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November 21, 2024

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. Takahashi and Mr. Asthana:

On November 7<sup>th</sup> and November 21<sup>st</sup>, 2024, PJM presented a proposal for a one-time expansion of one of its interconnection queue cycles called the Reliability Resource Initiative ("RRI"). OPSI appreciates PJM's work to expand the region's generating capacity as quickly as possible. PJM also presented a proposal to make the Surplus Interconnection Service ("SIS") provisions of its tariff less burdensome. Together, these proposals could provide the system with incremental generating capacity needed to address rapid load growth in the region and allow for better utilization of surplus interconnection capacity at existing facilities. Because of this, conceptually, OPSI is supportive of both initiatives.

However, it is important that the RRI proposal avoid several potential shortcomings by ensuring it reduces the potential for unduly discriminatory treatment based on fuel type to the greatest extent possible, maintains states' authority over generation, and allows small generation, storage and hybrid resources to participate in addition to large generation. Considering the challenges facing all resources in connecting to the grid quickly, it is imperative that this process provide a high level of certainty that these projects will be completed within the required timeframes and contain penalties for those that do not.

Regarding SIS, corrective efforts by PJM to enable interconnection customers with unused interconnection service to more expeditiously allow other generating facilities, such as energy storage, to use that interconnection service are overdue. OPSI strongly encourages PJM to tap the potential of SIS as

<sup>&</sup>lt;sup>1</sup> PJM, Reliability Resource Initiative MRC Update, Presented at the PJM Markets and Reliability Committee (Nov. 7, 2024) available at: https://www.pjm.com/-/media/committees-groups/committees/mrc/2024/20241107-special/item-04---reliability-resource-initiative---presentation.ashx ("MRC Update") and PJM, Reliability Resource Initiative MC Notification, presented to the PJM Members Committee (Nov. 21, 2024) available at: https://pjm.com/-/media/committees-groups/committees/mc/2024/20241121/20241121-item-04a---1-member-consultation-regarding-reliability-resource-initiative---presentation.ashx ("MC Update").

<sup>&</sup>lt;sup>2</sup> This letter was approved unanimously by the by the OPSI Board on November 21, 2024.

 $<sup>^3</sup>$  MC Update at slides 12 - 15.

directed by and consistent with FERC Order Nos. 845 and 2023. In addition, PJM must make the SIS process clear and transparent, so applicants know what proposals are likely to get approved. Currently, there is not enough specificity about what qualifies as a "material impact" and how PJM uses that information to determine the need for any network upgrades. With clear, workable SIS standards, PJM can take important strides towards maintaining reliability.

OPSI looks forward to the further refinement of these proposals and the final versions that will be filed at FERC shortly.

Respectfully submitted,

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Emile Thompson

President, Organization of PJM States