

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

PJM Interconnection, L.L.C.

|

ER25-778-000

COMMENTS OF MARYLAND OFFICE OF PEOPLE’S COUNSEL

INTRODUCTION

Pursuant to Rule 211 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“FERC” or the “Commission”), the Maryland Office of People’s Counsel (“MdOPC”) respectfully submits the following comments on the tariff amendments for surplus interconnection service (“SIS”) proposed by PJM Interconnection, L.L.C. (“PJM”) in its December 20, 2024 filing.¹ MdOPC is an independent state agency charged with representing the interests of Maryland residential electricity customers.² MdOPC appreciates the opportunity to provide comments in this proceeding, and supports the proposed tariff revisions.

COMMENTS

As discussed in recent MdOPC filings before FERC, flaws in PJM’s capacity construct and surrounding market mechanisms have resulted in significant and unjustified increases in costs to consumers.³ These issues are especially acute in Maryland as there are transmission constraints that limit the deliverability of capacity resources within PJM. Interconnection of additional generation on the PJM system—especially generation well-suited to acting as a capacity resource— is critical to ensuring affordable rates that are just and reasonable. PJM’s

¹ See Proposed Tariff Amendments for Surplus Interconnection Service, Accession No. 20241220-5253 (Dec. 20, 2024) [hereinafter SIS Proposal]. MDOPC previously timely filed a doc-less motion for intervention in this proceeding, dated Dec. 23, 2024.

² Md. Code Ann., Pub. Util. § 2-204 (2024).

³ See, e.g., Protest of Joint Consumer Advocates, Docket No. ER25-785 (Jan. 10, 2025); Comments and Limited Protest of the Maryland Office of People’s Counsel, Docket No. ER25-712 (Jan. 8, 2025); Protest of Joint Consumer Advocates, Docket No. ER25-682 (Jan. 6, 2025); Complaint of Joint Consumer Advocates, Docket No. EL25-18 (Nov. 18, 2024); Comments and Answer of Consumer Advocates, Docket No. EL24-148 (Oct. 17, 2024).

SIS Proposal would enable rapid interconnection of additional resources utilizing existing resources' unutilized capacity interconnection rights. The proposal modifies PJM's tariff to allow for SIS when additional interconnection facilities are needed on the generator's side of the point of interconnection, allows planned facilities to apply for SIS, and, most importantly, allowing SIS when doing so would not require Network Upgrades. PJM's current SIS rules disallow SIS if PJM finds that SIS would have "a material impact on short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability and response," a standard which PJM has previously interpreted in an overbroad fashion, and which ultimately limited the feasibility of SIS.⁴

The proposed changes would enable wider utilization of SIS in PJM and could help discipline capacity prices by firming intermittent generation and allow for the rapid interconnection of new generation resources in transmission constrained zones. There are currently 190 MW of capacity rights associated with actively producing intermittent generators in Maryland.⁵ Using SIS to pair battery storage with these resources could result in significantly more capacity available in Locational Deliverability Areas in Maryland and decrease capacity costs for consumers. A recent Gabel Associates Inc. report prepared for ACORE found that instituting SIS reforms along the lines of those proposed by PJM in this filing could enable the rapid interconnection of battery storage systems at solar generator interconnections and that these batteries would constitute an additional 7.8 GW of capacity in PJM in delivery year 2026/2027.⁶

⁴ See *PJM Interconnection, L.L.C.*, 171 FERC ¶ 61,145, at P 34 (2020) (quoting PJM as claiming that "any impact is the threshold to determine whether a surplus interconnection request is material and, consequently, terminated and withdrawn" (emphasis in original)).

⁵ PJM Serial Service Request Status, available at <https://www.pjm.com/planning/service-requests/serial-service-request-status> (last accessed Jan. 13, 2024).

⁶ Michael Borgatti and Sarah Yasutake, *ReSISting a Resource Shortfall: Fixing PJM's Surplus Interconnection Service (SIS) to Enable Battery Storage* at 15 (Sept. 17, 2024).

Especially given the high number of intermittent resources in the PJM interconnection queue,⁷ SIS provides an important avenue to ensure that PJM is able to interconnect sufficient resources which can contribute to the capacity needs of the region.

Moreover, SIS would allow these capacity resources to enter the queue *quickly*. Resources utilizing SIS can be interconnected within 270 days,⁸ which would allow additional resources to enter in time for the 2027/28 BRA. MdOPC has noted in comments in other dockets that many of the proposed reforms to PJM's capacity construct would not provide relief until the 2029/2030 delivery year at the earliest.⁹ While PJM's SIS Proposal will not, by itself, remedy the issues associated with the RPM, it will actually be able to provide limited relief in some of the upcoming capacity auctions, unlike many of PJM's other proposals.

CONCLUSION

MdOPC supports PJM's SIS Proposal and urges the Commission to accept it. PJM's SIS Proposal will enable the rapid interconnection of additional capacity resources to the PJM grid at a time when those resources are needed.

⁷ See PJM Letter to Stakeholders (Dec. 9, 2024) available at <https://www.pjm.com/-/media/DotCom/about-pjm/who-we-are/public-disclosures/2024/20241209-board-letter-outlining-action-on-capacity-market-adjustments-rri-and-sis.pdf>.

⁸ See PJM Open Access Transmission Tariff, Part IV, Sections 36.1.1B, 36.4.

⁹ See, e.g., Comments and Limited Protest of the Maryland Office of People's Counsel, Docket No. ER25-712 at 6-7

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 Baltimore, Maryland, this 13th day of January 2025.

/s/ William F. Fields

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