential for back-up service as described. But since this novel interconnection does, this provision is necessary to add further clarity as to Susquehanna's rights and obligations, principally regarding its Co-Located Load, markets and operational obligations, and communication requirements.

The Third Co-Located Load ISA provides a framework for this novel interconnection and provides requirements for Susquehanna to communicate its operational availability to PJM, its desire to utilize the "back-up" unit (which is a Generation Capacity Resource) to supply the Co-Located Load, consequences for non-performance, and clarity to the marketplace. On the one hand, a Generation Capacity Resource has certain obligations to PJM to supply power to the grid; on the other, a Generation Capacity Resource has certain rights to declare its availability to the grid and there are prescribed Capacity Resource Deficiency Charges and/or Non-Performance Charges, as well as potential future impacts to unit accreditation based on actual unit performance.

Part C, section 2 sets forth the procedural mechanism by which unit capacity values are reduced (both in terms of the timing of such reductions and the method of such submittal) by referencing Part C, section 1. The provision also sets forth other critical markets prerequisites that must be met before the back-up unit can transfer power to the facilities of the Co-Located Load – principally the procurement of replacement capacity in the event an outage request for a unit is withheld or withdrawn due to conditions that may threaten the integrity or reliability of the PJM Region or the regional power system (see also Part D, section 3, discussed *infra*). This provision clarifies that system reliability needs to be sustained through the maintenance of sufficient capacity for the system notwithstanding a business desire to use a back-up unit.

Thus, this "back-up" service by a Generation Capacity Resource is a novel issue and this ISA sets forth a workable arrangement, subject to revisions as may be effectuated through refinements to market rules or to this ISA. The Third Co-Located Load ISA makes clear that its terms are subject to modification pursuant to Sections 205 and 206 of the Federal Power Act based on the outcome of future Commission proceedings, including the market rules for capacity resources.<sup>17</sup>

**Text of Schedule F, Part C.3 (Provisions Relating to Generation Capacity Resource Status and Capacity Modifications) (Reductions in Capacity Interconnection Rights):**

3. Any reductions in capacity as set forth above will require a reduction in the Capacity Interconnection Rights for each unit as set forth in Specifications section 2.1 of this Agreement. Given the uncertainty in timing and quantity of future load additions, this Interconnection

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<sup>17</sup> Third Co-Located Load ISA, Appendix 2, section 22.3; Third Co-Located Load ISA, Schedule F, Sections F.8 and F.9.

Service Agreement was not amended to reflect a reduction in Capacity Interconnection Rights at the time the necessary studies were completed. Instead, by no later than January 19 of every year (or earlier if re-amended for some other reason), this Interconnection Service Agreement will be amended further to reflect any reduction in capacity by reducing the Capacity Interconnection Rights of each unit by a MW quantity commensurate with the cumulative MW quantity of Capacity Modifications submitted by Interconnection Customer. Transmission Provider, Interconnection Customer and Interconnected Transmission Owner shall negotiate in good faith to amend the Interconnection Service Agreement for this purpose, and consent to such amendment shall not be unreasonably withheld. At any time, upon PJM request, Interconnection Customer will be required to timely provide hourly meter data of the separately metered Co-Located Load. The Capacity Interconnection Rights may be further reduced if the highest level of hourly metered Co-Located Load exceeds the cumulative MW quantity of Capacity Modifications submitted by Interconnection Customer after the execution date of this amendment.

**PJM Explanation for Schedule F, Part C.3 (Provisions Relating to Generation Capacity Resource Status and Capacity Modifications) (Reductions in Capacity Interconnection Rights):**

This provision appears in substantially the same form in the First and Second Co-Located Load ISAs, and thus largely falls outside the scope of the requested information in the August 2 Letter.

Nevertheless, for purposes of completeness, PJM reiterates that this provision makes clear that any reductions in capacity (as set forth in Schedule F, Part C) require a reduction in the Capacity Interconnection Rights for each unit. Further, this provision reflects a number of minor clarifying changes from the Second Co-Located Load ISA. Under the Second Co-Located Load ISA, this section indicates that because of uncertainty as to timing and quantity of future load additions, the Parties will enter into an amended version of the ISA each year (or earlier, if amended for some other reason), to update the Capacity Interconnection Rights of each unit. This section has been revised in the Third Co-Located Load ISA to state the annual amendment will be entered into by each January 19 – a date certain. Terminology changes have also been made for clarity and consistency with the other provisions of the Third Co-Located Load ISA.

**Text of Schedule F, Part D (Provisions Relating to Operations):**

1. It is not permissible to install special protections systems or Remedial Action Scheme (“RAS”), relaying, automated systems or any other equipment that could activate upon the loss of a generating unit at the Customer Facility so that another generating unit (“back-up generating unit”) at the Customer Facility could automatically begin to physically transfer power to the transmission facilities of the Co-Located Load.

2. For both unplanned and planned outages of the Customer Facility, Interconnection Customer shall coordinate with Transmission Provider and the Interconnected Transmission Owner as set forth in this Interconnection Service Agreement and PJM Manuals, and receive advanced authorization from Transmission Provider, in order for a back-up generating unit at the Customer Facility to physically transfer power to the transmission facilities of the Co-Located Load.
3. To request the utilization of a back-up generating unit that is a Generation Capacity Resource at the Customer Facility to physically transfer power to the transmission facilities of the Co-Located Load, the Interconnection Customer must use eDART cause code “co-located load” (or as specified in PJM Manual language) with a Forced Outage (FO) recognition for the period of such transfer by the back-up generating unit. All outages using cause code “co-located load” should be entered in eDART and eGADS as a forced outage. In addition to the submission of notice in eDART and eGADS, even where such submissions are in advance of the forced outage, Interconnection Customer must also provide verbal notification to PJM Dispatch Operations consistent with the protocols established in the PJM Manuals prior to a change in state of any Customer Facility.
  - a. If the outage request is authorized by PJM, the outage of the back-up generating unit at the Customer Facility will be approved subject to the generation outage reporting procedures in the PJM Manuals.
  - b. If authorization of an outage request is withheld or withdrawn due to conditions that may threaten the integrity or reliability of the PJM Region or the regional power system, the outage of the back-up generating unit will be denied for the period of time the Transmission Provider determines in its sole discretion that such conditions exist, and during such time, Interconnection Customer must not claim an outage or divert power from the back-up generating unit to the transmission facilities of the Co-Located Load.

**PJM Explanation for Schedule F, Part D (Provisions Relating to Operations):**

Schedule F, Part D has been added to clarify roles and responsibilities regarding coordination, authorization, and communication by and among PJM, PPL EU, and Susquehanna in support of reliable system operations.

Section 1 states that the outage coordination and authorization requirements set forth in the agreement (including those incorporated by reference from the PJM Manuals) cannot be overridden by the installation of equipment that could automatically activate upon the loss of a primary generating unit at the Customer Facility such that a back-up generating unit could automatically begin to physically transfer power to the transmission facilities of the Co-Located Load. This provision is intended to delineate restrictions on



Susquehanna's ability to physically transfer power to the transmission facilities of the Co-Located Load from one of the two units at the Customer Facility in the event the unit responsible for transferring that power is not available. This provision supports reliable system operations given this particular arrangement because it requires PJM to first assess the needs of the PJM Region and regional power system before any back-up generating unit will be permitted to be transferred to the transmission facilities of the Co-Located Load.

Section 2 further clarifies Susquehanna's obligation (consistent with the terms of the ISA and relevant PJM Manuals) to coordinate both planned and unplanned outages with PJM and PPL EU and secure PJM's advanced authorization before any back-up generating unit may physically transfer power to the transmission facilities of the Co-Located Load. Again, this provision promotes reliable system operations given this particular arrangement in that Susquehanna cannot unilaterally and automatically take a Generation Capacity Resource out of the service of the PJM Region to transfer power to the transmission facilities of the Co-Located Load absent PJM authorization.

Section 3 provides additional details about how Susquehanna is expected to communicate and coordinate (both through the submission of data and verbal notification consistent with the PJM Manuals) with PJM before using a back-up generating unit that is a Generation Capacity Resource – again, for the benefit of reliable system operations. This provision clarifies (to avoid any doubt) that the outage coordination and approval process set forth in the PJM Manuals will apply in a non-discriminatory fashion. The provision also makes express that PJM is authorized to withhold and withdraw outage requests that could trigger the use of a back-up generating units in furtherance of important reliable system operations interests, particularly when conditions exist that, in PJM's sole discretion, may threaten the integrity or reliability of the PJM Region or the regional power system.

In general, Part D vests PJM with operational authority and clarifies that Susquehanna is restricted in taking unilateral actions relating to the use of back-up generating units that are Generation Capacity Resources.

**Text of Schedule F, Part E (Provisions Relating to System Protection Facilities):**

1. Interconnection Customer will transfer power to the transmission facilities of the Co-Located Load behind Interconnection Customer's revenue meter. Interconnection Customer has designed and installed, and will operate and maintain in good working condition and in accordance with Good Utility Practice, a protection scheme, which ReliabilityFirst Corporation may determine is a RAS, to ensure that the Co-Located Load separates in the event of loss of generation output from the Customer Facility to ensure no power flows from Interconnected Transmission Owner's facilities to the Co-Located Load.
2. Upon request from Interconnected Transmission Owner or Transmission Provider, Interconnection Customer will provide generator shutdown and

automatic tripping data to Interconnected Transmission Owner and PJM within five (5) calendar days.

3. Interconnected Transmission Owner will install and monitor a Transmission Management System alarm for reverse power flow on Unit #1 lead line. Interconnection Customer to be responsible for the costs of the Transmission Management System alarm.
4. Interconnection Customer will install necessary equipment to send independent Sync circuit breaker open direct transfer trips enabled status to Interconnected Transmission Owner for primary and back-up relaying. Interconnection Customer shall coordinate with Interconnected Transmission Owner to select the necessary remote bits to be used and shall be responsible for any costs of the equipment and its installation.
5. Interconnection Customer agrees to notify Interconnected Transmission Owner and PJM by the next calendar day of any failure of the Operating Procedure or any equipment malfunction or mis-operation related to these protections. For purposes of this Interconnection Service Agreement, the Operating Procedure is defined as the Cumulus Operations Memorandum of Understanding – SSES (Cumulus: TE-CU-COM-002; Revision: 0; Effective Date 11/02/2022), entered into by Cumulus Data, LLC and Susquehanna Nuclear, LLC.

**PJM Explanation for Schedule F, Part E (Provisions Relating to System Protection Facilities):**

Part E, collectively, builds upon existing language in the Second Co-Located Load ISA, Schedule F, section 3 to advance reliable system operations interests and information sharing among the Parties. They further reflect an effort to minimize the potential for an unauthorized taking of wholesale or retail power from the PJM Transmission System to ultimately provide service to the Co-Located Load. These provisions reiterate requirements to provide certain data to PJM and the Interconnected Transmission Owner (a requirement already in the Second Co-Located Load ISA), and an expectation that notice be provided to PJM and the Interconnected Transmission Owner by the next calendar day of any equipment malfunction, mis-operation related to the system protection facilities, or other failure of a specifically-defined Operating Procedure (also reflected in the Schedule F, section 3 of Second Co-Located Load ISA). Sections 3 and 4 of Part E are requirements the Interconnected Transmission Owner requested to support enhanced situational awareness and data exchange to promote coordination and reliable system operations.

It goes without saying that a failure to abide by these terms and conditions, and any others in the agreement, give rise to the potential for a breach of the ISA and the process and consequences arising thereunder (see also Part F, section 4, *infra*). Such breaches of an ISA may also give rise to referrals to the Market Monitoring Unit and, if necessary, other appropriate authorities including those at the Federal Energy Regulatory Commission. Not all breaches are created equal, and this ISA does not change in any



respect the *pro forma* ISA's breach mechanism which has historically proceeded among the three parties to the ISA (with compliance referrals – whether self-reported or otherwise – where deemed necessary).

**Text of Schedule F, Part F.1 (Other Terms and Conditions) (Co-Located Load Is Not Equivalent to Station Power Load):**

1. Co-Located Load is not equivalent to Station Power load.

**PJM Explanation for Schedule F, Part F.1 (Other Terms and Conditions) (Co-Located Load Is Not Equivalent to Station Power Load):**

This section clarifies a relatively obvious but necessary point to avoid any confusion with existing law and practice relating to station power by expressly stating that Co-Located Load is not the equivalent to Station Power load. Although Susquehanna has not been confused by this concept, other market participants have claimed to be – hence, PJM felt this clarifying revision was necessary to promote compliance and to establish clear expectations.

**Text of Schedule F, Part F.2 (Other Terms and Conditions) (PJM Governing Agreements):**

2. The Interconnection Customer acknowledges and agrees to abide by all relevant rules in and directives provided pursuant to PJM's Governing Agreements, including, but not limited to the understanding that any reduction in the capacity value of the Customer Facility by the incremental load additions will be reflected in the Customer Facility's Accredited UCAP values. The Interconnection Customer also understands that the rules related to capacity accreditation are not governed by this Interconnection Service Agreement and are instead detailed in the Reliability Assurance Agreement, Schedule 9.2, which may be subject to change in accordance with sections 205 and 206 of the Federal Power Act.

**PJM Explanation for Schedule F, Part F.2 (Other Terms and Conditions) (PJM Governing Agreements):**

This section reaffirms Susquehanna's obligation to abide by PJM's Governing Agreements, including rules related to the Customer Facility's Accredited UCAP values. In addition to the general reaffirmation, the specific reaffirmation is important and clarifying because the Customer Facility's Accredited UCAP values will be impacted by the amount of power physically transferred to the Co-Located Load's transmission facilities. This provision further clarifies that intent and impact of the non-conforming provisions in the Third Co-Located Load ISA.

**Text of Schedule F, Part F.3 (Other Terms and Conditions) (Capacity Interconnection Rights Restrictions):**

3. The capacity value of the Customer Facility that is a Generation Capacity Resource cannot exceed the Capacity Interconnection Rights listed in Specifications section 2.1 of this Agreement.

**PJM Explanation for Schedule F, Part F.3 (Other Terms and Conditions) (Capacity Interconnection Rights Restrictions):**

This provision states that the capacity value of the Customer Facility that is a Generation Capacity Resource cannot exceed the Capacity Interconnection Rights listed in Specifications section 2.1 of the Third Co-Located Load ISA. This provision is important because absent commencing additional process, the CIRs will be relinquished and will not be increased once the Co-Located Load materializes, even if the Co-Located Load is not consuming all of the delisted capacity. The provision clarifies the rights and obligations of the Parties under the Third Co-Located Load ISA.

**Text of Schedule F, Part F.4 (Other Terms and Conditions) (Restrictions on Co-Located Load):**

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. Except as otherwise provided for in this Schedule F, the Co-Located Load configuration may not be changed without first having been subject to PJM's necessary studies process (Appendix 2, section 3 of this Agreement) and the results of such process are memorialized in an amended agreement allowed to become effective by the Federal Energy Regulatory Commission. Co-Located Load may only become Network Load upon completion of all applicable processes and procedures in coordination with the Transmission Provider, Interconnected Transmission Owner, Interconnection Customer, other applicable entities (including the local Electric Distribution Company), and relevant regulatory bodies.
  - a. In the event of power flows from Interconnected Transmission Owner's facilities to the transmission facilities of the Co-Located Load, Transmission Provider will assess the settlements, reliability, and compliance implications for such unexpected withdrawal from the Transmission System in coordination with the Interconnected Transmission Owner and local Electric Distribution Company.
  - b. In the event that Interconnection Customer is unable to prevent Co-Located Load from drawing power from the Transmission System or the Interconnected Transmission Owner's system, Transmission Provider and Interconnected Transmission Owner each reserve their

respective rights to take all actions each may deem necessary to protect the Transmission System, up to and including declaring an Emergency Condition and taking Immediate Action to disconnect the Customer Facility pursuant to Section 6.3 of Appendix 2 of this Interconnection Service Agreement and the Co-Located Load will not be reconnected as co-located load without approval of Transmission Provider and Interconnected Transmission Owner.

**PJM Explanation for Schedule F, Part F.4 (Other Terms and Conditions) (Restrictions on Co-Located Load):**

Part F, section 4 states that Co-Located Load is not Network Load as defined in the Tariff, and (as noted above) delineates the Parties' rights and obligations in the event the Co-Located Load's facilities draw power from the Transmission System or the Interconnected Transmission Owner's system.

The PJM Open Access Transmission Tariff, Part I, definition of "Network Load" states that Network Load is "the load that a Network Customer designates for Network Integration Transmission Service under Tariff, Part III." In this case, no part of the Co-Located Load has been designated Network Load by any Network Customer.<sup>18</sup> If there is a desire that the retail supplier of the Co-Located Load become Network Load, or, assuming the Co-Located Load is an Eligible Customer under the PJM Tariff for transmission service,<sup>19</sup> either could elect to pursue Network Load status, which is a status PJM in fact has recommended in non-binding guidance. In such situations, the necessary study process would be followed so that the appropriate studies were conducted and the ISA would be further revised.

In stating that the Co-Located Load is "not Network Load," the Third Co-Located Load ISA is making a statement of fact. The statement clarifies that no capacity or energy may be drawn from the transmission system to supply any of the Co-Located Load at any given moment, without Susquehanna being in breach of the Third Co-Located Load ISA,<sup>20</sup>

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<sup>18</sup> 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, 78 FERC ¶ 61,220, 1996-2000 FERC Stats. & Regs. ¶ 31,048, at 30,260, 62 Fed. Reg. 12274-01, at 12,324 (notes 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).

<sup>19</sup> Whether the Co-Located Load itself is an Eligible Customer under the PJM Tariff is an issue that may be controlled, in part, by state law/regulation on unbundled retail transmission.

<sup>20</sup> Third Co-Located Load ISA, Schedule F, Parts E.1 and F.4; *see also* First and Second Co-Located Load ISAs, Schedule F, paragraph 3 ("Interconnection Customer represents and warrants that . . . no power flows from Interconnected Transmission Owner's facilities to the co-located load.").

and potentially other regulatory requirements.<sup>21</sup> The factual statement does not pre-judge the issue of whether the Co-Located Load or its retail service provider must purchase any retail or wholesale service; the latter issue is governed by the PJM Tariff, which is subject to change.<sup>22</sup>

The Third Co-Located Load ISA is not resolving the question of whether the Co-Located Load arrangement is taking transmission service or otherwise benefitting from attributes of the transmission system. Nor is the Third Co-Located Load ISA resolving the question of whether ancillary services are actually being utilized by the Co-Located Load, nor whether or not the utilization of a Generation Capacity Resource as a “back-up unit” means the Co-Located Load is a retail customer of the system of a load serving entity that has procured that capacity. Those issues, in PJM’s view, are under consideration and may require generic policy guidance from the Commission. For these reasons, the Third Co-Located Load ISA makes clear that its terms are subject to modification pursuant to Sections 205 and 206 of the Federal Power Act based upon the outcome of future Commission proceedings.<sup>23</sup> Accordingly, this provision should not serve as a bar to Commission acceptance of the Third Co-Located Load ISA.

**Text of Schedule F, Part F.5 (Other Terms and Conditions) (Additional Modifications):**

5. Interconnection Customer must comply with Appendix 2, section 3 of this Agreement if it intends to pursue any additional planned modifications beyond the total co-located load addition of 960 MW described in this Schedule F. A failure to provide advance notification of any planned modification is a breach of this Agreement, and subject to the breach, cure, and default provisions of this Agreement. A failure to provide proper notice may also be considered a violation of PJM Governing Agreements.

**PJM Explanation for Schedule F, Part F.5 (Other Terms and Conditions) (Additional Modifications):**

This provision provides clarity as to Susquehanna’s obligation to adhere to the Modification of Facilities provisions of the Third Co-Located Load ISA (which is already included in the *pro forma* ISA) in the event it intends to pursue any additional planned modifications beyond the total co-located load addition of 960 MW. This provision is necessary because some entities interconnected under PJM’s interconnection procedures<sup>24</sup>

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<sup>21</sup> The ISA appropriately only addresses the fact that such a draw of power would cause Susquehanna to breach the ISA.

<sup>22</sup> Third Co-Located Load ISA, Appendix 2, section 22.3; Third Co-Located Load ISA, Schedule F, Sections F.8 and F.9.

<sup>23</sup> Third Co-Located Load ISA, Appendix 2, section 22.3; Third Co-Located Load ISA, Schedule F, Sections F.8 and F.9.

<sup>24</sup> Entities interconnected under state-jurisdictional interconnection procedures would typically, depending

(not Susquehanna) have taken the position that they are free to add co-located load without notification to PJM and an Interconnected Transmission Owner, and without the requisite study process being followed. To be clear, Susquehanna is not in that category. Nevertheless, to avoid any doubt for market participants and others pursuing co-located load, the clarification provided in this provision is designed to promote clarity of expectations for conduct and information exchange that advance the reliable planning and operation of the system in a studied state.

**Text of Schedule F, Part F.6 (Other Terms and Conditions) (Modifications to Operating Procedure):**

6. The Interconnection Customer must provide to Transmission Provider and the Interconnected Transmission Owner at least two weeks' advanced notice of any proposed modifications to the Operating Procedure, or any proposed successor document to the Operating Procedure, by tendering a copy of such proposed modifications or document(s) for review and comment. The Interconnection Parties shall discuss whether potential changes to the Operating Procedure are necessary, and approval of requests for changes shall not be unreasonably withheld.

**PJM Explanation for Schedule F, Part F.6 (Other Terms and Conditions) (Modifications to Operating Procedure):**

This provision clarifies Susquehanna's obligations to provide advanced notice of any proposed modifications to the specifically-defined Operating Procedure it has provided to PJM and the Interconnection Customer. This provision promotes reliable system operations by facilitating information exchange, consideration of feedback, and to avoid potential for surprise or unforeseen operational events. Notably, this provision exists in similar form in the First and Second Co-Located Load ISAs and is included in this re-labeled section for organizational purposes. Although potentially outside the scope of the information requested in the August 2 Letter, PJM includes this response in aid of completeness.

**Text of Schedule F, Part F.7 (Other Terms and Conditions) (Right to Review and Approve Proposed Changes):**

7. Transmission Provider and Interconnected Transmission Owner each reserve their rights to review and approve any proposed changes to the co-located load configuration studied in the December 2023 Report or the Co-Located Load, the Operating Procedure, or any other parameters that could potentially affect the ability of the Co-Located Load to

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on the type of interconnection, need to provide information about co-located load to the relevant electric distribution company.

receive power from the Interconnected Transmission Owner’s facilities, but such approval shall not be unreasonably withheld.

**PJM Explanation for Schedule F, Part F.7 (Other Terms and Conditions) (Right to Review and Approve Proposed Changes):**

This provision clarifies PJM’s and PPL EU’s right to review and approve any proposed changes to the co-located load configuration studied in the December 2023 Report,<sup>25</sup> or the Co-Located Load. It also states that any required approval shall not be unreasonably withheld, which serves to protect Susquehanna. This provision promotes reliable system operations by facilitating information exchange, consideration of feedback, and to avoid potential for surprise or unforeseen operational events. Notably, this provision exists in similar form in the First and Second Co-Located Load ISAs and is included in this re-labeled section for organizational purposes. Although potentially outside the scope of the information requested in the August 2 Letter, PJM includes this response in aid of completeness.

**Text of Schedule F, Part F.8 (Other Terms and Conditions) (Revisions to ISA):**

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 assess in a non-discriminatory manner additional rates, terms or conditions which may include transmission or ancillary services charges.

**PJM Explanation for Schedule F, Part F.8 (Other Terms and Conditions) (Revisions to ISA):**

This provision is necessary because it clarifies that, consistent with Commission precedent interpreting the *pro forma* ISA, the Third Co-Located Load ISA (like the First and Second) is subject to the ordinary just and reasonable standard of review for changes pursuant to Section 205 of the Federal Power Act,<sup>26</sup> and not the “public interest”

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<sup>25</sup> The December 2023 Report identified the need for the system upgrades referenced in Schedule F, Part B and described above.

<sup>26</sup> See *Linden VFT, LLC v. Public Service Electric and Gas Company and PJM Interconnection, L.L.C.*, 170 FERC ¶ 61023, at PP 15-17 (2020) *aff’d in part and remanded in part sub nom., Consol. Edison Co. of NY v. FERC*, 45 F.th 265 (D.C. Cir. 2022); see also *PJM Interconnection, L.L.C.*, 170 FERC ¶ 61,217 at P 58 n.124 (2020) (stating “*pro forma* agreements, which are part of PJM’s Tariff, and therefore are not individually negotiated bilateral agreements . . . that would be subject to the higher ‘public interest’ standard of review.”); *Petal Gas Storage, L.L.C.*, 135 FERC P 61,152, at P 12 (2011) (*pro forma* service agreements incorporating terms and conditions of service are not covered by the higher “public interest” standard).



application of the just and reasonable standard of review commonly referred to as the “*Mobile Sierra*” standard of review.<sup>27</sup>

**Text of Schedule F, Part F.9 (Other Terms and Conditions) (Reservation of Rights):**

9. Under this Interconnection Service Agreement, Interconnection Customer is interconnected to the Interconnected Transmission Owner’s transmission facilities. In addition, under this Interconnection Service Agreement, there is a Co-Located Load configuration whereby end-use customer transmission facilities are physically connected to the Customer Facility on the Interconnection Customer’s side of the Point of Interconnection. By executing this Interconnection Service Agreement or Agreement to Amend, no *Interconnection Party* is waiving any legal or regulatory rights in any fora, including *inter alia* supporting or opposing any charges, rates, terms or conditions that could be imposed by the Federal Energy Regulatory Commission, Transmission Provider, or a Commonwealth of Pennsylvania regulatory authority, as well as the collection of such charges.

**PJM Explanation for Schedule F, Part F.9 (Other Terms and Conditions) (Reservation of Rights):**

This provision is necessary because it adds clarity to and delineates the Parties’ obligations and rights (including retained rights) under the Third Co-Located Load ISA, including as to future issues that could be the subject of Section 205 and Section 206 filings under the Federal Power Act.

**Text of Schedule F, Part G.1 (Provisions Relating to the Co-Located Load’s Transmission Facilities) (Contact Information Requirements):**

1. For any entity responsible for operational activities of the transmission facilities of the Co-Located Load, the Interconnection Customer shall, upon request, provide Transmission Provider with: (i) the formal legal name, (ii) corporate headquarters address and contact information, (iii) names and contact information for legal contacts, and (iv) contact information for representatives that will be available to receive communications from Transmission Provider. Interconnection Customer shall provide Transmission Provider with any updates to the information set forth in this section.

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<sup>27</sup> See *NRG Power Mktg., LLC v. Me. Pub. Utils. Comm’n*, 558 U.S. 165 (2010); *Morgan Stanley Cap. Grp. Inc. v. Pub. Util. Dist. No. 1*, 554 U.S. 527 (2008); *United Gas Pipe Line Co. v. Mobile Gas Serv. Corp.*, 350 U.S. 332 (1956); *FPC v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956).

**PJM Explanation for Schedule F, Part G.1 (Provisions Relating to the Co-Located Load's Transmission Facilities) (Contact Information Requirements):**

In the potential absence of contractual privity with the entity responsible for operational activities of the transmission facilities of the Co-Located Load, this provision would require PJM to be given access to accurate and potentially important legal and operational contact information.

**Text of Schedule F, Part G.2 (Provisions Relating to the Co-Located Load's Transmission Facilities) (Interconnection Customer Duties and Obligations):**

2. Interconnection Customer will continue to have its rights and comply with its duties and obligations under this Agreement, notwithstanding any actions by any third party.

**PJM Explanation for Schedule F, Part G.2 (Provisions Relating to the Co-Located Load's Transmission Facilities) (Interconnection Customer Duties and Obligations):**

This provision clarifies that regardless of what entity may be responsible for operational activities of the transmission facilities of the Co-Located Load and regardless of the entity that may own or control the Co-Located Load itself, any breaches or non-compliances under this agreement attributed to the activities of such entities or that remain Susquehanna's obligations are the duty and responsibility of Susquehanna to cure. The provision also preserves Susquehanna's rights under the ISA. This provision guarantees PJM and the Interconnected Transmission Owner access to the *pro forma* Tariff breach process as against Susquehanna even in the absence of direct contractual privity with the entity that may be responsible for operational activities of the transmission facilities of the Co-Located Load and regardless of the entity that may own or control the Co-Located Load itself.

\* \* \*

In addition to the changes described above, PJM made some changes to Schedule F, Part A, to add headings, and made other minor revisions, such as referring to Unit #1 and Unit #2 consistently. These changes do not affect the rights or obligations of any Party to the Third Co-Located Load ISA, but simply clarify its provisions. PJM also made a number of other revisions to the Second Co-Located Load ISA, such as updating the information in section 1.0, adding a milestone as new section 6.1, as well as updating



Schedules B, C, and D. None of the changes involve nonconforming provisions, and each of the revisions updates the agreement in light of the changes related to co-located load, or reflect other current information. Although potentially outside the scope of the information requested in the August 2 Letter, PJM includes this response in aid of completeness.

### **III. REQUESTED EFFECTIVE DATE**

PJM requests that whatever action the Commission ultimately takes in this proceeding will not affect the August 3, 2024 effective date originally requested for the Third Co-Located Load ISA. The effective date is 63 days from the date the filing was submitted and consistent with the prior notice requirements in 18 C.F.R. § 35.3(a)(1).

### **IV. SERVICE**

As directed in the August 2 Letter, a copy of this filing will be electronically delivered to Scotiana Bennett. Copies of this filing will also be served on PPL EU, Susquehanna and all parties on the Commission's service list established in the proceeding, as well as the affected state regulatory commissions within the PJM Region.

### **V. CONCLUSION**

PJM respectfully submits that the information provided in this response letter, the Docket No. ER24-2172 Filing, and the PJM Answer provide a sufficient basis to

accept this filing to be effective August 3, 2024. Please contact any of the undersigned if you require additional information.

Respectfully submitted,

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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, Pennsylvania, this 3rd day of September 2024.

*/s/ Mark J. Stanisz*  
***Attorney for PJM Interconnection,***  
***L.L.C.***