UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

PECO Energy Company	)))	Docket No. ER25-3492-000

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,[1] Monitoring Analytics, LLC, acting in its capacity as the Independent Market Monitor ("Market Monitor") for PJM Interconnection, L.L.C. ("PJM"),[2] submits this answer to the answer submitted by PECO Energy Company ("PECO"), on October 29, 2025 ("October 29th Answer"), to the Market Monitor's comments in this proceeding filed, October 14, 2025 ("Market Monitor Comments"). The October 29th Answer's claim that the Commission can reasonably ignore adverse impacts on resource adequacy that would result from approval of the Transmission Security Agreement by and between PECO and Amazon Data Services, Inc. ("TSA") is unconvincing, short sighted, inconsistent with the view that TO/EDC/LSEs have jurisdictional authority over new load interconnections, and inconsistent with maintaining a reliable grid in the interests of all market participants. The adverse impacts on resource adequacy in PJM of the proposed interconnection that will result from the TSA should be a core concern in review of the TSA.

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1 18 CFR §§ 385.212 & 385.213 (2024).

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").

I. ANSWER

In response to the primary substantive point raised in the Market Monitor Comments, the October 29th Answer states (at 6) that the TSA "does not—and was never intended to—resolve broader questions of generation adequacy across the PJM footprint," and that attention to the issue is not "required for the Commission to find the TSA just and reasonable." PECO does recognize (*id*.) that "resource adequacy is a critical issue that must be addressed in the appropriate forums and in effective ways." The October 29th Answer does not identify the better alternative forum for addressing the specific issue raised in the PECO filing and/or how the issue will be effectively raised and resolved. There is no reason not to address the critical issue in this forum. Resource adequacy and the specific impact on resource adequacy of the PECO filing was raised by the PECO filing and is a matter within the Commission's jurisdiction and it is appropriate to explicitly address in this proceeding.[3]

The problem with the October 29th Answer is that not only does it not resolve the questions of how the filing specifically negatively affects generation adequacy, it fails to address the issue of reliability at all. This failure is inconsistent with PECO's responsibility as a TO/EDC/LSE to maintain reliability.[4] It is well within the authority of the TO/EDC/LSE to refuse to interconnect a large new data center load when it cannot be served reliably either for reasons of transmission adequacy or generation adequacy.

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3 *See Hughes v. Talen Energy Marketing*, 578 U.S. 150 (2016); *FERC v. EPSA*, 577 U.S. 260 (2016).

4 *See* PJM Consolidated Transmission Owners Agreement § 4.10 ("Connections with Non-Parties. No Party shall permit its Transmission Facilities or distribution facilities to be connected with the facilities of any entity which is not a Party without an interconnection agreement that contains provisions for the safe and reliable operation of each interconnection in accordance with Good Utility Practice, and principles, guidelines and standards of the Applicable Regional Reliability Council and NERC or comparable requirements of an applicable retail tariff or agreement approved by appropriate regulatory authority. Subject to applicable regulatory requirements, any dispute regarding the adequacy of such agreements shall be resolved by PJM, subject to the dispute resolution provisions of the Operating Agreement.").

PECO fails to come down on any side of the jurisdictional question. Either PECO as a TO/EDC/LSE has the authority to refuse to interconnect a large new data center load because it cannot be served reliably, or PJM has that authority, or both have that authority. It cannot be credibly argued that no one has the authority. Yet PECO fails to address that core issue raised by its own filing. It cannot have escaped the notice of PECO that the last PJM capacity market auction cleared short and that there is an ongoing Critical Issue Fast Path ("CIFP") accelerated stakeholder process to address the issues that result from the rapid addition of large new data center loads when there is no capacity to serve them. PECO proposes to exacerbate the issue yet would have the Commission and market participants believe that the PECO proposal is not really doing so. Simply denying that the issue exists is not a supportable position.

The only "misguided" assertion is that all parties must blindly proceed towards an unreliable system because the load must be served without any consideration for how it can be served or whether it can be served reliably. Of course it is essential to interconnect data centers to the PJM grid. It is equally obvious that the interconnection of large new data centers must be managed so as to provide reliable service to new and existing customers. It is just as essential to national security to reliably serve the existing industrial, commercial and household loads.

PECO refers to "system-wide resource adequacy" as if it is a foreign construct not related to PECO or its customers.

PECO "agrees that resource adequacy is a critical issue that must be addressed in the appropriate forums and in effective ways," while failing to make a single suggestion or to recognize PECO's own responsibilities as a TO/EDC/LSE and a signatory to the OA and the RAA.

PECO's summary states (at 2): "It is counterproductive to insist that no progress be made on transmission cost protections until every aspect of resource adequacy is resolved. The Commission should encourage incremental, practical solutions like the TSA, which address real risks today while broader reforms are considered." PECO misses the point.

When the data center can be reliably served on the PJM grid, the Market Monitor agrees that the TSA should be included as part of the solution and further recommends that the TSA serve as a template for future such agreements.

Contrary to the October 29th Answer, the "broader reforms" are not some abstract far distant construct that can be ignored while PECO's actions actively contribute to the reliability problems facing the PJM grid and markets. It is neither practical nor a solution to interconnect a new large data center load which cannot be served reliably.

PECO's assertion that "the extraneous relief requested by the IMM would be counterproductive to protecting customers and inconsistent with Commission precedent" could not be further from the truth. It would in fact be counterproductive for PECO to sign up a large new data center load while imposing the related reliability costs and risks on other customers and claiming that such costs are extraneous and irrelevant.

The fact that the PECO-Amazon TSA protects PECO ratepayers from one relatively narrow set of costs imposed by the proposed interconnection is not cause for self congratulation. PECO's narrow focus on the TSA ignores the broader shifting of costs and risks to the customers of PECO and all the customers of PJM through higher capacity market prices, higher energy market prices and higher transmission costs.[5] [6]

It cannot be and it is not just and reasonable to contribute to a growing reliability issue in the PJM markets while refusing to acknowledge the issue. The PECO filing is clearly not just and reasonable.

The October 29th Answer also responds (at 7–8) to the Market Monitor Comments recommending removal of the proposed *Mobile-Sierra* clause. The response argues (at 8) that

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5 *See*, "Analysis of the 2025/2026 RPM Base Residual Auction - Part G Revised," <https://www.monitoringanalytics.com/reports/Reports/2025/IMM_Analysis_of_the_20252026_RPM_Base_Residual_Auction_Part_G_20250603_Revised.pdf> (June 3, 2025).

6 See "Analysis of the 2026/2027 RPM Base Residual Auction - Part A," ("Part A") <https://www.monitoringanalytics.com/reports/Reports/2025/IMM_Analysis_of_the_20262027_RPM_Base_Residual_Auction_Part_A_20251001.pdf> (October 1, 2025).

removal of the clause has not been shown to be in the public interest. The public interest standard does not apply unless and until the requested provision is approved by the Commission. The standard applicable to this proceeding is the ordinary just and reasonable standard. The Market Monitor's objection is that the *Mobile-Sierra* clause has not been shown to meet that standard.

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 protests, answers, or requests for rehearing 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.[7] 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.

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,

Jeffrey Mayes

Joseph E. Bowring

[7] *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).

Independent Market Monitor for PJM
President
Monitoring Analytics, LLC
2621 Van Buren Avenue, Suite 160
Eagleville, Pennsylvania 19403
(610) 271-8051
joseph.bowring@monitoringanalytics.com

Jeffrey W. Mayes

General Counsel
Monitoring Analytics, LLC
2621 Van Buren Avenue, Suite 160
Eagleville, Pennsylvania 19403
(610) 271-8053
jeffrey.mayes@monitoringanalytics.com

Dated: November 4, 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 4th day of November, 2025.

Jeffrey W. Mayes
General Counsel
Monitoring Analytics, LLC
2621 Van Buren Avenue, Suite 160
Eagleville, Pennsylvania 19403
(610) 271-8053
jeffrey.mayes@monitoringanalytics.com