



# E-1: PJM Co-location Proceeding

---

Docket Nos. EL25-49-000 et al.

# Draft Order on Show Cause Proceeding

- The draft order finds that the PJM tariff is unjust and unreasonable, directs PJM to submit compliance filings, establishes a paper hearing, grants in part and denies in part a complaint, and directs PJM to file an informational report.
- The Commission instituted this show cause proceeding in February 2025.
- The Commission received over 50 comments in response to the Show Cause Order, which informed today's draft order.



# Jurisdictional Findings

- The draft order declines in this proceeding to comprehensively address jurisdictional matters regarding the interconnection of retail loads served through a Co-Location Arrangement to the interstate transmission system.
- The draft order concludes that the Commission has jurisdiction to oversee the interconnection of generating facilities, including the generators that are used to serve Co-Located Load, to the interstate transmission system, as well as jurisdiction over the provision of transmission service in interstate commerce used by an Eligible Customer to serve Co-Located Load.

# Show Cause Findings

- The draft order finds that PJM's Tariff is unjust and unreasonable because it does not contain provisions addressing with sufficient clarity or consistency the rates, terms, and conditions of service that apply to:
  - Interconnection Customers serving Co-Located Load and
  - Eligible Customers taking transmission service on behalf of Co-Located Load.
- Specifically, the draft order finds that PJM's Tariff is unjust and unreasonable because it does not include transmission services that reflect Eligible Customers taking service on behalf of Co-Located Loads that are willing and able to limit their energy withdrawals from the transmission system under certain conditions.

# Transmission Services

- The draft order directs PJM to create three new transmission services that reflect that Eligible Customers taking service on behalf of Co-located Loads are willing and able to limit their energy withdrawals from the transmission system under certain conditions:
- (1) new interim, non-firm transmission service;
- (2) Firm Contract Demand transmission service; and
- (3) Non-Firm Contract Demand transmission service
- Specific to these new transmission services, the draft order establishes paper hearing procedures to determine the just and reasonable rates, terms, and conditions for such services.



# Additional Findings and Requirements

- The draft order further finds that the Behind the Meter Generation (BTMG) rules in PJM's Tariff are no longer just and reasonable.
- The draft order therefore directs PJM to revise its Tariff to revise the BTMG rules and to implement a transition process for existing BTMG participants.
- The draft order also grants in part and denies in part Constellation Energy Generation, LLC's complaint against PJM in Docket No. EL25-20-000.



# Additional Findings and Requirements

- Finally, the draft order requires PJM to submit an informational report.
- Specifically, the draft order directs PJM to:
  - file a detailed informational report on the status of the proposals considered in the Critical Issue Fast Path stakeholder process;
  - identify any problem statements, issue charges, or other ongoing stakeholder processes that aim to increase the pace of adding generating capacity in the PJM region; and
  - specify which of these initiatives would support the addition, on an expedited basis, of new generation that is sufficient to serve large loads, like data centers, while meeting PJM's near-term system resource adequacy needs.

