

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

<b>Constellation Energy Generation, LLC</b> <i>Complainant</i>	)	
	)	
<b>v.</b>	)	<b>Docket No. EL25-20-000</b>
	)	
<b>PJM Interconnection, L.L.C.</b> <i>Respondent</i>	)	
	)	
	)	

**COMMENTS OF THE ELECTRIC POWER SUPPLY ASSOCIATION  
AND THE PJM POWER PRODUCERS GROUP**

Pursuant to the November 25, 2024 Combined Notice of Filings #1 issued by the Federal Energy Regulatory Commission (the “Commission” or “FERC”) in the above-captioned proceeding, the Electric Power Supply Association (“EPSA”)<sup>1</sup> and the PJM Power Providers Group (“P3”)<sup>2</sup> respectfully submit these comments on the November 22, 2024 complaint (“the Complaint” or “Constellation Complaint”) filed by Constellation Energy Generation, LLC (“Constellation”). The complaint seeks changes to the PJM Interconnection, L.L.C. (“PJM”) Open Access Transmission Tariff (“Tariff” or “OATT”) to specify rules for Fully Isolated Co-Located Load, a situation in which interconnected

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<sup>1</sup> EPSA is the national trade association representing competitive power suppliers in the U.S. EPSA members provide reliable and competitively priced electricity from environmentally responsible facilities using a diverse mix of fuels and technologies. EPSA seeks to bring the benefits of competition to all power customers. This pleading represents the position of EPSA as an organization, but not necessarily the views of any particular member with respect to any issue. EPSA filed a timely document-less Motion to Intervene in this proceeding on November 25, 2024.

<sup>2</sup> P3 is a non-profit organization dedicated to advancing federal, state, and regional policies that promote properly designed and well-functioning electricity markets in the PJM Interconnection, L.L.C. (“PJM”) region. Combined, P3 members own over 83,000 MWs of generation assets and produce enough power to supply over 63 million homes in the PJM region covering 13 states and the District of Columbia. These comments represent the position of P3 as an organization but not necessarily the views of any particular member with respect to any issue. For more information on P3, visit [www.p3powergroup.com](http://www.p3powergroup.com). P3 filed a timely document-less intervention in this proceeding on November 25, 2024.

generators and end-use load are co-located behind the meter in a manner that includes protective relays to prevent the load from receiving power from the grid. Constellation argues that the current lack of clear rules that apply to the transmission and interconnection issues posed by these scenarios allows distribution utilities to create or exacerbate delays for these bilateral arrangements through discriminatory treatment of generators seeking to serve Fully Isolated Co-Located Loads.

As relief, Constellation asks the Commission to direct PJM to incorporate certain sections of its April 2024 *Guidance on Co-Located Load* document (“Guidance Document”)<sup>3</sup> into its OATT to establish specific rules to apply to fully isolated load arrangements. By formalizing the Guidance Document, Constellation believes that PJM would quickly remedy the existing confusion and undue discrimination and facilitate the development of safe and reliable co-located load transactions. If the Commission determines that there are issues associated with these transactions that require consideration but are not addressed by the Guidance Document, Constellation urges the Commission to establish a paper hearing or settlement procedures on a limited, expedited timeline to evaluate whether any additional rules are needed while allowing transactions to move forward as swiftly as possible.

EPSA and P3 agree with Constellation that clear rules and policy guidance are needed to address current barriers to the array of co-located load arrangements in PJM. Thus, EPSA and P3 urge the Commission to accept the Complaint and direct the development of the needed relief on an expedited basis for PJM as discussed herein.

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<sup>3</sup> PJM Interconnection, L.L.C., *PJM Guidance on Co-Located Load*, (Apr. 17, 2024), <https://www.pjm.com/-/media/markets-ops/rpm/rpm-auction-info/pjm-guidance-on-co-located-load.ashx>. Constellation proposes moving Sections 2, 3, 5, and 7 of the Guidance Document into PJM’s OATT as “a modified ‘Co-Location Schedule.’” See Constellation Complaint, pp 24-28 and Exhibit 3.

## I. COMMENTS

As highlighted in EPSA's recently filed post-conference comments<sup>4</sup> addressing general issues raised by emerging co-location scenarios and demonstrated by the vast record<sup>5</sup> being developed in that administrative proceeding, these important bilateral arrangements are emerging very quickly to meet the rapid demand growth posed by large load end-users like data centers – the precise type of innovation that competitive markets should foster and support. We – industry, customers, regulators, policymakers – cannot continue to hem and haw and impede the development of very important economic and national security facilities.

EPSA and P3 therefore agree with Constellation that in the near-term industry needs direction and, if and where needed, new or modified rules to facilitate the development of these supply arrangements. As a general proposition, there is an array of possible configurations for co-located load and generation resources and thus there may be multiple decisions or approaches necessary to offer sufficient clarity without creating or exacerbating barriers to such deals. In its complaint, however, Constellation seeks action to address a specific, narrow co-location configuration – Fully Isolated Co-Located Load – as defined in the complaint<sup>6</sup> to include relay protections ensuring that load does not take backup power from the grid.

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<sup>4</sup> Post-Conference Comments of The Electric Power Supply Association, *Large Loads Co-Located at Generating Facilities Technical Conference*, Docket No. AD24-11-000, (December 9, 2024) ("EPSA Co-location Conference Comments").

<sup>5</sup> *Large Loads Co-Located at Generating Facilities Technical Conference*, Docket No. AD24-11-000. As of December 11, thirty-eight entities submitted comments pursuant to the Commission's November 8, 2024 *Notice of Request for Comments*, a preponderance of which seek clarity and/or guidance from FERC, highlighting the significant national security, economic development, and technological advancement which hinges on timely meeting the demand of these emerging large load customers.

<sup>6</sup> For the purposes of this proceeding, EPSA and P3 defer to Constellation's description of Fully Isolated Co-Located Load Language. See Constellation Complaint, p. 1, "Fully Isolated Co-Located

Constellation’s proposed remedy to address transmission and interconnection issues raised by these arrangements is to formalize the PJM Guidance Document in its OATT – an approach that seems reasonable and achievable, particularly as PJM has relied on this document in its dealings with generators seeking to provide service to co-located loads. EPSA and P3 understand that PJM is adverse to this approach, having stated in this record that, “[T]o avoid any doubt, PJM will resist any request to simply incorporate into its Tariff all or parts of the guidance document, which was the best clarity PJM could issue when stakeholders were unable to advance a comprehensive solution on this complex issues.”<sup>7</sup> Further, PJM’s pressing need is to develop in the very near term clear rules that apply to and guide co-location arrangements of all types.

EPSA and P3 urge the Commission and PJM to land quickly on clear, short-term rules or modifications to address co-location arrangements – including Fully Isolated Co-Located Load. If the approach is not to formalize the existing Guidance Document, there needs to be an expedited proposal from PJM. It is possible that the Guidance Document is not sufficient to establish a reasonable and comprehensive set of rules for co-located arrangements. That noted, it is confusing to prospective co-location generation partners what the rules are or what may be missing from the PJM Guidance Document. And, as PJM is fully aware of, these arrangements are being developed and finalized now and offer a critical mechanism to meet a growing load-side demand that requires timely supply

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Load...is generation and end-use load co-located behind-the-meter in a configuration that includes protective relays to prevent the load from receiving power from the grid.”

<sup>7</sup> Motion for Extension of Time, And Request for Expedited Action, and Non-Opposition to a Motion Answer Deadline of December 3 or December 4 of PJM Interconnection, L.L.C., *Constellation Energy Generation, LLC v. PJM Interconnection, L.L.C.*, Docket No. EL25-20-000, (November 27, 2024) (“PJM Extension Motion”), p. 3.

arrangements to further the economic development and national security supported by data centers.

The Commission has recently added to the current confusion by rejecting *without guidance* the proposed non-conforming Interconnection Service Agreement (“ISA”) Amendment between Susquehanna Nuclear, LLC, and PPL Electric Utilities Corporation and agreed to by PJM.<sup>8</sup> That order rejected the amended ISA based on a finding that the parties did not meet their burden to show the amendment provisions are necessary and unique to the Susquehanna ISA and highlighted that “the filing leaves multiple important questions unresolved.”<sup>9</sup> But, due to the finding that PJM has not met its burden, the order does not delve into or specify what important questions should be addressed, aside from highlighting novel legal issues and other unique factors.

The urgency underscored by the Complaint – while instigated by Constellation’s troubling experience attempting to finalize Fully Isolated Co-Location Load arrangements in PJM – is thus well placed and appropriate, and their two-phased approach to allow for the formalization of an existing set of co-location guidelines is reasonable while offering a way to address additional issues. In the least, EPSA and P3 urge the Commission to direct the development of a clear, near-term resolution. Notably, several traditional procedural vehicles are woefully insufficient to address the fast-paced load growth presented by large end-users like data centers. As an example, PJM’s recent stakeholder process to address co-location issues took over two years to complete and yielded no useful approach, policy,

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<sup>8</sup> Order Rejecting Amendments to Interconnection Service Agreement, *PJM Interconnection L.L.C.*, Docket No. ER24-2172-000, -001, 189 FERC ¶ 61,078, *reh’g pending*, (November 1, 2024) (“Susquehanna ISA Order” or “Susquehanna ISA Proceeding”).

<sup>9</sup> Susquehanna ISA Order, P 88.

or treatment for co-located arrangements.<sup>10</sup> As there is a chance (if not likelihood) of a similar result from a “new” stakeholder process, that is unacceptable.

Similarly, a Commission-directed rulemaking proceeding to address co-location issues generically will take months if not years. Though co-location arrangements are likely to emerge in multiple regions across the country, at this time a clear development hub for these is among PJM states.<sup>11</sup> Further, as exemplified by protests from PJM distribution utilities in related proceedings,<sup>12</sup> as well as attempts to presuppose the nature *all* co-location configurations as utility customers,<sup>13</sup> clear rules of the road are needed *in PJM* expeditiously to ensure that competitive, bilateral mechanisms like co-location arrangements can move forward to serve the needs of customers in that region. In addition

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<sup>10</sup> PJM Market Implementation Committee: issue deliberation process for *Capacity Offer Opportunities for Generation with Co-Located Load* was initiated December 1, 2021, via opening Problem Statement and Issue Charge. The proposed package failed in votes of the PJM Market and Reliability Committee on October 25, 2023, leading PJM to develop the referenced *Guidance on Co-located Load* (final version April 2024). See [PJM Issue Tracking](#) page for timeline and related documents and background.

<sup>11</sup> “Northern Virginia — the largest data center hub in the world — has about 150 data centers with about 5,050 MW of load, according to the report. Data center growth could drive average monthly data center usage to about 30,000 GWh by 2040 under an “unconstrained” scenario from about 11,000 GWh this year.” Utility Dive, *PJM Expects Summer Peak Load to Grow 2% a Year on Average, Driven by Data Centers*, December 10, 2024;

“While the national-level growth estimates are significant, it is even more striking to consider the geographic concentration of the industry and the local challenges this growth can create. Today, fifteen states account for 80% of the national data center load, with data centers estimated to comprise a quarter of Virginia’s electric load in 2023.” EPRI, *Powering Intelligence: Analyzing Artificial Intelligence and Data Center Consumption – 2024 White Paper*, (May 28, 2024).

<sup>12</sup> See e.g., filings in *PJM Interconnection L.L.C.*, Docket No. ER24-2172-000 (Susquehanna ISA Proceeding): Protest of Exelon Corporation and American Electric Power Corporation, (June 24, 2024); Exelon and AEP Request for Leave to Answer and Answer to Susquehanna Nuclear LLC, PJM, Constellation, Vistra, Calpine, and PPL, (July 17, 2024); Exelon and AEP Request for Leave to Answer and Answer to Constellation Second Answer, (July 24, 2024); Joint Protest of Exelon Corporation and American Electric Power Service Corporation to PJM Deficiency Response, (September 24, 2024); Exelon and AEP Request for Leave to Answer and Answer to Susquehanna, Constellation, and PPL Comments, (October 15, 2024).

<sup>13</sup> Revised Rate Schedules Modifying PJM OATT Attachment H-1, filed by the following Exelon utility affiliates in separate non-consolidated proceedings: *Atlantic City Elec. Co.*, Docket No. ER24-2888-000; *Baltimore Gas & Elec. Co.*, Docket No. ER24-2889-000; *Commonwealth Edison Co.*, Docket No. ER24-2890-000; *Delmarva Power & Light Co.*, Docket No. ER24-2891-000; *PECO Energy Co.*, Docket No. ER24-2893-000; *Potomac Elec. Power Co.*, Docket No. ER24-2894-000 (all filed on August 28, 2024)

to clarity, the Commission and PJM need to ensure that its stakeholders are not hampered or stymied by anti-competitive actions from distribution utilities in the region.

Thus, EPSA and P3 urge the Commission and PJM to acknowledge the urgent need for explicit rules and craft a near-term approach that achieves the needed clarity sought by Constellation and needed by other generation resources and large load end-users. Importantly, guidance is needed for the wide array of co-location configurations where the load is not fully isolated but does depend to some limited degree on grid services, as urged in EPSA's comments and the record established so far in the administrative proceeding on this issue.<sup>14</sup>

In this vein, establishing and convening either a time-limited paper hearing or a settlement procedure may be the way to underscore a sense of urgency for stakeholders and bring all views to the table for consideration and a timely resolution. While focusing on fully isolated arrangements may be a good starting point, EPSA and P3 believe Constellation's complaint can prompt a solution in the very near term to address the broad array of configurations that are and will be proliferating in the PJM market.

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<sup>14</sup> See generally EPSA Co-location Conference Comments and record for *Large Loads Co-Located at Generating Facilities Technical Conference*, Docket No. AD24-11-000, (conference held November 1, 2024; post-conference comments submitted December 9, 2024).

## II. CONCLUSION

**WHEREFORE**, EPSA and P3 urge the Commission to issue an order accepting the Complaint and offer the needed direction and relief discussed herein on an expedited basis.

Respectfully submitted,

*/s/ N. E. Bagot*

Nancy Bagot, Senior Vice President  
Electric Power Supply Association  
1401 New York Avenue, N.W., Suite 950  
Washington, D.C. 20005  
(202) 628-8200  
[NancyB@epsa.org](mailto:NancyB@epsa.org)

*On behalf of the Electric Power Supply Association*

*/s/ Glen Thomas*

Glen Thomas  
Laura Chappelle  
Diane Slifer  
GT Power Group  
101 Lindenwood Drive, Suite 225  
Malvern, PA 19355

*On behalf of the The PJM Power Providers Group*

Dated: December 12, 2024



**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 Washington, D.C., this 12<sup>th</sup> day of December, 2024.

*On behalf of the Electric Power Supply Association  
and the PJM Power Providers Group*

*/s/ N. E. Bagot*

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Nancy Bagot, Senior Vice President, EPSA