UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

PJM Interconnection, L.L.C., *et al.*	)	Docket Nos. EL25-49-000
	)	
Large Loads Co-Located at Generating Facilities	)	AD24-11-000
	)	
	)	
Constellation Energy Generation, LLC	)	EL25-20-000
v.	)	(Consolidated)
PJM Interconnection, L.L.C.	)	

JOINT COMMENTS OF
PJM INDUSTRIAL CUSTOMER COALITION AND
INDUSTRIAL ENERGY CONSUMERS OF AMERICA

Pursuant to the Federal Energy Regulatory Commission's ("Commission" or "FERC") Order Instituting Proceeding Under Section 206 of the Federal Power Act ("FPA") and Consolidating with Other Proceedings ("Show Cause Order" or "Order")[1], the PJM Industrial Customer Coalition ("PJMICC")[2] and the Industrial Energy Consumers of America ("IECA") (collectively, "Industrials") hereby file these Joint Comments regarding co-location issues on the PJM Interconnection, L.L.C. ("PJM") grid.

I. BACKGROUND

On February 20, 2025, the Commission unanimously voted to launch a review of issues associated with the co-location of large loads at generating facilities in PJM, including whether the PJM tariff needs to establish rules to create clarity while ensuring grid reliability. The Order instituted a show cause proceeding involving PJM and the PJM Transmission Owners[3] and

[1] *See, FERC Order Instituting Proceeding Under Section 206 of the Federal Power Act and Consolidating with Other Proceedings*, Docket Nos. EL25-49-000, EL24-55-000, and ER24-42-000 (Feb. 20, 2025).

[2] PJMICC filed a doc-less Motion to Intervene in Docket Nos. ER25-49 on March 3, 2025.

[3] The PJM Transmission Owners are a group of transmission owners who are named parties in the Show Cause Order.

combined the records of two pending proceedings because of the common issues associated with each docket.[4] In the Order, the Commission found that PJM's tariff does not appear to sufficiently address the rates, terms, and conditions of service that apply to co-location arrangements.[5] The Order directed PJM and the PJM Transmission Owners to, within 30 days of the date of the Order, explain why the PJM tariff remains just and reasonable or, alternatively, what changes to the PJM tariff would remedy the Commission's identified concerns.[6] Further, the Order directed that interested entities may respond within 30 days of PJM's filing, addressing either or both of: (1) whether the Tariff remains just and reasonable and not unduly discriminatory or preferential; and (2) if not, what changes to the Tariff should be implemented as a replacement rate.[7] On March 24, 2025, answers were filed by PJM, a select group of PJM Transmission Owners ("Indicated TOs"), Public Service Electric & Gas ("PSE&G"), and several other parties (collectively, Answers).

II. JOINT COMMENTS

PJMICC and IECA are both coalitions representing industrial consumers in the PJM Region. The Industrials' membership includes many large manufacturers and other entities whose operations are dependent on sound policies governing the electric grid. The Industrials commend the Commission's goal of ensuring timely, clear guidance on the issues identified in this

[4] The Commission 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.

[5] FERC stated in a news release, "The absence of this information may leave generators and load unable to determine what steps they can take to set up co-location arrangements of various configurations, and how to do so in an acceptable way." FERC News Release (Feb. 20, 2025), https://www.ferc.gov/news-events/news/ferc-orders-action-co-location-issues-related-data-centers-running-ai.

[6] Show Cause Order at 56.

[7] Show Cause Order at 57.

proceeding and offer the following Joint Comments to assist the Commission as it provides direction to PJM and the PJM Transmission Owners on this topic.

A. Billing For Commission-Jurisdictional Services Must Be Based on Actual Use of the Transmission System.

It is well settled that cost causation is the bedrock principle of just and reasonable rates, requiring that rates be aligned with the benefits received and costs imposed by customers, consistent with the "just and reasonable" standard of the Federal Power Act.[8] Further, Commission determinations on tariffs and pricing determine that *actual use* of the transmission system is the appropriate way to measure cost causation. In their Answer, the Indicated TOs reject that principle, instead proposing to require all co-located load to be deemed Network Load and to be billed for load irrespective of actual use of the transmission system.[9] The Indicated TOs fail to justify their position of radically departing from that well-established precedent.

More than 20 years ago, in *Occidental Chemical Corp. v. PJM Interconnection, L.L.C.*, the Commission declared 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."[10] The "actual use" principle is critically important to the calculation of billing determinants and the assessment of various Commission-jurisdictional charges for transmission service, and also for capacity service and ancillary services.

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[8] 16 U.S.C. § 824d(a). *See Old Dominion Elec. Coop. v. FERC*, 898 F.3d 1254, 1255 (D.C. Cir. 2018) ("Under the Act, electric utilities must charge 'just and reasonable' rates. For decades, the Commission and the courts have understood this requirement to incorporate a 'cost-causation principle'—the rates charged for electricity should reflect the costs of providing it.") The Commission correctly states that the cost causation principle "provides that all Commission-jurisdictional rates and charges must 'reflect to some degree the costs actually caused by the customer who must pay for them,' and that costs must be allocated in a manner that is at least roughly commensurate with the benefits that entity receives." Show Cause Order at 39 (quoting *Midwest ISO Transmission Owners v. FERC*, 373 F.3d 1361, 1368 (D.C. Cir. 2004) and citing *Ill. Com. Comm'n v. FERC*, 576 F.3d 470, 476 (7th Cir. 2009).

[9] Indicated TOs Answer at 8.

[10] *Occidental Chem. Corp. v. PJM Interconnection*, 102 FERC ¶ 61,275, 61,852 (emphasis added).

At issue in *Occidental* was PJM's use of a cost-allocation methodology that added the value of curtailed load back to a customer's actual load to determine the customer's network access charge based on a customer's coincident peak usage.[11] The Commission expressed concerns that this "calculation appeared inconsistent with the underlying rationale," and that such an approach would discourage demand response from customers.[12] PJM sought to defend the practice that the Commission ultimately found to be unjust and unreasonable[13] by arguing that PJM's infrastructure would still serve the customers.[14] The Commission rejected that contention, instead embracing a netting approach. In its order on rehearing, the Commission stated 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."[15]

In their Answer, the Indicated TOs propose a gross-load metering approach that is analogous to the gross-load outcome that the Commission rejected in *Occidental*. Like the original PJM approach that was rejected in *Occidental*, the Indicated TOs' proposed approach would cause significant rate increases, are not supported by any evidence demonstrating "how and to what extent [the PJM] system is in fact used,"[16] and would disincentivize customers from taking steps to manage their "actual use" of the electric grid. In the case of behind the meter generation ("BTMG"), only the amount of the customer's load that is not supplied by the BTMG is actually

[11] *Id.* ¶¶ 1, 3-7. The tariff section at issue was Section 34.1 of the PJM Open Access Transmission Tariff ("OATT").

[12] *Id.* ¶ 4.

[13] *Id.* ¶¶ 1, 14.

[14] *Id.* ¶ 7.

[15] *Id.* ¶ 2.

[16] *Id.* ¶ 14.

using the grid and is assessed transmission charges.[17] On a similar theme, the Commission has recently acknowledged that "voluntary demand response decreases the use of the transmission system at the coincident peak," and if that load is not present during the hours when billing determinants are calculated, it will not be assessed transmission charges for load that is not there.[18]

Charging customers on a gross-load basis (that is, charging for all consumption regardless of how much of that consumption utilized the grid vs. being generated on-site) is contrary to cost-causation principles and just and reasonable ratemaking. Because the transmission system is designed to serve customers during the annual peak, or during other relevant peaks, customers' effective load management efforts can lower the peak, causing PJM to need less transmission capacity, which in turn leads to the avoidance of network upgrades.[19] The corollary of this principle is that customers that use more capacity during peak demand conditions contribute more to the upgrades that are needed. As explained by the Commission in *Occidental*, "[t]he other customers are making greater use of the system during the system coincident peak and are therefore justifiably assigned a larger percentage of the costs."[20] Customers that have higher loads during the relevant coincident peaks are more responsible for causing the costs, and the principle of cost-causation requires them to pay for their proportion of cost-causation. "Properly designed rates should produce revenues from each class of customers which match, as closely as practicable, the cost to

[17] PJM Manual 14d, Appendix A, ¶ 30 ("Once the status change from Generation Capacity Resource and/or Energy Resource to BTMG status is effective, the generation output from the operating BTMG unit is allowed to reduce the actual gross load at a retail end-use customer site or at the wholesale area level (in the case of Non-Retail BTMG) and a net load (gross load minus operating BTMG, not to be less than zero) is able to be used in the determination of LSE's charges for energy, ancillary services, capacity, transmission, and administrative fee charges in accordance with business rule #40.").

[18] *PJM Interconnection, L.L.C. & Virginia Elec. & Power Co.*, 172 FERC ¶ 61,054, 61,510 (2020).

[19] *Id.* at ¶ 61,509.

[20] *Occidental*, 102 FERC at ¶ 16.

serve each class or individual customer."[21] In fact, the whole point of basing Commission-jurisdictional charges on "actual use" of the system is "to reduce the cost to market participants that rely to a lesser degree on the PJM integrated transmission system to serve load."[22] The Commission has previously recognized this issue when it ruled, "[W]hat is unreasonable is PJM's current tariff which charges customers a higher rate on peak than their actual usage would support."[23]

In contrast to the Indicated TOs, transmission owner PSE&G proposes an "actual use" approach that is grounded in cost causation. In its Answer, PSE&G notes that "co-located loads are very similar to load and generation that share the same point of interconnection, such as large load customers with BTMG," pointing out that they use or impact the transmission in the same way.[24] PSE&G states, "Because such BTMG customers have reduced their use of the transmission system, under the PJM Tariff, they have been allocated costs based on their *actual use* of the system consistent with cost causation principles…. Both [behind the meter load and BTMG customers] should pay (and in the case of BTMG customers continue to pay) based only on actual usage of the transmission system."[25]

The Industrials agree with PSE&G's statements and urge the Commission to reject the Indicated TOs' approach. Charging customers on a gross-load basis, as the Indicated TOs propose, ignores the timing and volume of customers' consumption during the hours that matter. The Commission's long-standing policy embracing cost allocation based on "actual use" has not

[21] *New Dominion Energy Coop. Old Dominion Elec. Coop.*, 122 FERC ¶ 61,174, 62,013 (2008), citing *Alabama Electric Co-op, Inc. v. FERC*, 684 F.2d 20, 26 (D.C. Cir. 1982).

[22] *PJM Interconnection, L.L.C.*, 108 FERC ¶ 61,302, 62,520 (2004).

[23] *Id.*

[24] PSE&G Answer at 14.

[25] *Id.* at 2 (emphasis added).

changed, and the Indicated TOs' proposal fails the cost causation test. As a result, the Indicated TOs desired approach to meter the gross load of customers and, ostensibly, charge customers based on their gross or "potential" loads has not been shown to be just, reasonable, and not unduly discriminatory.

B. The Indicated Transmission Owners Have Not Justified Discriminatory Treatment of Co-Located Load.

In addition to failing the test of cost causation, the Indicated TOs' proposed approach is also unduly discriminatory. The Indicated TOs have not provided adequate justification to demonstrate why co-located load that is not present on the grid during relevant system peaks should be treated in a completely different manner than other load on the system that curtails or is otherwise not present on the grid during relevant system peaks. The Indicated TOs give lip service to cost causation as the governing principle,[26] but they explicitly promote a discriminatory construct in which reductions of system load would significantly favor customers curtailing load versus customers who offset their load by building or co-locating with generation. Even further, the Indicated TOs do not explain why co-located load should be treated differently than BTMG customers, whose configurations are similar or identical to co-located load configurations.[27]

The Indicated TOs state in their Answer that "if a customer has the option, capability, or is requesting such capability to serve their full load from the PJM Transmission System, then the full load amount should be included in the LSE's total load used to determine its share of total system costs, even if they choose not to use that full suite of services at times."[28] In essence, this approach ignores all offsetting generation and incorporates a "potential" load approach. The undue

[26] Indicated TOs Answer at 10.

[27] See PSE&G Answer, Attachment A at 4.

[28] Indicated TOs Answer at 16.

discrimination of this approach can be illustrated by a simple example. For a simple illustration, consider two hypothetical industrial sites: "Factory A" is a large manufacturer without any on-site generation. It is comprised of four production lines, each with a load of 50 MW when operational. Running at full bore, Factory A draws 200 MW of power from the grid. However, Factory A chooses to close two of its lines during the hottest summer days. If done successfully, Factory A's measured load for the purposes of peak load calculation will be around 100 MW, not 200 MW.

Now consider "Factory B." Factory B has an identical load structure, but operates a 100 MW generator on site, which it uses to manage peak loads. However, if Factory B kept all four production lines running, but used on-site generation to supply half of its own power, the Indicated TOs indicate that Factory B should be charged for 200 MW—double that of Factory A—despite the fact that Factory A and Factory B use the grid identically during applicable peaks. This is unduly discriminatory, because it treats two similarly situated customers in different ways without adequate justification.[29] As aptly stated by PSE&G, "Applying a transmission pricing approach that ignores actual use or impact on the transmission system would violate cost causation principles and treat these two classes of customers differently, resulting in harm to both classes of customers."[30]

The undue discrimination of the gross-load approach comes into an even sharper focus when comparing co-located load with BTMG customers. PJM states in its Answer (concerning

[29] *See, e.g., Energy Partners, L.P.*, 120 FERC ¶ 61,086, at 61,485 ("undue discrimination is in essence an unjustified difference in treatment of similarly-situated customers") (citing Tennessee Gas Pipeline Co. , 77 FERC ¶ 61,215, at 61,877 (1996)). If it is argued that Factory B "could" draw 200 MW of power from the grid, it should be noted that Factory A *also* "could" draw 200 MW of power from the grid. The logical result of the Indicated TOs argument is that all customers should be charged for the absolute maximum *potential* load. As addressed in Section II.C, this approach works against an economically efficient grid.

[30] PSE&G Answer at 6.

option 3) that BTMG is already operated with a netting approach, to measure the actual impact to the grid. As PJM explains:

> Option 3 utilizes PJM's existing Behind the Meter ("BTM") Generation rules…. PJM's BTM Generation rules would require the co-located load to be Network Load. The rules charge load for its net use of the grid, after deducting BTM Generation. This option is available in two configurations. Either the load and generation are co-located at the same Point of Interconnection, or the load is served by municipal utilities or EDCs BTM through a distribution system, if the owner or lessee of such distribution system has consented (which is called "Non-Retail" BTM Generation). The load uses and pays for NITS, Energy, Ancillary Services, and Capacity **based on the net withdrawal quantity and dependent on if that withdrawal is during the Peak (NITS and Capacity).**[31]

While the Indicated TOs note that there are certain requirements in the current PJM tariff to qualify as BTMG, they do not dispute the fact that the configurations between BTMG and co-located load can be identical. The Indicated TOs seem to allow for continuation of a netting approach for BTMG in their Answer, yet advocate for a radically different approach for all similarly situated customers that are defined as co-located load. This is unduly discriminatory.[32] Put another way, the Indicated TOs' argument for deeming all co-located load as Network Load and charging on a gross-load basis would create an unreasonable preference for one type of users over another. It would create dramatically different costs for different users *with identical impact to the transmission grid*. The Indicated TOs argue that the system needs to be built out to cover every "what if" and consumers should be charged for all load they *could* draw from the grid; yet the Indicated TOs do not apply this principle equally and this concept cannot and should not be

[31] PJM Answer at 12 (emphasis added).

[32] As stated by PSE&G, "There is no reason to treat behind the meter load any differently than BTMG…. [F]rom an engineering and physics perspective, there is no difference between behind the meter load and BTMG. Courts and Commission precedents teach that that it is unduly discriminatory and unlawful to treat similarly-situated parties differently." PSE&G Answer at 13-14. PSE&G argues, "To comply with the requirement under the Federal Power Act that rates may not be 'unjust and unreasonable or unduly discriminatory or preferential,' the Commission should treat behind the meter load customers and BTMG customers in the same manner."

extended to customers that are not co-located with generation facilities.[33] This disparate treatment violates the letter and spirit of the Federal Power Act, which requires that rates be just and reasonable and not unduly discriminatory or preferential. In the Industrials' view, the Commission should select a methodology that does not discriminate between or among classes of transmission customers, but rather consistently measures each customer's actual use of the transmission grid in a fair and equitable fashion.

C. Adoption of a "Gross-Load" or "Potential Load" Approach Would Disincentivize Efficient Behavior and Incentivize Inefficient Behavior, Leading to a More Expensive Grid.

Calculating cost responsibility based on actual use of the transmission system brings a substantial efficiency benefit to the grid and a substantial cost-management benefit to customers. The structure of PJM's transmission pricing creates a direct incentive to manage transmission usage during system peaks. As a result, many large power consumers reduce transmission usage at strategic times in order to manage their costs. Customers employ a variety of strategies, including reducing operations, synchronizing operations, and employing on-site backup power. The customers individually reap the benefit of reduced costs, but the collective effect is to reduce the actual need for capacity on the grid, limiting excessive build-out of assets, consistent with the Federal Power Act's goal of reliable, economically efficient transmission.[34]

Unfortunately, a gross-load or "potential load" approach, like that proposed by the Indicated TOs, would create a "one-two punch" that would neutralize this beneficial incentive structure in two distinct ways. First, a gross-load approach diminishes customers' incentive to

[33] The Indicated TOs' proposal, taken to its logical outcome, could potentially result in metering of all discreet loads behind a customer's meter, and charging customers for transmission service based on the combined non-coincident peaks of all behind-the-meter operations, rather than based on the actual combined metered load at the point of interconnection during the relevant peak hours.

[34] 16 U.S.C. § 824s.

efficiently manage peaks through co-located generation. If co-located load is measured based on its gross consumption, regardless of its actual use of the grid at peak hours, it would eliminate all incentives for customers to manage their peak loads, flatten their load profiles, minimize stress on the transmission system during peak periods, and minimize the need for peak-driven transmission investments using generation-related investments. Customers would have no incentive to operate efficiently because the billing for Commission-jurisdictional services would be divorced from the customer's "actual use" of the system. It is striking to note that, with the Indicated TOs' approach, co-located loads would likely be charged substantial transmission rates even if their actual use of the transmission system is zero during relevant peak hours. If that same concept were to be applied to an industrial consumer with a large energy profile, the resulting cost increases would significantly impact operations and likely impair the industrial consumer's financial well-being.

Second, the Indicated TOs' approach incentivizes construction of transmission facilities beyond what is needed for a reliable and economically efficient grid. The Indicated TOs state that "The transmission system must be *planned* and *built* to support every MW of load on the system, including co-located load."[35] The Indicated TOs do not explain how they would apply such a principle to peak load contribution ("PLC") and network service peak load ("NSPL") calculations or whether they would limit their application of the principle to co-located load only. Regardless, any practice of charging customers for transmission service based on the potential load they *could* place on the electric transmission system (*i.e.*, on a gross-load basis), rather than based on the actual load they *do* place on the electric transmission system will result in "faux load" that drives transmission investment that is wholly unnecessary to service actual load. The reality is that the practice of charging customers on a gross-load basis will lead to a higher perceived level of

[35] Indicated TOs Answer at 5.

transmission demand and more transmission investment, which in turn, will cause the utilities' transmission revenue requirements to increase, perhaps substantially. By artificially adding "system load" that is not actually present, but only exists in "potential," the Indicated TOs would drive the need for additional transmission investment, generation investment, and distribution system investment that would be completely unnecessary if customers are billed on their actual use of the system.

In short, the end result of the "one-two punch" proposed by the Indicated TOs is this: high immediate cost increases driven by a step-jump increase in billing determinants and high long-term cost increases driven by a larger-than-necessary expansion of the grid. Rather than encouraging creative, innovative solutions that involve co-located generation, and rather than encouraging a path to rapid deployment of resources that do not strain the grid (but actually relieve the grid and reduce system load), the Indicated TOs propose a pathway of inefficiency, incentivizing *extra* buildout based on gross or "potential" consumption. This approach defies logic (and rational transmission planning) and cuts against the Federal Power Act's goal to "promote reliable and economically efficient transmission."[36]

D. Framing Co-Located Load as Getting a "Free Ride" Distorts the Impact of Netting and Ignores the Benefits Co-Located Generation Provides to the Grid.

In their Answer, the Indicated TOs argue that co-location customers get a "free ride" by avoiding fixed costs. The Indicated TOs state that without treating co-located load as Network Load, "a customer that co-locates avoids 'wires charges'—the fixed costs of the poles, wires, transformers, and substations that comprise the transmission and distribution network. These

[36] 16 U.S.C. § 824s.

avoided costs are then subsidized by other customers, allowing co-location customers a free ride."[37] Further, the Indicated TOs state:

> As long as the load remains connected to the grid, including through facilities also connecting a generator to the grid, the load would still be able to be served from the transmission system, and therefore, the transmission system must be planned and built to account for the load. **The fact that the load is not constant does not reduce the capital investment or operation and maintenance costs that are incurred to ensure that the system is available to the customer.**[38]

These statements are misleading. The PJM transmission grid has never been built to assume all load is running at its maximum point of consumption at the same time. Rather, the system is designed around actual coincident peaks, to measure the actual coincident maximum use of the transmission system. Every transmission grid must have a methodology of apportioning responsibility for its infrastructure and operations. In PJM, the PLC and NSPL are well-established methodologies to ascertain and apportion this responsibility. Within those methodologies, it is already theoretically possible for *any* customer to manage its power consumption during peak days to apportion the customer's cost responsibility appropriately for the infrastructure it actually uses during the relevant hours. Yet, as addressed earlier in these Comments, the Indicated TOs single out co-located load as always placing full demand on the system and thus assessing its full potential load "wires charges."

In addition, the Indicated TOs also fail to mention the distinct *benefits* of co-location to the grid. If the large load additions are inevitable, co-location can reduce the need for new transmission infrastructure relative to placing such load fully in front of and potentially far from generator meters, making for more efficient transmission investments and resulting in lower rates for all customers. It leverages the value of proximity *and* the value of bringing more generation online,

[37] Indicated TOs Answer at 3.

[38] Indicated TOs Answer at 8.

both of which lead to a more reliable and economically efficient grid.[39] These benefits are important to consider as the Commission considers how to direct PJM on this issue.

E. A Focus on "Actual Use" Should Result in Simpler, Not More Complicated, Tariff Provisions and Processes.

The Industrials commend the Commission's goal of timely, clear tariff provisions that provide sufficient guidance to stakeholders to move forward with projects. The Industrials also appreciate PJM's willingness to take forward steps under the Commission's direction. However, the Industrials are concerned about the danger of stacking regulation upon regulation, resulting in a patchwork that ultimately creates more confusion and less clarity and risks upsetting the regulatory structure around which manufacturers in the PJM Region have made capital investments for decades. As the Commission noted in the Show Cause Order, without "a *common and consistent understanding* of entities' responsibilities relevant to co-location, many of which may significantly affect rates and are realistically susceptible of specification, we are concerned that these arrangements may be developed in a manner that is itself unjust and unreasonable or that may result in unjust and unreasonable rates for other customers." The Industrials wholeheartedly agree and urge the Commission to provide sufficient guidance to PJM to enable a clear, cost-based structure, and understandable study process, and the ability to expedite projects that do not require transmission updates.

In its filing, PJM presented eight different options of how the Commission could treat co-located loads. The fact that there are multiple configurations that involve both generation and load at one location does not necessarily mean a different set of regulations is needed for each

[39] *See, e.g., PJM Interconnection, L.L.C.*, 107 FERC ¶ 61,113 at P 3 (2004), *reh'g denied,* 108 FERC ¶ 61,302 (2004) (in approving PJM BTMG rules, the Commission found that "PJM's proposed market rules are just and reasonable and will encourage qualifying entities with behind the meter generation to reduce their use of the PJM transmission system").

configuration. Rather, the common thread of the use of the transmission system can be set primarily by reference to an overarching standard (such as the existing methodologies for PLC and NSPL calculations). While PJM must ultimately specify the study process for various configurations, PJM and many of the PJM Transmission Owners already have structures in place to identify *actual use* of the system (e.g., through PLC and NPSL calculations under Attachment M-2s) and existing tariff provisions governing both retail and wholesale BTMG.[40]

With the explosion of data center development, the increased transmission costs, public scrutiny, and other challenges PJM is facing, the Industrials believe that this is a prime opportunity for PJM to bring clarity to what the Commission currently views as a process lacking sufficient clarity. The Commission may order PJM to revise its methodology at any time, including in this proceeding. However, rather than a patchwork-like panoply of rules, the Industrials are optimistic that the end result will be a clear, understandable, cost-based structure. Organizations seeking to invest in our communities need clarity and stability to thrive.

[40] PJM OATT, Part III, Section 34.2-34.3; Part IV, Section 36.1A; Part VII, Subpart C, Section 306; Part VII, Subpart E, Section 317; Part VIII, Subpart B, Section 403; Part VIII, Subpart E, Section 415; Part VI, Attachment F-1; Part VI, Attachment F-2; Schedule 2; Schedule 15.

III. CONCLUSION

WHEREFORE, the PJM Industrial Customer Coalition and the Industrial Energy Consumers of America respectfully request the Commission to consider these Comments supporting an approach to co-located loads aligned with actual use of the transmission system.

Respectfully submitted,

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Dated: April 23, 2025

CERTIFICATE OF SERVICE

I hereby certify that I have this day served, via first-class mail, electronic transmission or hand-delivery the foregoing upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated this 23rd day of April, 2025.

/s/ Matthew L. Garber

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