



IROL/CIP Cost Recovery

Darrell Frogg
Generation Department

Members Committee
July 26, 2023



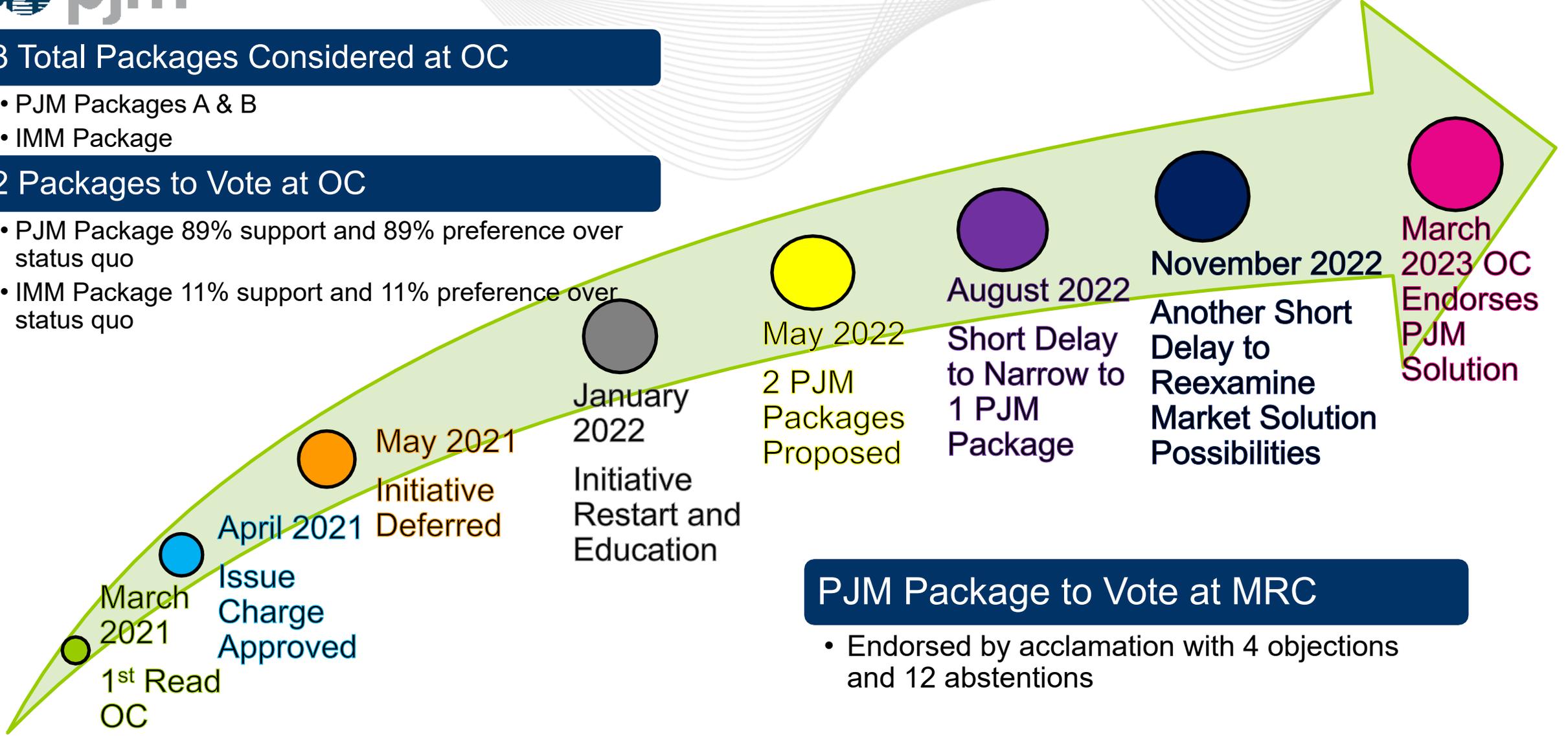
Brief History

3 Total Packages Considered at OC

- PJM Packages A & B
- IMM Package

2 Packages to Vote at OC

- PJM Package 89% support and 89% preference over status quo
- IMM Package 11% support and 11% preference over status quo



PJM Package to Vote at MRC

- Endorsed by acclamation with 4 objections and 12 abstentions

- Cost recovery only applies to costs incurred after the effective date of this proposed schedule and successive designation effective date.
- Upon stakeholder approval, PJM anticipates submitting its FPA 205 filing sometime in August 2023.

IROL Critical Analysis Timeline

- PJM has defined the IROL Critical Designation period to be between June 1 to May 31.
- Designation and notification not later than June 1 (designation effective date).

Generation Owner Obligation

- GO shall notify MMU and PJM their intent to seek cost recovery pursuant to this Schedule 18 no later than the last day of that 12 month period (June 1-May 31).
- Following that time period, GO shall submit all costs proposed for recovery with supporting details no later than August 15.

MMU Review and Recommendation

- MMU shall review the submitted costs, recommend that the costs be approved or denied for recovery
- Notify GO of recommendation to PJM.
- GO may submit costs recommended for denial to PJM provided GO had submitted required supporting documentation and detailed explanation in a timely manner to MMU.
- Completed no later than November 15.

PJM Review and Approval

- Considers the recommendation of MMU, and approves or denies submitted costs.
- Completed no later than December 15

Payments and Charges

- Costs approved shall be assessed on purchasers receiving Network Integration Transmission Service or Point-to-Point Transmission Service beginning January 1 of the second year following designation.
- Monthly IROL CIP Revenue Requirement is the sum of the approved annual costs for recovery by PJM of all IROL Critical Resources in the PJM Region, divided by twelve months.
- Payments will begin January 1 following the approval by PJM.

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IROL CIP Cost Recovery



Member Hotline

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