



May 13, 2022

VIA ELECTRONIC DELIVERY

The PJM Board of Managers
c/o Mark Takahashi, Chairman
PJM Interconnection, L.L.C.
2750 Monroe Boulevard
Audubon, PA 19043

Dear Chairman Takahashi and Board Members,

The American Clean Power Association (“ACP”)¹ writes regarding the May 17 meeting of PJM’s Members Committee (“MC”), and in support of the motions in favor of amendments 08B and 08C to the Interconnection Process Reform package for filing at the Federal Energy Regulatory Commission.

While the Interconnection Process Reform Task Force’s (“IPRTF”) approved tariff language contains many badly-needed reforms to PJM’s interconnection queue, these amendments make the package vastly more complete and just and reasonable. ACP is concerned that not including amendment 08B and 08C will have serious adverse and unintended consequences on the development of new generation, including onshore renewables and offshore wind in PJM. To be clear, ACP does not seek to delay the filing of the IPRTF package; rather, this request is intended to implement surgical fixes that would *strengthen* the overall package, and that already have substantial support from PJM staff and stakeholders.

Amendment 08B, sponsored by BayWa r.e. Solar Projects LLC, Enel North America, Jupiter Power and Recurrent Energy would address a very real but uncommon situation in which a site control requirement of 100% for interconnection facilities (also known as “gen ties”) would prevent viable projects from moving forward. This amendment makes a surgical change to reduce the requirement from 100% to 90% at Decision Point 3 (ISA). Without this change, developers that have invested millions of dollars in projects and require as little as a single parcel of land to connect their project to the PJM grid, would have their ISA thrown out, and be sent to the back of the line to interconnect at PJM.

This gen tie amendment will make PJM’s proposal more likely to succeed at FERC,² avoid discrimination against projects with long gen ties (sometimes 20 miles or more in PJM) and

¹ The views and opinions expressed in this letter do not necessarily reflect the official position of each of ACP’s individual members.

² FERC-approved site control requirements in other regions allow for some flexibility in the demonstration for interconnection facilities. *See e.g. Midcontinent Independent System Operator, Inc.*, 158 FERC ¶ 61,003 at P99 (directing MISO to reduce a proposed site control requirement from 100% to 75%, on the grounds that “obtaining 100 percent site control may be challenging for a developer that must control numerous small parcels of land. We



allow projects in PJM's queue to reach commercial operation, thereby also supporting state goals in the region. This replacement of a 90% requirement recognizes that surprises can occur, and a project that is near fully developed save for site control for the wires to connect to PJM's system, may reasonably require a little extra time. Developers have experience with a range of unexpected circumstances that occur across the PJM region in securing site control for gen ties, including railroad and water crossings calling for state and county permits, changes in title owing from a death and property transfer in a family, and other atypical but real situations.

This targeted fix supports all forms of generation and avoids discriminating against projects with long gen ties, which are more likely to be harmed by a 100% requirement. Commercial realities and FERC precedent (in MISO and SPP in particular) were not fully considered during the stakeholder process, warranting reconsideration now by the Board. Even with this surgical change, PJM site control rules would still be the most stringent across RTOs.

Amendment 08C, sponsored by Dominion, PSEG, and Ørsted, would appropriately recognize the real and meaningful differences in site control between energy projects developed on private land, as compared to those on public lands or waters. PJM staff voiced support for the Dominion, PSEG, and Ørsted amendment at the MRC and MC. ACP therefore urges the Board of Managers to directly implement this amendment to the final package before PJM files with FERC. This amendment also makes surgical changes to the definition of site control important for offshore wind, and does not affect the other stakeholder-approved changes developed through the IPRTF.

PJM has acknowledged the importance of appropriately planning for and integrating offshore wind into its future generation mix. PJM's Phase 1 study results on offshore wind transmission noted that three PJM states – Maryland, New Jersey, and Virginia – have statutory targets of over 14,000 megawatts of offshore wind by 2035.³ ACP appreciates PJM's work to date to ensure that the regional transmission grid can successfully integrate this substantial new resource – however, it goes without saying that these state goals are predicated upon a workable and fair interconnection process.

ACP is concerned that there is incompatibility between PJM's proposal and elements of the federal permitting process required for offshore wind generation resources. This incompatibility, if not successfully addressed, would likely make PJM's proposal unintentionally discriminatory in its application to offshore wind.

find that a 75 percent threshold allows for both enough certainty that the developer plans to complete the project and for the flexibility needed by the developer to accurately site its construction.") (2017); *see also Midcontinent Independent System Operator, Inc.*, 169 FERC ¶ 61,173 at P47 (2019)(Finding 50% site control for interconnection facilities at the close of GIA negotiation just and reasonable).

³ See <https://www.pjm.com/-/media/library/reports-notice/special-reports/2021/20211019-offshore-wind-transmission-study-phase-1-results.ashx> at 5.



As voted out of the MRC and the MC, the IPRTF tariff language indicates that memorandums or documentation of intent to purchase or control land cannot constitute site control. However, this fails to account for the real differences in projects that necessarily must traverse federal or state lands or waters, such as offshore wind. In many cases, obtaining property rights from governmental entities can take several years following execution of a lease, and such rights are often not fully granted until the Construction and Operation Plan is approved after this multi-year process. Accordingly, such projects – specifically offshore wind – are not similarly situated to generators located solely on private land.

Additionally, this modest change to the overall Interconnection Process Reform language would be consistent with provisions that FERC has approved in other regions. For example, ISO-New England’s Large Generator Interconnection Procedures specifically provide that site control can include “documentation reasonably demonstrating... that the Interconnection Customer holds a duly executed written contract to purchase, acquire an easement, a license or a leasehold interest in the real property for which new interconnection is sought; or ... that the Interconnection Customer has filed applications for required permits to site on federal or state property.”⁴ These provisions appropriately allow offshore wind projects to demonstrate site control, without unnecessarily limiting the means of demonstration to methods only available to onshore projects located on private land.

ACP strongly encourages PJM’s membership to support both of the indicated amendments at the May 17 meeting of the MC. However, if these amendments are not adopted at the MC, ACP requests that Board exercise its ability to implement both of these appropriate, limited revisions, and that it direct PJM to include both site control improvements when filing the Interconnection Process Reform package at FERC.

Please do not hesitate to contact us with any questions. ACP and its members look forward to working with PJM’s stakeholders and PJM Board and staff to ensure that workable site requirements for generation resources can be included in the upcoming filing.

Sincerely,

Sari Fink
Sr. Director, Electricity & Transmission Policy
Gabe Tabak
Counsel
American Clean Power Association
1501 M Street NW, Suite 900
Washington, DC 20005
sfink@cleanpower.org
gtabak@cleanpower.org

⁴ See https://www.iso-ne.com/static-assets/documents/regulatory/tariff/sect_2/sch22/sch_22_lgip.pdf at Article 1.