



## Organization of PJM States, Inc. (OPSI)

President: **Hon. Charlotte A. Mitchell,** *Chair, North Carolina UC*  
Vice President: **Hon. Kent A. Chandler,** *Chairman, Kentucky PSC*  
Secretary: **Hon. Emile C. Thompson,** *Chairman, PSC of District of Columbia*  
Treasurer: **Hon. Michael T. Richard,** *Commissioner, Maryland PSC*

### Members:

*Delaware Public Service Commission • Public Service Commission of District of Columbia • Illinois Commerce Commission  
Indiana Utility Regulatory Commission • Kentucky Public Service Commission • Maryland Public Service Commission Michigan  
Public Service Commission • New Jersey Board of Public Utilities • North Carolina Utilities Commission  
Public Utilities Commission of Ohio • Pennsylvania Public Utility Commission • Tennessee Public Utility Commission  
Virginia State Corporation Commission • Public Service Commission of West Virginia.*

---

April 20, 2023

Mr. Mark Takahashi, Chair, PJM Board of Managers  
Mr. Manu Asthana, PJM President, and CEO  
PJM Interconnection, L.L.C.  
2750 Monroe Boulevard  
Audubon, Pennsylvania 19403

Dear Mr. Asthana and Mr. Takahashi:

As you know, a well-functioning interconnection process “represents a critical component of open access transmission service.”<sup>1</sup> So too has PJM recognized that a well-functioning interconnection process has “enabled the smooth transition involved in the retirement of close to 40,000 [MWs] of coal fired generation since 1997.”<sup>2</sup> In PJM’s recent “Energy Transition in PJM: Resource Retirements, Replacements & Risks” report (“Energy Transition Report”), PJM identified a similar level of retirements. Yet, in the Board’s recent letter to PJM management, it did not identify further reforms to the generator interconnection process that would allow the entry of new resources in a timely manner to address future resource adequacy needs. The Organization of PJM States, Inc. (“OPSI”)<sup>3</sup> writes this letter to request that the PJM Board direct PJM’s management to prioritize further interconnection improvements to the same extent as reforms under consideration in the Critical Issues Fast Path (“CIFP”); we also provide options to implement that directive.

The Energy Transition Report includes scenarios showing reserve margins shrinking to unacceptable levels by 2030. OPSI fully agrees with PJM that the energy transition must be accomplished in a reliable manner and that it is appropriate for PJM to act promptly to avoid these scenarios. OPSI interprets the report as stating that avoiding these outcomes requires PJM markets to *both* slow the retirement of thermal

---

<sup>1</sup> PJM Interconnection, L.L.C., Docket No. ER22-2110-000, at 14 (Filed June 14, 2022).

<sup>2</sup> *Id.* at 16, n. 51.

<sup>3</sup> Approved by the OPSI Board of Directors with the following states in support on April 18, 2023: Delaware PSC, PSC of District of Columbia, Illinois CC, Indiana URC, Kentucky PSC, Maryland PSC, Michigan PSC, New Jersey BPU, North Carolina UC, Pennsylvania PUC, Tennessee PUC, PSC of West. Virginia. Abstain: PUC of Ohio, Virginia SCC.

generation resources *and* increase the deployment of new generation resources in quantities sufficient to meet the “High New Entry” scenario, as set forth in Figure 4 of the report. OPSI supports incorporating market reforms that will retain existing thermal units within the confines of adhering to state energy resource laws and policy, but we also support increasing the deployment of new generation resources, again while adhering with state energy resource laws and policy.

OPSI notes that the CIFP items expressly identified by the Board for expedited consideration do not clearly aim at accelerating the deployment of new resources. This concern is especially poignant in light of recent modeling performed for PJM’s Clean Attribute Performance Senior Task Force (“CAPSTF”), which demonstrates that under assumptions that the current interconnection queue was properly functioning, both “status quo” scenarios modeled had enough new *thermal* entry to replace over two-thirds of retiring thermal capacity over the 2023-2030 period. Further, the current interconnection queue has ample non-thermal new service requests waiting to come online. To OPSI, this clearly indicates that prioritizing a transition to even just a reasonably functioning interconnection process should be prominently front and center on the CIFP agenda.

The OPSI Board recognizes that PJM is executing the last of its generator interconnection reforms and will soon begin transitioning to the new process. Even when these interconnection reforms are fully implemented, the interconnection timeline will not allow the deployment of 290 gigawatts of generation currently waiting in the PJM interconnection queue to address the decreasing reserve margin. Rather, only projects developed prior to 2022 are likely to be online by 2030. Such an outcome is unacceptable and demonstrates the need for additional reforms to the interconnection process. The goal of this second set of interconnection queue reforms should be to ensure that PJM is capable of processing sufficient generation interconnection requests in the quantities necessary to address the 2030 resource adequacy concerns identified in the Report.

Other PJM Stakeholders have expressed similar concerns and recommend that PJM implement further interconnection reforms.<sup>4</sup> OPSI’s goal of further improvements in this area are to advance the processing of the interconnection queue without disrupting PJM’s existing reforms. The OPSI Board believes that is achievable and in order to serve that goal, we suggest the following process options for the PJM Boards consideration: (1) the PJM Board could expressly tie reforms to the interconnection process to the expedited CIFP timeline; (2), the Board could enunciate that efficiency improvements to the interconnection process are in-scope in the current CIFP timeline; or (3) if the first two options are infeasible or do not succeed, the PJM Board should initiate a new CIFP designed to timely bring sufficient resources online to replace retiring units.

Further interconnection queue efficiency is needed and OPSI believes there are process improvements that could add new resources to the PJM system without harming the current reform process. Specifically, PJM should consider fast tracking specific resources that will ensure reliability needs are met, prioritizing using retiring headroom with a streamlined study process for replacement resources, or ending the practice of conducting deficiency reviews for dead applications still being submitted to PJM before the new queue opens. Such additional efforts will provide a balanced approach to both retaining existing generation as well as furthering the deployment of new generation resources.

---

<sup>4</sup> Multiple Parties Letter to PJM Board Regarding PJM’s Report- *Energy Transition in PJM Resource Retirements, Replacements & Risks*, sent March 27, 2023.

Sincerely,

A handwritten signature in cursive script, appearing to read "C. Mitchell".

Charlotte A. Mitchell, President  
Organization of PJM States, Inc.