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

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| Maryland Office of People's Counsel | ) | Docket No. EL26-63-000 |
| | ) | |
| v. | ) | |
| | ) | |
| AEP Appalachian Transmission Company, Inc. | ) | |
| AEP Indiana Michigan Transmission Company, | ) | |
| Inc. | ) | |
| AEP Kentucky Transmission Company, Inc. | ) | |
| AEP Ohio Transmission Company, Inc. | ) | |
| AEP West Virginia Transmission Company, Inc. | ) | |
| Allegheny Electric Cooperative, Inc. | ) | |
| Allegheny Power American Electric Power | ) | |
| Service Corporation | ) | |
| American Transmission Systems | ) | |
| AMP Transmission, LLC | ) | |
| Appalachian Power Company | ) | |
| Atlantic City Electric Company | ) | |
| Baltimore Gas and Electric Company | ) | |
| City of Hamilton, OH Hudson Transmission | ) | |
| Partners, LLC | ) | |
| Commonwealth Edison Company | ) | |
| Commonwealth Edison Company of Indiana, | ) | |
| Inc. | ) | |
| Dayton Power and Light Company | ) | |
| Delmarva Power & Light Company | ) | |
| Duke Energy Kentucky, Inc. | ) | |
| Duke Energy Ohio, Inc. | ) | |
| Duquesne Light Company | ) | |
| East Kentucky Power Cooperative, Inc. | ) | |
| Electric Utilities Corporation | ) | |
| Essential Power Rock Springs LLC | ) | |
| Incorporated City of Cleveland, Department of | ) | |
| Public Utilities, Division of Cleveland Public | ) | |
| Power | ) | |
| Indiana Michigan Power Company | ) | |
| ITC Interconnection LLC 77 | ) | |

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| Jersey Central Power & Light Company | ) |
| Kentucky Power Company | ) |
| Keystone Appalachian Transmission Comp | ) |
| Kingsport Power Company | ) |
| Linden VFT, LLC | ) |
| Mid-Atlantic Interstate Transmission, LLC | ) |
| Monongahela Power Company | ) |
| Neptune Regional Transmission System, LLC | ) |
| NextEra Energy Transmission MidAtlantic | ) |
| Indiana, Inc. | ) |
| Ohio Power Company | ) |
| Ohio Valley Electric Cooperative | ) |
| Old Dominion Electric Cooperative | ) |
| PECO Energy Company PPL | ) |
| PJM Interconnection, LLC | ) |
| Potomac Edison Company | ) |
| Potomac Electric Power Company | ) |
| Public Service Electric and Gas Company | ) |
| Rockland Electric Company | ) |
| Silver Run Electric, LLC | ) |
| Southern Maryland Electric Cooperative, Inc. | ) |
| Trans-Allegheny Interstate Line Company | ) |
| Transource West Virginia, LLC | ) |
| UGI Utilities, Inc. | ) |
| Virginia Electric Power Company | ) |
| Wabash Valley Power Association, Inc. | ) |
| Wheeling Power Company | ) |
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| | ) |

## COMMENTS OF THE INDEPENDENT MARKET MONITOR FOR PJM

Pursuant to Rule 211 of the Commission's Rules and Regulations,[1] Monitoring Analytics, LLC, acting in its capacity as the Independent Market Monitor ("Market

[1] 18 CFR § 385.211 (2025).

Monitor") for PJM Interconnection, L.L.C. ("PJM"),[2] submits these comments responding to the complaint filed May 7, 2026, amended May 22, 2026, by the Maryland Office of People's Counsel ("Maryland OPC") ("Complaint"). The Complaint requests (at 1, 51–52) that the Commission "find that PJM's existing cost allocation rules for baseline transmission projects are unjust and unreasonable because they result in the imposition of costs on Maryland electric customers that are not commensurate with any benefits Maryland customers receive," and that it "establish just and reasonable cost allocation rules" that "(1) charge[] transmission costs to the zones where the large load customers that cause these costs are located or (2) directly charge[] those costs to the large load customers." The existing cost allocation rules are unjust and unreasonable. Data centers should pay for the transmission built to serve them. The relief sought by Maryland OPC, that transmission costs be directly charged to data centers when those costs are identifiable, should be granted.

# I. COMMENTS

## A. It Is Unjust and Unreasonable to Allocate Transmission Costs to Serve Data Centers to Existing Load.

Maryland OPC correctly argues that "PJM's cost allocation methodology is being applied to a new paradigm in which it is demonstrably no longer appropriate." As Maryland OPC argues, "[u]nder this new paradigm, concentrated, merchant-scale large-load additions, comprised almost entirely of data centers,… located in, or forecasted to be located in discrete, targeted geographic areas, are driving billions of dollars in transmission investment that PJM's tariff broadly socializes to customers throughout the PJM footprint who neither caused nor benefit from these transmission investments…" The Maryland OPC provides ample evidence to find that the current rules, which allocate transmission costs

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[2] 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").

incurred in order to serve new data centers to existing customers are unjust and unreasonable.[3]

Notably, the Complaint does not challenge the current rules as they apply to transmission costs incurred to serve existing customers and new customers that represent ordinary load growth and are not data centers. Data centers are uniquely stressing the system's ability to accommodate them, and it is reasonable to expect them to bear the costs, including the costs that could be imposed on other customers if the data center(s) for whom transmission is built do not actually materialize.[4]

Maryland OPC points to long standing precedent on cost causation. Maryland OPC points to how the current rules unfairly impact Maryland customers. The Complaint shows that it is unjust and unreasonable to allocate any costs to existing customers, including risks, incurred to build transmission to serve new data centers.

### B. Transmission Costs Incurred to Serve Data Centers Should Be Allocated to Data Centers.

The principle and policy that data centers should bear the costs incurred to serve them, including transmission costs, is well established. The Commission, PJM Governors, data center hyperscalers and the White House through the National Energy Dominance Council, have provided clear policy guidance that costs, including transmission costs, should be assigned to the developers of data center and not to current customers.[5] The lack

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[3] Complaint at 26–29, citing, e.g., Ill. Commerce Comm'n v. FERC., 576 F.3d 470, 476–77 (7th Cir. 2009).

[4] Complaint at 8–9.

[5] *See* National Energy Dominance Council, Statement of Principles Regarding PJM (January 16, 2026) <https://www.energy.gov/documents/statement-principles-regarding-pjm>; *see also* White House, "Ratepayer Protection Pledge Proclamation," (March 4, 2026) <https://www.whitehouse.gov/presidential-actions/2026/03/ratepayer-protection-pledge-proclamation/>; *see also, e.g., PJM Interconnection, L.L.C., et al.*, 195 FERC ¶ 61,211 at P 66 (2026) ("In particular, we are concerned about the apparent lack of: (1) transparency regarding the assignment of Network Upgrades, and their associated costs, that are needed to provide transmission service to Eligible

of rules addressing the allocation of the costs of transmission built to serve data centers, violates these principles. In response to the Complaint, the market rules for cost allocation should be revised consistent with cost causation principles and Commission policy on the allocation of data center costs.

## II. CONCLUSION

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

Respectfully submitted,


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Customers on behalf of large loads; and (2) a pro forma cost recovery agreement between PJM, the relevant transmission owner, and the Eligible Customer taking transmission service on behalf of large loads that help ensure that Eligible Customers bear the risk and are ultimately responsible for costs incurred to provide transmission service, including the cost of Network Upgrades.”).

**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 27th day of July, 2026.

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