

139 FERC ¶ 61,079
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Philip D. Moeller, John R. Norris,
and Cheryl A. LaFleur.

PJM Interconnection, L.L.C.

Docket No. ER12-1177-000

ORDER ON PROPOSED TARIFF REVISIONS

(Issued April 30, 2012)

1. On February 29, 2012, PJM Interconnection, L.L.C. (PJM) filed modifications to its Open Access Transmission Tariff (Tariff) to implement interconnection queue process reforms intended to relieve bottlenecks in the interconnection queue, improve the timeliness, quality, and significance of study results, provide for more consistent and realistic cost assessments, and increase transparency. In this order, the Commission accepts the proposed tariff revisions to be effective May 1, 2012, subject to conditions and a compliance filing.

I. Background

2. In Order No. 2003, the Commission required all public utilities that own, control, or operate facilities for transmitting electric energy in interstate commerce to append to their Open Access Transmission Tariffs, Large Generator Interconnection Procedures and a Large Generator Interconnection Agreement in order to achieve greater standardization of interconnection terms and conditions.¹ On July 8, 2004, the Commission approved PJM's proposed Tariff provisions to comply with the Order No. 2003 requirements,² and PJM has from time to time made tariff revisions, based on its stakeholder processes, to

¹ *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, FERC Stats. & Regs. ¶ 31,146 (2003), *order on reh'g*, Order No. 2003-A, FERC Stats. & Regs. ¶ 31,160, *order on reh'g*, Order No. 2003-B, FERC Stats. & Regs. ¶ 31,171 (2004), *order on reh'g*, Order No. 2003-C, FERC Stats. & Regs. ¶ 31,190 (2005), *aff'd sub nom. Nat'l Ass'n of Regulatory Util. Comm'rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007).

² *PJM Interconnection, L.L.C.*, 108 FERC ¶ 61,025 (2004).

improve the interconnection process. PJM states that it and its stakeholders periodically review PJM's interconnection process to determine whether changes are needed to continue to offer an open, transparent, and efficient interconnection process. In February 2011, PJM established the Interconnection Process Senior Task Force (Task Force) to address stakeholder-raised issues concerning the need to provide more consistent and realistic assessments of costs associated with queue projects, to ensure more timely completion of project studies within the queue, and to achieve greater transparency in the interconnection process. Specifically, with respect to cost assessments and transparency, PJM contends that stakeholders identified a need for a queued project to better understand the status of projects prior to it in the queue, that is, to better understand how far along such earlier queued projects are in the process, whether such projects are committed to moving forward; and the likelihood that its own project would be impacted by decisions made by projects before it.

3. PJM states that the Task Force analyzed the PJM interconnection process to ascertain the root causes of the issues identified by PJM's stakeholders along with the contributing factors. PJM further states that the task force identified several main causes for delays in its queue process that generally aggregate into (1) the sheer number of projects, including hundreds of small projects and a few very large projects; and (2) the number of restudies, required when projects drop out or reduce size.

II. PJM Filing

4. Pursuant to section 205 of the Federal Power Act (FPA),³ PJM filed proposed revisions to its Tariff to implement interconnection queue process reforms to improve the timeliness, quality, and significance of study results, which PJM contends will increase transparency and result in more consistent and realistic cost assessments. Specifically, PJM has proposed (1) six-month queue cycles; (2) sliding queues for projects that seek to modify the size of their Interconnection Requests by more than a specified amount; (3) an alternate queue for projects less than or equal to 20 megawatts (MW) that, as determined through a screening process, will not have an impact on the PJM monitored transmission system; (4) clarified timeframes for notifying PJM if a project is using Capacity Interconnection Rights transferred from a deactivating generator; (5) reduced suspension rights if a suspension will negatively impact the timing or cost of a subsequent queue project; (6) modified deposits for projects that are greater than 2 MWs but less than 20MWs; and (7) clarified provisions concerning submission of System Impact Study data.

³ 16 U.S.C. § 824d (2006).

5. PJM contends that the Tariff proposals are consistent with the objectives contained in Order No. 2003, are intended to relieve bottlenecks in the interconnection queue, and provide for greater certainty and transparency. PJM has requested a May 1, 2012, effective date for the proposed reforms to its Tariff.

III. Notice and Responsive Pleadings

6. Notice of PJM's February 29, 2012 filing was published in the *Federal Register*, 77 Fed. Reg. 14,357 (2012), with interventions and protests due on or before March 21, 2012.

7. Notice of intervention was filed by New Jersey Board of Public Utilities (New Jersey Board). Motions to intervene were filed by American Municipal Power, Inc, NRG Companies,⁴ NextEra Energy Generators,⁵ E.ON Climate & Renewables North America LLC (E.ON Climate), LS Power Associates, L.P. (LS Power), Acciona Wind Energy USA LLC (Acciona), American Electric Power Service Corporation (AEP),⁶ PSEG Companies,⁷ New Jersey Division of Rate Counsel (New Jersey Counsel), Hess Corporation (Hess), Atlantic Grid Development, LLC, Old Dominion Electric Cooperative (ODEC), PHI Companies,⁸ The Dayton Power and Light Company

⁴ NRG Power Marketing LLC, Conemaugh Power LLC, Indian River Power LLC, Keystone Power LLC, NRG Energy Center Dover LLC, NRG Energy Center Paxton LLC, NRG Rockford LLC, NRG Rockford II LLC, and Vienna Power LLC.

⁵ FPL Energy Marcus Hook, L.P., North Jersey Energy Associates, L.P., Backbone Mountain Windpower LLC, Mill Run Windpower LLC, Somerset Windpower LLC, Meyersdale Windpower LLC, Waymart Wind Farm, LP, and Pennsylvania Windfarms, Inc.

⁶ On behalf of Appalachian Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company, Wheeling Power Company, AEP Appalachian Transmission Company, AEP Indiana Michigan Transmission Company, AEP Kentucky Transmission Company, AEP Ohio Transmission Company, and AEP West Virginia Transmission Company.

⁷ Public Service Electric and Gas Company, PSEG Power LLC, and PSEG Energy Resources & Trade LLC.

⁸ Pepco Holdings, Inc., Potomac Electric Power Company, Delmarva Power & Light Company, and Atlantic City Electric Company.

(Dayton), GenOn Parties,⁹ Solar Energy Industries Association (SEIA), CPV Power Development, Inc., Dominion Resources Services, Inc. (Dominion Resources),¹⁰ Monitoring Analytics, LLC,¹¹ Calpine Corporation, Rockland Electric Company, PJM Industrial Customer Coalition, Organization of PJM States, Inc., Exelon Corporation, FirstEnergy Transmission Owners,¹² Iberdrola Renewables (Iberdrola), and American Wind Energy Association (AWEA). Out of time motions to intervene were filed by Pennsylvania Public Utility Commission (Pennsylvania Commission), Indiana Utility Regulatory Commission (Indiana Commission), Duke Energy Corporation (Duke Energy),¹³ North Carolina Electric Membership Corporation (NCEMC), American Public Power Association, and PPL PJM Companies.¹⁴

8. Comments were filed by PJM IMM, Iberdrola, AWEA, E.ON Climate, AMP, SEIA, PSEG Companies, Acciona, Hess, and New Jersey Board. A Limited Protest was

⁹ GenOn Energy Management, LLC; GenOn Chalk Point, LLC; GenOn Mid-Atlantic, LLC; GenOn Potomac River, LLC; GenOn REMA, LLC; and GenOn Wholesale Generation, LP.

¹⁰ On behalf of Dominion Energy Marketing, Inc., Elwood Energy, LLC, Fairless Energy, LLC, State Line Energy, LLC, Kincaid Generation, LLC, and Virginia Electric and Power Company.

¹¹ As the PJM independent market monitor (PJM IMM).

¹² Jersey Central Power & Light Company, Metropolitan Edison Company, Pennsylvania Electric Company, Monongahela Power Company, The Potomac Edison Company, West Penn Power Company, American Transmission Systems, Incorporated, and Trans-Allegheny Interstate Line Company.

¹³ On behalf of Duke Energy Ohio, Inc. (Duke Energy Ohio), Duke Energy Kentucky, Inc. (Duke Energy Kentucky), Duke Energy Carolinas, LLC, Duke Energy Commercial Asset Management, Inc., Duke Energy Retail Sales, LLC, and Duke Energy Business Services, LLC.

¹⁴ The PPL PJM Companies are PPL Electric Utilities Corporation, PPL EnergyPlus, LLC, PPL Brunner Island, LLC, PPL Holtwood, LLC, PPL Martins Creek, LLC, PPL Montour, LLC, PPL Susquehanna, LLC, Lower Mount Bethel Energy, LLC, PPL New Jersey Solar, LLC, PPL New Jersey Biogas, LLC, and PPL Renewable Energy, LLC.

filed by LS Power. The Ohio Public Utilities Commission filed comments in support of the comments of AMP. Motions to answer, answers and responsive pleadings were filed by PJM, Indicated Parties,¹⁵ PSEG Companies, Dayton, ODEC,¹⁶ Indicated PJM Transmission Owners, and Acciona.¹⁷

IV. Commission Discussion

A. Procedural Matters

9. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure,¹⁸ the notices of intervention and timely, unopposed motions to intervene serve to make them parties to this proceeding. Given the early stage of this proceeding and the absence of undue prejudice or delay, we grant the unopposed out-of time motions to intervene submitted by the Pennsylvania Commission, Indiana Commission, NCEMC, and Duke Energy.

10. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure prohibits an answer to a protest or to an answer unless otherwise ordered by the decisional authority.¹⁹ We accept the answers of PJM, Indicated Parties, PSEG Companies, Dayton, ODEC, Indicated PJM Transmission Owners, and Acciona because they have aided us in our decision-making process.

¹⁵ For the purposes of this proceeding, the Indicated Parties are: AEP, Dominion Resources, Exelon Corporation, First Energy Solutions Corp. and FirstEnergy Transmission Owners, Duke Energy on behalf of Duke Energy Ohio and Duke Energy Kentucky, and PSEG Companies.

¹⁶ With the Blue Ridge Power Agency.

¹⁷ For the purposes of this proceeding, the Indicated PJM Transmission Owners are: AEP, Dominion Resources, Exelon Corporation, FirstEnergy Transmission Owners, and PPL PJM Companies.

¹⁸ 18 C.F.R. § 385.214 (2011).

¹⁹ 18 C.F.R. § 385.213(a)(2) (2011).

B. Proposed Tariff Revisions

11. Except as noted below, PJM proposes that its revisions apply to all projects entering the queue on or after May 1, 2012. Except where discussed below, commenters are generally supportive of PJM's proposal. Finally, except where discussed below, the Commission finds PJM's proposed revisions to be just and reasonable.

1. Six-Month Queue Cycles**a. Proposal**

12. PJM's current queue structure is based on three-month cycles. PJM states that the overlap of the queues which results from the schedule and timelines currently contained in the Tariff has caused rounds of restudies which can negatively impact the timeliness of studies and the meaningfulness and certainty of results. PJM believes that building in time for earlier queued Interconnection Customers to make their decisions of whether to stay in the queue or withdraw before a later queue's study phase begins would ensure the accuracy of the model against which a queue is studied. PJM contends that building in time for such decision-making would also ensure that the decisions of earlier queued Interconnection Customers would be captured in later study phases, which would result in a reduction in restudies and, in turn, more certainty and meaningful results.²⁰ PJM therefore proposes to move to a six-month queue cycle, with cycles running from May 1-October 31 and November 1-April 30.²¹

13. PJM states that it will take one month after the closing of a queue to complete scoping meetings and complete its baseline model build, and then another 90 days to complete the feasibility study. PJM recognizes that this means that it will complete the feasibility study within 120 days following the close of the queue, rather than within 90 days, as under the current tariff, but argues that the overall study process will become more timely, primarily due to the reduced need for restudies.²²

²⁰ PJM Filing at 6.

²¹ *Id.* at 7.

²² *Id.*

14. PJM proposes that projects entering the queue after November 1, 2011 but before May 1, 2012, be transitioned to the six-month queue cycle. For projects entering the queue prior to November 1, 2011, there would be no change to the current process;²³ for projects entering the queue between November 1, 2011 and January 31, 2012, PJM would commence the System Impact Study on July 1, 2012; for projects entering the queue between February 1, 2012 and April 30, 2012, PJM would commence the System Impact Study on November 1, 2012. For projects entering the queue on or after May 1, 2012, PJM would commence the System Impact Study on June 1 for projects entering the queue between May 1-October 31 of the preceding year; and on December 1 for projects entering the queue between November 1 and April 30 of the same year.

b. Comments and Protests

15. The New Jersey Board states that PJM previously shortened the queue cycle from six months to three in 2008 in order to avoid the “last-minute rush” to submit interconnection requests, and to more evenly distribute the work load along the year. The New Jersey Board asserts that PJM has failed to address how the issue of a “last minute rush” will be avoided if the six-month queue cycle is reestablished, as it is under PJM’s proposal. Accordingly, the New Jersey Board requests that the Commission require PJM to explain how the reestablishment of the six-month queue cycle will not result in the reappearance of prior problems or unnecessarily increase the timeframe for PJM to conduct interconnection studies.²⁴

16. In addition, the New Jersey Board alleges that PJM has failed to adequately explain why it needs 120, rather than 90, days following the close of a queue cycle to conclude feasibility studies, and urges the Commission to require further explanation before approving PJM’s filing.²⁵ AWEA states that the increase in the length of time PJM will take to provide the results of feasibility studies makes meeting the deadlines

²³ PJM’s current System Impact Study timeline is to commence studies by June 1 for projects that entered the queue between November 1-January 31; by September 1 for projects that entered the queue between February 1-April 30; by December 1 for projects that entered the queue between May 1-July 31; and by March 1 for projects that entered the queue between August 1-October 31.

²⁴ New Jersey Board Comments at 3-4, 13.

²⁵ *Id.* at 3-4.

identified in the proposed six-month cycle crucial, or the benefits of reduced restudies could be negated.²⁶

c. Answer

17. In response to the New Jersey Board's concerns about problems with the prior six-month queue cycle, PJM notes that its current proposal differs from the previous six-month cycle in that, under its proposal, PJM will first take 30 days to develop the baseline model and allow interconnection customer decisions related to previous queue studies to be integrated into the model. PJM claims that this will result in a more accurate base case that will enhance the quality of study results.²⁷ PJM notes that because of the 30-day baseline development period, the feasibility study will continue to be conducted on a 90-day cycle.²⁸

18. Moreover, PJM states that the currently proposed six-month queue cycle is intended to work in tandem with the sliding queue and alternate queue proposals (which are discussed in the following two sections). By way of example, PJM argues that the alternate queue for small projects will mitigate the number of projects studied in the main queue, resolving one of the primary problems with the previous six-month queue cycle.²⁹

d. Commission Determination

19. The Commission finds that PJM has adequately justified its proposal to establish a six-month queue cycle, and we therefore accept it as just and reasonable. We find persuasive PJM's assertion that the move to a six-month cycle will reduce the need for restudies, which will lead to a more timely overall study process. We are also persuaded by PJM's assertion that the 30-day baseline development period, as well as the synergy among the six-month queue, the sliding queue, and the alternate queue, will improve the overall quality and timeliness of the study process. However, we remind PJM that, as noted by the New Jersey Board and AWEA, it is critically important that PJM meet the deadlines identified in its proposed six-month queue process.

²⁶ AWEA Comments at 5.

²⁷ PJM Answer at 9.

²⁸ *Id.* at 10.

²⁹ *Id.*

2. Sliding Queue

a. Proposal

20. Currently, an interconnection customer may reduce its electrical output or capability by up to 60 percent before the return of the executed System Impact Study Agreement, and reduce by up to the larger of 20 percent or 50 MW after the execution of the System Impact Study Agreement and before the execution of the Interconnection Service Agreement, without losing its queue position. Reductions larger than these amounts require the project to withdraw from the queue. PJM has proposed revisions to allow a customer proposing modifications to a project to either remain in the current queue, or slide back to the next queue, without requiring the project to terminate.

21. PJM proposes to alter the amounts by which a customer is permitted to reduce a project;³⁰ to incorporate a “material modification analysis” whereby a customer is permitted to reduce project size by as much as it wishes if the reduction is found not to be a material modification;³¹ and to add a sliding component, whereby if PJM identifies a material modification, the customer can reduce by up to a specific amount and “slide back” to the beginning of the next queue.³²

³⁰ Specifically, PJM proposes that prior to the commencement of the feasibility study a customer may reduce the size of its project by up to 60 percent. After that, but prior to the execution of the system impact study agreement, a customer may reduce its project by up to 15 percent. After that, but prior to the execution of an interconnection service agreement, a customer may reduce the size of its project by up to the greater of 10 MW or 5 percent.

³¹ PJM will not conduct a material modification analysis to reduction requests prior to the commencement of the feasibility study.

³² PJM Filing at 9-10. Specifically, PJM proposes that after commencement of the feasibility study but prior to execution of the system impact study agreement, a customer may reduce the size of its project by up to 60 percent and will slide to the beginning of the next queue if a material modification is identified. After that, but prior to the execution of an interconnection service agreement, a customer may reduce the size of its project by up to the greater of 50 MW or 20 percent and will slide to the beginning of the next queue if a material modification is identified.

22. PJM states that an interconnection customer that slides back will retain its higher priority relative to other projects in the next queue. Interconnection customers will be permitted to slide back two times before its project is deemed terminated and withdrawn.³³

23. PJM proposes that the sliding queue apply to all projects in the queue as of May 1, 2012.

b. Comments and Protests

24. Acciona argues that in order to maintain the purpose and benefits of the interconnection study process, PJM should provide projects in a queue cluster with an opportunity to “right size” their projects to eliminate potentially unsustainable upgrades before continuing with the next phase of the interconnection study. Acciona states the benefits of such a proposal outweigh any slight delay in PJM’s proposed deadlines.³⁴

25. Acciona argues that if the Commission accepts the sliding queue proposal and interconnection customers thereby lose existing rights to reduce project size, the Commission should also do the following: (1) clarify that there is no limitation on project size reduction or restoration of a prior size if the interconnection customer finds that PJM or its contractors have made study errors;³⁵ and (2) direct that PJM cap the developer’s responsibility for network upgrade costs that exceed estimates provided in interconnection studies. Acciona asserts that the New York Independent System Operator, Inc. (NYISO) has a cap process that should be considered here.³⁶

26. LS Power protests PJM’s request to apply this section of the proposal to all projects currently in the queue as of May 1, 2012. LS Power states that it understands that PJM intended this proposal to apply only to projects that are newly entering the queue, and that applying the proposal to those currently in the queue will disrupt project

³³ *Id.* at 10-12.

³⁴ Acciona Comments at 4.

³⁵ *Id.* at 5.

³⁶ *Id.* at 5-6.

development efforts that have been undertaken in reliance on the existing tariff provisions.³⁷

c. Answer

27. In response to Acciona's comments regarding study errors, PJM asserts that no action is necessary, as interconnection customers are already allowed to rescind decisions that were based on erroneous information provided to the customer.³⁸ Concerning Acciona's other suggestions, PJM notes that Acciona did not participate in the Interconnection Process Senior Task Force, and has not justified its alternative proposals.³⁹

28. PJM clarifies that it does not intend to apply the sliding queue proposal retroactively, and asserts that it intends (and intended) to apply the provisions only to projects entering the queue on or after May 1, 2012. PJM therefore requests that the Commission accept the sliding queue proposal conditioned upon PJM making a compliance filing clarifying this point.⁴⁰

d. Commission Determination

29. The Commission finds that PJM has demonstrated that its sliding queue proposal is just and reasonable, and accepts it subject to the condition noted below. PJM's proposal allows reductions to project output or capacity while simultaneously ensuring that such modifications do not cause excessive delay or restudies for projects that are prepared to advance through the interconnection process. Acciona's proposal that developers be allowed the opportunity to "right size" their projects and its proposal to cap developers' responsibility for network upgrade costs that exceed estimates do not speak to the justness and reasonableness of PJM's proposal, which is the question before us. These requests are therefore outside the scope of this section 205 proceeding. As to Acciona's assertion that study errors by PJM should not trigger the sliding queue process, we are satisfied with PJM's response that no action is necessary because interconnection

³⁷ LS Power Protest at 5.

³⁸ PJM Answer at 13.

³⁹ *Id.* at 13-14.

⁴⁰ *Id.* at 2-3.

customers are already allowed to rescind decisions that were based on erroneous information provided to the customer.⁴¹

30. The Commission agrees with LS Power and PJM that the sliding queue proposal is erroneously applied to interconnection customers that entered the queue before May 1, 2012. The Commission accepts PJM's sliding queue proposal subject to PJM's filing, within 30 days of the issuance of this order, revisions to the sliding queue language clarifying that the new provisions apply only to interconnection customers that enter the queue on or after May 1, 2012, and restoring the prior provisions governing the reductions in output or capacity permitted for customers who entered the queue prior to May 1, 2012.

3. Alternate Queue Provisions

a. Proposal

31. PJM states that approximately two-thirds of the projects in the queue are smaller projects (less than or equal to 20 MW), many of which are likely to drop out during or after the study phases. PJM therefore proposes a separate queue process for small generation projects that meet certain criteria that emerged from Task Force and subgroup discussions.⁴² The Transmission Owner, at PJM's direction, will conduct the required studies, which may include processes similar to feasibility, impact, engineering and other studies; PJM states that it will monitor and coordinate the completion of the studies.⁴³ If it is expected that cost and time estimates for required system upgrades cannot be

⁴¹ *Id.* at 13.

⁴² *Id.* at 13-14. These criteria are: (i) the project cannot be connected to a PJM monitored transmission facility as defined in PJM Manual M-03; (ii) the project cannot be an uprate to an existing facility; (iii) the project distribution factor for any PJM monitored transmission facility may not exceed 5 percent as evaluated against the case chosen to model the new services queue associated with the timing of the receipt of the interconnection request and the MW impact of the project cannot be greater than 1 percent of the element rating; (iv) the project may not connect to the same point of interconnection as any other project; and (v) the aggregate impact of all projects connecting on any individual radial connection to a PJM monitored transmission facility shall not exceed 1 percent of the line rating.

⁴³ *Id.* at 14.

provided to the interconnection customer within six months of the scoping meeting, an estimate of the time required to complete these initial studies shall be provided to the interconnection customer within 30 days of the scoping meeting.⁴⁴ Similarly, if PJM anticipates the interconnection customer's study cost responsibility will substantially exceed its deposit, PJM shall provide an estimate of study costs and the customer's cost responsibility. The customer shall have ten (10) business days to either withdraw its request or provide the additional deposit; failure to do either shall result in the request being deemed terminated and withdrawn.⁴⁵

b. Comments and Protests

32. SEIA states that the tariff's study deadlines provide little assurance to project developers, as such deadlines are not binding. SEIA recommends that PJM require that the Transmission Provider make a showing of good cause for any delay upon request from the customer.⁴⁶ The New Jersey Board asserts that the evaluation process proposed by PJM provides too much flexibility as to timing and the studies that must be conducted, which not only increases the potential for abuse where there is a conflict of interest, but might also interfere with state interconnection rules governing the physical interconnection of resources to the distribution system. The New Jersey Board states that it has received complaints, mostly from solar developers, about the lack of compliance by electric utilities with New Jersey's timelines for interconnection studies due to delays with PJM-queue related studies. The New Jersey Board therefore requests that the Commission direct PJM to include in the alternate queue tariff language a provision that addresses the need to take into account state interconnection rules when interconnection occurs at dual use distribution systems.⁴⁷

c. Answer

33. PJM asks that the Commission not hold up approval of its alternate queue proposal to require more specific study timeframes be adopted in this proceeding. It asserts that it "does not intend to abandon" projects in the alternate queue, and will monitor all projects

⁴⁴ *Id.* at 14.

⁴⁵ *Id.* at 14-15.

⁴⁶ SEIA Comments at 4.

⁴⁷ New Jersey Board Comments at 10.

to ensure that they are treated properly and move forward in a timely manner. PJM also notes that it has initiated stakeholder discussions to implement a more definitive study timeframe, and anticipates filing proposed language in the coming months.⁴⁸

d. Commission Determination

34. We accept PJM's alternate queue proposal subject to PJM's making a compliance filing, as discussed below. While PJM conducts studies to determine if there are any impacts on the PJM transmission system, in most cases these smaller projects do not require network or local upgrades. As a result, according to PJM, withdrawal by customers in the alternate queue should have no impact on other projects in the alternate queue or in the queue for larger projects. Therefore, PJM contends, this should mitigate the number of restudies in the main queue.

35. However, we cannot find the proposal just and reasonable without the provision of further study deadlines and assurances that such deadlines will be binding. PJM's primary queue tariff language provides deadlines for feasibility and system impact studies, provides that PJM shall use due diligence in meeting these deadlines, and requires that, if additional time is needed, PJM supply an explanation. PJM's alternate queue proposal, which stipulates that it is transmission owners who will conduct the necessary studies, does not appear to provide parallel protections, and specifies only that the studies be conducted in a "timely manner." SEIA and the New Jersey Board assert that this proposed evaluation process allows for too much flexibility. We agree. We therefore find that PJM must include in its alternate queue language deadlines similar to those for PJM's primary queue; a defined role for PJM in approving any delays in the interconnection studies by transmission owners; a requirement that a showing of good cause for any delay be made upon request from the customer; and further detail regarding how PJM intends to "monitor and coordinate" the completion of any studies required. We anticipate that the addition of these deadlines and assurances will help alleviate the New Jersey Board's concern regarding the interplay between state interconnection rules and PJM interconnection rules. To the extent the New Jersey Board finds that further reform in this area is necessary, we expect PJM and its stakeholders to continue to discuss the New Jersey Board's concern. If the New Jersey Board is not satisfied with the results, it can seek remedy from this Commission with an appropriate filing.

⁴⁸ PJM Answer at 16.

4. Capacity Interconnection Rights from Deactivating Units

a. Proposal

36. PJM states that it permits the transfer of Capacity Interconnection Rights (CIRs) from a deactivating unit to an existing customer in the queue, but that the tariff does not currently specify the date by which an interconnection customer must inform PJM that it is going to use transferred CIRs. PJM states that the decision to use transferred CIRs can reduce the need for a customer to construct network or local upgrades, which can impact the study results of other projects in the queue, which in turn may necessitate restudies, which impacts the timeliness and certainty of study results generally. PJM therefore proposes the following three modifications to the process by which CIRs are transferred from a deactivating unit: (1) an interconnection customer who wishes to utilize such CIRs must provide notification to PJM on or before the date it executes its system impact study agreement; (2) the transfer of CIRs from a deactivating unit to a unit at a different point of interconnection may result in the loss of some or all of the CIRs, depending on the results of PJM's studies; and (3) if the interconnection request to which the CIRs are transferred is later terminated and/or withdrawn, the CIRs will not terminate until one year after the deactivation date of the original generator, thus providing the opportunity to re-transfer the CIRs.⁴⁹

37. PJM proposes that customers in the queue prior to May 1, 2012, provide notice of intent to utilize transferred CIRs upon execution of the facilities study agreement, or, if they have already executed such an agreement, no later than November 1, 2012.

b. Comments and Protests

38. Hess and the New Jersey Board request that the Commission direct PJM to modify the first component of its CIR proposal to provide for earlier notification of the use of CIRs from deactivating units: Hess states that a declaration of intent should be required when a developer submits an interconnection request;⁵⁰ the New Jersey Board argues that notification should be required on or before the execution of the feasibility study

⁴⁹ PJM Filing at 16-17.

⁵⁰ Hess Comments at 9.

agreement.⁵¹ Hess proposes that a developer be allowed to change its early election, conditioned on its project going to the bottom of the queue.

39. The New Jersey Board observes that the second component of PJM's CIR proposal, which provides that a customer using transferred CIRs at a new point of interconnection may lose all or a portion of the CIRs as determined by PJM's studies, does not make clear the nature of these studies. The New Jersey Board contends that these studies should adequately reflect the physical interconnection capacity transferable from the original interconnection point to the new location.

40. Hess asks that the Commission conditionally accept the third component of PJM's proposal; the New Jersey Board asks that we reject it, asserting that it is a significant modification and not a clarification, as claimed by PJM.⁵² Hess argues that the provision allows for unfettered infinite transfer of CIRs, compounding the inequities CIRs create for new entrants. Hess requests that the Commission accept and suspend the proposal and direct a compliance filing within 60 days establishing milestones specifically for projects relying upon transferred CIRs. Hess asserts that such milestones will allow PJM to ensure that CIRs are not being used as a tool to block entry, and claims that this solution is narrowly tailored to impact only those projects utilizing CIRs to block open access to the system.⁵³

41. Parties also provide more general comments regarding CIRs from deactivating units. The New Jersey Counsel expresses concern about CIRs and retirement modeling, arguing that cleaner generation that could replace existing units might not complete the interconnection process in part because the capacity associated with potentially-retiring plants is included as an operating resource in the interconnection models, exaggerating the network upgrade requirements and costs. At a minimum, the New Jersey Counsel recommends a greater level of sensitivity modeling.⁵⁴

42. The PJM IMM, the New Jersey Board and Hess express fundamental concern about the duration of CIRs after the retirement of a unit. The PJM IMM asserts that the

⁵¹ New Jersey Board Comments at 11.

⁵² *Id.* at 12.

⁵³ Hess Comments at 9-10.

⁵⁴ New Jersey Counsel Comments at 4-5.

economic and policy rationale for the preservation of CIRs after the deactivation of a unit is unclear, stating that CIR preservation provides a significant advantage to incumbents by imposing on new entrants the entire cost of system upgrades necessary to interconnect. Regardless of policy concerns, the PJM IMM asserts that rules must ensure that incumbents cannot exploit control of CIRs to block new generation.⁵⁵ Hess asserts that by virtue of their property rights in existing CIRs, existing generators benefit from unlimited access to the system on an unlevel playing field discriminating against new entrants. While Hess recognizes that addressing the terms and bounds of the CIR property right is not within the purview of this proceeding, it notes that property rights should not be defined in a manner that allows them to be used to infringe on the rights of others.⁵⁶ The New Jersey Board claims that once a generator has deactivated, the main purpose of the original investment has been satisfied, and CIRs associated with that investment should not be allowed to persist for an unreasonable amount of time.⁵⁷ New Jersey Board also asks the Commission to generally reconsider the duration of CIRs past the deactivation date of the original unit, as they believe CIRs limit the principle of open access.⁵⁸

43. The PJM IMM notes that conditioning approval of PJM's entire package of proposed reforms on a requirement that PJM study and propose additional modifications to the queue process by a date certain may also elicit a consensus proposal to address this problem.⁵⁹

c. Answers

44. With regard to the first component of PJM's proposal, the timeframe for providing notification of use of CIRs, PJM states that its revisions appropriately take into consideration PJM's need to be informed while allowing customers the opportunity to make decisions regarding the use of transferred CIRs based on feasibility study results. PJM also notes that an earlier notification requirement was considered and rejected

⁵⁵ Monitoring Analytics Comments at 4-5.

⁵⁶ Hess Comments at 8-9.

⁵⁷ New Jersey Board Comments at 11-12.

⁵⁸ *Id.* at 12.

⁵⁹ PJM IMM Comments at 5.

during the stakeholder process.⁶⁰ Indicated Parties concur that PJM's proposed notification requirement was a compromise developed among stakeholders that should not be unilaterally modified by the Commission. Indicated Parties further assert that allowing a queued generator to receive preliminary network upgrade information from the feasibility study can help a queued project decide whether to move forward or keep an existing unit on-line. Indicated Parties argue that without such information, generators may make poor business decisions that could actually impede new generation development.⁶¹ PJM argues that Hess' proposal that a developer who changes its initial decision regarding use of CIRs go to the bottom of the queue would not change the outcome for later queued projects since the retained CIRs would still be in the analysis model and unavailable for other projects. PJM states that even if Hess had justified its proposal, the Commission need only find the proposal before it to be just and reasonable.⁶²

45. With regard to the second component of PJM's proposal, PJM replies to the New Jersey Board's concern that the tariff does not make clear the nature of the studies to be performed when CIRs are transferred to a new location by noting that PJM has not proposed a change in its treatment of transferred CIRs, and is simply clarifying its existing practice.

46. With regard to the third component of PJM's proposal, PJM denies Hess' claim that the proposal allows for infinite transfers of CIRs, noting that CIRs can be transferred only during the one-year time period after the generator originally holding the CIRs deactivates.⁶³ PJM asserts that this one-year timeframe for transfer after deactivation was established in 2009 after a robust stakeholder process. In response to Hess' request that this component of PJM's proposal be accepted conditioned on PJM establishing milestones for projects relying on CIRs, Indicated Parties observe that generator owners that use transferred CIRs are subject to the same milestones and study process as other

⁶⁰ PJM Answer at 6.

⁶¹ Indicated Parties Answer at 4-5.

⁶² PJM Answer at 6-7.

⁶³ *Id.* at 7.

projects; the fact that they may owe less for network upgrades is simply because they own a property right in the form of CIRs.⁶⁴

47. PJM, Indicated Parties and Dayton also respond to more fundamental concerns about CIRs. The parties argue that the CIR construct was adopted in 1999 through a robust stakeholder process, and note that general challenges to the CIR construct are outside the scope of this proceeding.⁶⁵ PJM argues that commenters have neither asserted nor provided evidence that the existing CIR construct is no longer just and reasonable.⁶⁶ Indicated Parties add that if parties wish to challenge PJM's existing tariff with respect to CIRs, the proper vehicle through which to do so is a section 206 complaint.

48. PJM alleges that in asserting that the main purpose of the original investment has been satisfied once a unit deactivates, New Jersey Board ignores that the capacity on the system that was created by such network upgrades continues to benefit the system and thus the rights should be transferable.⁶⁷ Indicated Parties and Dayton assert that CIRs are a property right that are paid for in full by the interconnection customer and that should not be lost as a result of retirements. Indicated Parties also note that there is nothing unduly discriminatory about the transfer of CIRs, as CIRs are available to all generators that pay to have their generation deliverable as a Capacity Resource.⁶⁸ Dayton adds that terminating property rights from entities who have been paying for the existing system and giving the economic value of those rights to merchant generators would amount to an expropriation of property.⁶⁹

49. PJM asks that the Commission not condition acceptance of its interconnection queue reform package on requiring PJM to come back to the Commission with additional reforms by a date certain as requested by the PJM IMM. PJM asserts that it is concerned

⁶⁴ Indicated Parties Answer at 9.

⁶⁵ *Id.* at 6-7.

⁶⁶ PJM Answer at 4-5.

⁶⁷ *Id.* at 4.

⁶⁸ Indicated Parties Answer at 8.

⁶⁹ Dayton Answer at 3-4.

that from a procedural standpoint, if the Commission conditions reforms on further stakeholder process and additional proposals, nothing would get done.

d. Commission Determination

50. The Commission finds just and reasonable PJM's first proposed CIR revision, that is, the requirement that an interconnection customer who wishes to utilize CIRs from a deactivating unit must provide notification to PJM on or before the date it executes its system impact study agreement. The fact that the New Jersey Board and Hess prefer an earlier date does not convince us that PJM's proposed date is not just and reasonable. We do not find that Hess has adequately supported its proposal that a changed decision regarding the use of CIRs from a deactivated unit should result in the project going to the bottom of the queue, nor, even if it had, would this convince us that PJM's proposal is not just and reasonable as proposed.

51. As discussed below, we accept the second proposed CIR revision, which provides for the study of CIRs transferred from their original point of interconnection to a new location, subject to a compliance filing. PJM's proposed tariff language provides that, when CIRs are transferred to a new location, it "may perform studies, as necessary," which "may result in the loss of a portion or all" of the CIRs.⁷⁰ To promote transparency,⁷¹ in circumstances where CIRs are transferred to a new location, further clarity of the study and notification process is needed. For example, neither PJM's current tariff nor this filing detail the procedures for transfer of CIRs, how generators seeking interconnection service may identify opportunities to purchase CIRs, or how such a generator would be chosen for receipt of CIRs. We therefore accept this second component of PJM's CIR proposal subject to PJM making a compliance filing providing greater detail as to how (1) existing CIRs transferred to a new location will be factored into its studies, (2) customers are notified of such transfers, and (3) how customers transfer CIRs to third parties, whether at the same or a different location.

52. We accept PJM's third CIR revision, which permits the re-transfer of CIRs during the one year period after the deactivation of the generator originally associated with the CIRs.⁷² We are not persuaded by Hess' assertion that this proposal allows "unfettered

⁷⁰ PJM's proposed tariff section 230.3.3.

⁷¹ *Midwest Independent Transmission System Operator, Inc.* 138 FERC ¶ 61,233, at PP 301-304 (2012) (requiring transparency in the provision of interconnection service).

⁷² PJM Filing at 16-17.

infinite transfer of CIRs,”⁷³ and we deny Hess’ proposed remedy that would require PJM to make a compliance filing establishing milestones specifically for projects relying upon transferred CIRs. As noted by Indicated Parties, generator owners that use transferred CIRs are subject to the same milestones and study process as other projects; the imposition of CIR-specific milestones goes beyond the scope of this filing.

53. We find the broader concerns with CIRs expressed by the parties, including the treatment of CIRs in modeling, whether or not CIRs are properly viewed as “property rights,” the extent to which CIRs should be transferable after deactivation, and the extent to which the current treatment of CIRs serves as a barrier to entry, to be outside the scope of this proceeding. However, we agree with parties that these are important issues and we encourage PJM and its stakeholders to continue this dialog in the stakeholder process.

54. Finally, the PJM IMM suggests that the Commission condition its acceptance of the full package of PJM’s interconnection queue process reforms on a requirement that PJM file reforms addressing other areas of the interconnection process by a date certain. However, in light of PJM’s assertion that such an action may prove counterproductive, we decline to do so.

5. Suspension

a. Proposal

55. PJM states that, under the current tariff, a new service customer or interconnection customer may suspend all work on a project for up to three years. PJM states that the increasing number of projects that have gone on suspension has had a negative impact on the queue because PJM must continue to model such projects in subsequent interconnection studies despite the fact that many suspended projects are ultimately terminated by their developers. PJM notes that, in addition to causing the need for restudies when the project withdraws, the suspension period adds up to three years of uncertainty for other projects in the queue prior to the decision on withdrawal being made. PJM states that, to alleviate the uncertainty caused by suspended projects, it proposes the following targeted modification: if PJM determines that a project seeking suspension would result in a material adverse impact on the cost or timing of any subsequently queued projects, it will be limited to a one-year suspension period. Where PJM finds that there would be no material adverse impact, the project will be allowed to

⁷³ Hess Comments at 9.

suspend for up to three years.⁷⁴ PJM asks the Commission to find that this is an acceptable independent entity variation under Order No. 2003, which otherwise provides for a three-year suspension period, as the proposal is targeted to address a specific issue PJM is facing in its interconnection process.

56. PJM proposes to apply the new suspension provisions to all projects that entered the queue on or after February 1, 2011.

b. Comments and Protests

57. Acciona argues that PJM's proposal should be rejected because, first, the Commission, in providing for a three year suspension in Order 2003, considered and rejected the same types of arguments PJM now raises in its filing.⁷⁵ Acciona furthermore asserts that PJM has failed to demonstrate the justness and reasonableness of its proposed variation from Order 2003, that is, has failed to meet the "independent entity variation" standard.⁷⁶

58. Acciona, the New Jersey Board, and E.ON Climate request further guidance on what specifically constitutes a "material adverse impact." The New Jersey Board states that the criteria for PJM's determination of material adverse impacts should be transparent and detailed in the tariff or PJM manuals to avoid claims of discriminatory treatment by interconnection customers.⁷⁷ Similarly, E.ON Climate asserts that the Commission should consider requiring PJM to revise its tariff to identify the standards and measurements PJM will apply to determine whether a suspension request will cause a material adverse impact. E.ON Climate also suggests that PJM define "material" in the tariff.⁷⁸

⁷⁴ PJM Filing at 18-19.

⁷⁵ Acciona Comments at 7.

⁷⁶ Acciona Comments at 7-8 (citing *Interconnection Queuing Practices*, 122 FERC ¶ 61,252 at n.10 (2008)).

⁷⁷ New Jersey Board Comments at 12-13.

⁷⁸ E.ON Climate Comments at 2.

59. Acciona also asserts that PJM's proposal provides insufficient detail and should clarify the date from which suspension will be measured (Acciona asserts suspension should run from the final interconnection service agreement) as well as why a three-year limit is appropriate for suspensions that have no material adverse impact. Acciona argues that in such situations, there should be no limit on suspension length.⁷⁹

60. Acciona also argues that because PJM's tariff requires that a project be in-service within seven years of filing its generation interconnection request, PJM study delays and long lead times for network upgrades may leave insufficient time for the interconnection customer to exercise suspension rights or construct network upgrades. Acciona suggests that PJM enhance procedures to ensure coordination of suspension rules, long-lead network upgrade schedules, and project delay/in-service date rules to ensure coordination with interconnection customers' schedules.⁸⁰

c. Answers

61. PJM responds that it has adequately supported its proposal and that the Commission should accept it without modification. PJM states that a majority of projects that enter suspension ultimately withdraw from the queue, and limitations on suspensions are necessary in cases where one project's suspension would harm other projects in the queue.⁸¹

62. In response to requests for the criteria that will be used to determine what constitutes a material adverse impact, PJM explains that under its proposed tariff language, it will be looking for impacts on the cost or timing of subsequently queued projects. PJM explains that, as it applies the material adverse impact on cost or timing in other areas of its process, PJM will look at whether the cost will increase or if the queue process will take longer for another project due to a prior queued projects' suspension.⁸²

⁷⁹ Acciona Comments at 8-9.

⁸⁰ *Id.* at 9-10.

⁸¹ PJM Answer at 17. PJM states that of the projects that suspend and have proceeded forward following suspensions, 57 percent ultimately withdraw.

⁸² *Id.* at 18.

63. In response to Acciona's request for clarification regarding timing, PJM states that the suspension period will start the date a project requests suspension. PJM further notes that, as has always been the case under its interconnection process, if a project suspends under the interconnection construction service agreement, the project milestones in section 6 of the interconnection service agreement, including the commercial operation date, may be extended as well.⁸³

64. PJM asserts that Acciona's proposal to allow indefinite suspensions for projects that do not cause material adverse impacts was never reviewed by stakeholders, is utterly impractical, and could skew study results for PJM's Regional Transmission Planning Process.⁸⁴ PJM asserts that Acciona's suggestion for greater coordination is outside the scope of this proceeding and suggests that Acciona seek establishment of a stakeholder process if it continues to have such concerns.⁸⁵

d. Commission Determination

65. Subject to the compliance filing required below, the Commission finds that PJM's proposed suspension provisions are an acceptable independent entity variation under Order No. 2003. The Commission has stated that independent entity variations must not provide an unwarranted opportunity for undue discrimination or produce an interconnection process that is unjust and unreasonable.⁸⁶ The Commission finds that PJM's proposal, which provides for a variation from the three-year suspension provided for in Order No. 2003 only in the case when the suspension would negatively affect a subsequently queued project, does not provide an unwarranted opportunity for undue discrimination and will not produce an interconnection process that is unjust and unreasonable.

66. The Commission agrees with Acciona, the New Jersey Board, and E.ON Climate that further guidance on what specifically constitutes a "material adverse effect" on cost or timing is necessary. We find convincing the New Jersey Board's assertion that the criteria for PJM's determination of material adverse impacts should be transparent and

⁸³ *Id.*

⁸⁴ *Id.* at 18-19.

⁸⁵ *Id.* at 19-20.

⁸⁶ Order No. 2003, FERC Stats. & Regs. ¶ 31,146 at P 827.

detailed to avoid claims of discriminatory treatment by interconnection customers. The identification of the standards and measurements that PJM will apply to determine whether a suspension will result in a material adverse effect on the cost or timing of a later project, as well as the provision of a definition of “material,” will increase transparency and certainty and help ensure just and reasonable, non-discriminatory and non-preferential application of PJM’s tariff. The Commission therefore accepts the revised suspension provisions subject to PJM’s making a compliance filing within 30 days of the date of this order including tariff provisions containing the criteria it will use to determine whether a suspension constitutes a “material adverse effect,” as well as how it will define “material.”

67. We agree with PJM that Acciona’s proposal to allow indefinite suspensions that do not cause material adverse impacts could skew study results for PJM’s Regional Transmission Expansion Planning (RTEP) process. PJM states that if an interconnection customer is permitted to indefinitely suspend its project, PJM will have to continue to plan its system as if the generator is moving forward. Consequently, PJM states that it may determine through its RTEP process that a connected transmission facility has become overloaded and it will have no alternative but to require a transmission expansion or enhancement to mitigate the overload. PJM states that the costs of such an RTEP project would be borne by PJM’s load. We also agree with PJM assertion that Acciona’s suggestion for greater coordination is outside the scope of this proceeding. We therefore reject both.

6. Modified Deposits Provisions

a. Proposal

68. Under the current tariff, the study deposits for small projects (greater than 2 MW and less than or equal to 20 MW) entering the queue range from \$1,200 to \$7,000, depending on the project size and when the project entered the queue. PJM asserts that this deposit structure does not represent the actual cost of the studies and exposes PJM and the transmission owners to stranded study fees when projects are terminated or drop out and the customer does not respond to subsequent study invoices. PJM therefore proposes to require a flat study deposit of \$10,000 for projects entering during the first four months of a queue; \$12,000 for projects entering during the fifth month of a queue; and \$15,000 for projects entering during the sixth month of a queue. PJM’s proposed deposit is fully refundable; the existing one is not.

b. Comments and Protests

69. The New Jersey Board states that, unless PJM can demonstrate that study cost and complexity is not affected by project size, imposing a flat deposit rate will be discriminatory to smaller projects. The New Jersey Board instead calls for a sliding deposit structure that takes into account project size.⁸⁷

c. Answers

70. PJM responds that its analysis shows no real distinction in study costs for projects between 2 MW and 20 MW. PJM states that the proposal represents the average for actual costs of these studies. PJM further notes that the proposed deposit, unlike the existing deposit, is fully refundable, so any remaining monies after the study is completed will be returned to the interconnection customer.⁸⁸

d. Commission Determination

71. We accept the proposed Tariff provisions modifying the deposit structure, subject to PJM providing additional information, as discussed below. The New Jersey Board asserts that unless PJM can demonstrate that the study costs of 2 MW projects are similar to the study costs of 20 MW projects, PJM's proposal to charge a flat deposit fee is discriminatory to smaller projects. PJM responds that its analysis shows that there is no real distinction in the study costs for projects between 2 MWs and 20 MWs, and that its proposal represents the average cost for actual studies for these projects. However, without the analysis upon which these assertions are based, the Commission can not properly evaluate PJM's proposal. Further, we can not evaluate whether the proposal represents an acceptable independent entity variation from Order No. 2006, which requires that the study deposit should be the lesser of 50 percent of the estimated feasibility study cost or \$1000.⁸⁹ We therefore accept PJM's proposed deposit structure for small projects subject to its making a compliance filing providing the analysis

⁸⁷ New Jersey Board Comments at 13.

⁸⁸ PJM Answer at 20-21.

⁸⁹ *Standardization of Small Generator Interconnection Agreements and Procedures*, Order No. 2006, FERC Stats. & Regs. ¶ 31,180, at P 125, *order on reh'g*, Order No. 2006-A, FERC Stats. & Regs. ¶ 31,196 (2005), *order granting clarification*, Order No. 2006-B, FERC Stats. & Regs. ¶ 31,221 (2006).

described above, and any other data PJM feels would allow the Commission to determine that its proposed deposit structure is just and reasonable and not unduly discriminatory.

7. Other Concerns

72. Many commenters assert that, while they support or do not oppose PJM's proposed package of queue reforms, the proposed reforms do not sufficiently address the fundamental flaws in the interconnection process.⁹⁰ Accordingly, AMP, supported by the Ohio Commission, APPA, and Old Dominion, requests that the Commission convene a technical conference to discuss issues related to PJM's procedures regarding, and administration of, its interconnection queue.

73. While we appreciate the comments and concerns of the parties, many of the issues raised are beyond the scope of this filing, and we find that convening additional Commission process would be premature at this point. The Commission therefore denies the request for technical conference at this time. However, we recognize the need for timely processes, particularly in light of circumstances such as those described by the Ohio Commission. The parties should continue to consider these issues through the PJM stakeholder process, and may make use of the Commission's settlement judge or alternative dispute resolution procedures to help in that consideration. Furthermore, we note that any party who believes it faces excessive delays can seek a remedy from the Commission through an appropriate filing.

⁹⁰ Major areas of concern cited by the parties include extended delays in study completion; the provision of flawed and incomplete information; the fact that nearly 90 percent of the projects in the queue will not be built but have the capacity to block projects after them that are ready to begin construction; the possibility of breaking a project away from its cluster or "fast-tracking" it in order to move it forward rapidly; the treatment of Capacity Interconnection Rights after deactivation; responsibility for conducting studies and calculating interconnection costs and the use of third-party consultants; the backlog in the western portion of PJM's footprint; coordination with the Midwest Independent System Operator; and other barriers to entry.

The Commission orders:

The Tariff revisions proposed by PJM to implement interconnection queue process reforms are accepted to be effective May 1, 2012, subject to conditions and to a compliance filing within 30 days of the date of this order, as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.