

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

PJM Interconnection, L.L.C.	) ) )	Docket No. ER25-1623-000
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**ANSWER AND MOTION FOR LEAVE TO ANSWER  
OF THE INDEPENDENT MARKET MONITOR FOR PJM**

Pursuant to Rules 212 and 213 of the Commission’s Rules and Regulations,<sup>1</sup> Monitoring Analytics, LLC, acting in its capacity as the Independent Market Monitor (“Market Monitor”) for PJM Interconnection, L.L.C. (“PJM”),<sup>2</sup> submits this answer to the protest submitted by Old Dominion Electric Cooperative (“ODEC”) on April 4, 2025.

ODEC protests PJM’s filing on March 14, 2025, of a Necessary Studies Agreement (“NSA”) (March 14<sup>th</sup> Filing). The March 14<sup>th</sup> Filing seeks approval of an executed Necessary Studies Agreement between PJM and LSP Digital Infrastructure, LLC (“LSP Digital”) as Customer (the “LSP Digital NSA”). The Doswell Generating Station (“Doswell”) involved in this filing is owned by LS Power and LSP Digital is an affiliate of LS Power. Effectively the proposed structure means that LS Power would remove its capacity from the PJM market and provide that capacity to itself as the developer of a behind the meter data center. PJM states that it is submitting the LSP Digital NSA to allow PJM to undertake, and charge LSP Digital for studies necessary to evaluate the impact that potential modifications to the LSP Digital’s (or its affiliate’s) facilities may have on the PJM Transmission System. The proposed

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<sup>1</sup> 18 CFR §§ 385.212 & 385.213 (2024).

<sup>2</sup> Capitalized terms used herein and not otherwise defined have the meaning used in the PJM Open Access Transmission Tariff (“OATT”), the PJM Operating Agreement (“OA”) or the PJM Reliability Assurance Agreement (“RAA”).

LSP Digital NSA would define required modifications to Doswell's generation interconnection facilities that would allow it to serve a behind the meter (BTM) load. The filing describes the hypothetical load as: a new BTM data center (DC) campus ("DC" or "PPA Buyer") to be developed near the Doswell site. The proposed LSP Digital NSA describes the arrangement as temporary, eventually to be replaced with direct interconnection of the BTM load to the transmission system.

ODEC argues (at 3–5) that the March 14<sup>th</sup> Filing lacks sufficient detail on both the co-located load and its location behind the meter and that it fails to sufficiently explain "a use of the Doswell facilities that was not previously contemplated." ODEC requests (at 6) that the Commission either reject the NSA, or condition its acceptance on (i) the submittal of a revised or new ISA for Doswell and (ii) clarification that such acceptance "has no implication whatsoever on treatment of the arrangement as a Behind-the-Meter [BTM] Generation arrangement."

The Market Monitor agrees with the concerns raised by ODEC and agrees that the March 14<sup>th</sup> Filing should be rejected. Such rejection would be consistent with the Commission's recent rejection of a generation interconnection service agreement with a co-located load, until the Commission has had time to address the associated policy issues.<sup>3</sup> PJM continues to fail to recognize that its planning role must extend to the addition of large loads like this one. The entire Necessary Studies Agreement (NSA) paradigm in which PJM studies local transmission only and ignores issues of generation reliability is outdated and defunct. The filed NSA adds without supporting arguments or rationale, in the last sentence of Attachment 1, the speculative and unsupported suggestion that it is possible to give up Capacity Interconnection Rights ("CIRs") only temporarily when serving co-located load.

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<sup>3</sup> See *PJM Interconnection, L.L.C.*, 189 FERC ¶ 61,078 (2025) (rejecting amended ISA among PJM, Susquehanna Nuclear, LLC, and PPL Electric Utilities Corporation ("Amended Susquehanna ISA")).

Such a provision is not in the PJM Market Rules, is not otherwise supported, and should be rejected.<sup>4</sup>

The Commission should reject the NSA because it clearly contemplates co-located load that is inconsistent with the Commission's recent ruling in the Talen case. The Commission should reject the NSA because it includes the assumption that its CIRs would be given up only temporarily. This approach would violate the PJM tariff.<sup>5</sup>

The Commission should send a clear message to PJM that PJM should wait for Commission policy to be established before signing co-located load arrangements, that it is no longer appropriate to file NSAs for large load additions, and that a comprehensive approach to large load additions is required in order to maintain reliability.

PJM has recently filed other NSAs, all of which require careful scrutiny in light of the current significant outstanding policy issues.

## **I. ANSWER**

### **A. The March 14<sup>th</sup> Filing Obscures the Issues.**

The filed NSA raises significant policy issues while purporting to be merely a routine NSA. The filed NSA gives no hint, on its face, of any of those issues. Given the attention

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<sup>4</sup> March 14<sup>th</sup> Filing, Appendix 1.

<sup>5</sup> OATT § 230.3.3 ("In the event of the Deactivation of a Generation Capacity Resource (in accordance with Tariff, Part V and any Applicable Standards), or removal of Capacity Resource status (in accordance with Tariff, Attachment DD, section 6.6 or Tariff, Attachment DD, section 6.6A), any Capacity Interconnection Rights associated with such Generating Facility shall terminate one year from the Deactivation Date, or one year from the date the Capacity Resource status change takes effect, unless the holder of such rights (including any holder that acquired the rights after Deactivation or removal of Capacity Resource status) has submitted a completed Generation Interconnection Request up to one year after the Deactivation Date, or up to one year from the date the Capacity Resource status changes take effect, which claims the same Capacity Interconnection Rights in accordance with Tariff, Part VIII, Subpart B, section 403(D) or a Replacement Generation Project Developer has submitted a completed Replacement Generation Interconnection Service Request up to one year after the Deactivation Date which claims the same Capacity Interconnection Rights in accordance with Tariff, Part VIII, Subpart J, section 437.").

currently focused on co-located load issues including the addition of large loads behind a generator, it is surprising that PJM and LSP Digital filed this NSA to add a behind the generation meter co-located provision to the current Doswell ISA.

This filing raises all the same issues raised in the case of the Amended Susquehanna ISA for the Susquehanna nuclear plant and a behind the meter co-located load.<sup>6</sup>

#### **B. The Details Are Not Adequate.**

It is not evident from the description in Attachment 1 of PJM's March 14<sup>th</sup> filing which specific unit(s) described as "Doswell Generating Station" and in what MW quantities will ultimately be included, both ultimately and on an annual basis. In the March 14<sup>th</sup> Filing, Attachment 1, PJM simply states that "the DC campus is initially expected to grow at a rate of one building per year and reach its max gross peak load of 300MW in year 5; while the load ramp is subject to change the max load will not exceed 300MW." An expectation is not an adequate basis for planning for reliability.

The NSA does not state what would happen in the event that part of all of the Doswell plant goes on outage despite the fact that such a complete or partial outage would affect the transmission system and PJM markets.

The proposed LSP Digital NSA states: "The DC campus is initially expected to grow at a rate of one building per year and reach its max gross peak load of 300MW in year 5; while the load ramp is subject to change the max load will not exceed 300MW." The proposed LSP Digital NSA states: "The rate of load growth for the data center is a determining factor for the amount of temporarily surrendered CIRs by Doswell."

#### **C. The Included Details Are Not Just and Reasonable.**

The March 14<sup>th</sup> filing invents a new concept of "temporarily" surrendered CIRs. The treatment of CIRs has been a central issue in the co-located load discussions. Yet the NSA would entirely reverse the tariff and the precedents without any discussion. Even the Talen

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<sup>6</sup> See *PJM Interconnection, L.L.C.*, 189 FERC ¶ 61,078 (2025)

Amended ISA included a provision to return the CIRs associated with the co-located load to the PJM market and PJM interconnection queues. The entire point of returning the CIRs to the PJM market is to make them available for new generation to interconnect. Another key element of returning the CIRs is to make clear that there are long term consequences for removing capacity from the PJM market. Instead, the March 14<sup>th</sup> Filing proposes to create a new form of market power by permitting LS Power to return the CIRs to the PJM market only temporarily and effectively hoard the CIRs for later use. This would prevent new generation in the interconnection queue from using the CIRs to add new capacity.

The March 14<sup>th</sup> Filing would also perpetuate the new delusion that co-located load is fine as long as it is only temporary. The filing does not provide a definitive period during which these temporary arrangements would persist. From the perspective of the capacity market, there is zero difference between withholding a resource based on a temporary or a permanent rationale. The PJM Capacity Market is extremely tight. Removing these MW from the capacity market, even “temporarily”, will exacerbate the capacity market conditions and increase prices for all other customers.

The proposed LSP Digital NSA is based on the continuing and demonstrably incorrect assumption that large new loads can be served by PJM as long as local transmission facilities are deemed to be adequate to support them. PJM does not propose to evaluate the impact of this or other ISAs on the reliability of the PJM system or on the PJM capacity and energy markets. PJM’s NSA process does not evaluate whether there is adequate generation in the event that Doswell is removed from the PJM market. That approach is short sighted and misleading. It should be established that PJM must comprehensively plan for large load additions whether co-located or in front of the meter. That planning process must account for the impact on reliability and markets.

PJM should plan for the rational and measured addition of proposed new data centers in order to ensure that they can be served reliably and without distorting the capacity market for all other customers. New data center loads should bring new capacity if they want to be added quickly. Removing existing capacity from the market is exactly the opposite of

bringing new generation to the market and exactly the opposite of a rational and reasoned approach to serving data center load.

## II. MOTION FOR LEAVE TO ANSWER

The Commission's Rules of Practice and Procedure, 18 CFR § 385.213(a)(2), do not permit answers to answers or protests unless otherwise ordered by the decisional authority. The Commission has made exceptions, however, where an answer clarifies the issues or assists in creating a complete record.<sup>7</sup> In this answer, the Market Monitor provides the Commission with information useful to the Commission's decision making process and which provides a more complete record. Accordingly, the Market Monitor respectfully requests that this answer be permitted.

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<sup>7</sup> See, e.g., *PJM Interconnection, L.L.C.*, 119 FERC ¶61,318 at P 36 (2007) (accepted answer to answer that "provided information that assisted ... decision-making process"); *California Independent System Operator Corporation*, 110 FERC ¶ 61,007 (2005) (answer to answer permitted to assist Commission in decision-making process); *New Power Company v. PJM Interconnection, L.L.C.*, 98 FERC ¶ 61,208 (2002) (answer accepted to provide new factual and legal material to assist the Commission in decision-making process); *N.Y. Independent System Operator, Inc.*, 121 FERC ¶61,112 at P 4 (2007) (answer to protest accepted because it provided information that assisted the Commission in its decision-making process).

### III. CONCLUSION

The Market Monitor respectfully requests that the Commission afford due consideration to this answer as the Commission resolves the issues raised in this proceeding.

Respectfully submitted,



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Dated: April 21, 2025

## **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 Eagleville, Pennsylvania,  
this 21<sup>st</sup> day of April, 2025.



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