



# RRI Proposal: There Are Other Ways

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Presentation to the PJM MC

Nov. 21, 2024



# Substantive Concerns

RRI Is Unjust, Unreasonable and Unduly Discriminatory



# The RRI Proposal Is Unjust and Unreasonable

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- Queue-jumping is unjust and unreasonable
  - FERC routinely rejects queue jumping proposals on the grounds that they discriminate against higher-queued generations.
  - Queue jumping “increase[s] the level of uncertainty an interconnection customers may face ... change the nature of the available capacity at a given time and may induce multiple restudies of lower-queued interconnection requests.”  
*See Sw. Power Pool, Inc.*, 147 FERC ¶ 61,201 at P 124 (2014).
- Cases cited in support do not involve queue-jumping
  - CAISO and MISO proposals were prospective-only, after existing cycles
  - No changes to existing processes



# And Unduly Discriminatory to TC2

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- TC2 Projects have waited in queue 3+ years
  - Closed September 2021
  - Includes AG1 and AH1 submissions
- Impacts on TC2 Network Upgrades
  - Insufficiently analyzed and addressed – no data presented to stakeholders
  - PJM concedes it cannot quantify the likely impacts
  - DC analysis referenced in latest proposal is not sufficient
- Upending settled expectations of TC2
- Potential delays to TC2 with addition of 50 new projects



# And Unlikely to Fix PJM's Reliability Concerns

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- No binding requirement to achieve COD by 2029/30
  - How will PJM solve its problems if RRI projects are delayed past 2029/30?
  - No collateral or binding commitment to achieve COD
- Supply chain issues are significant
  - Must have equipment on order to meet 2029/30 COD
- Harm and delays to TC2 may increase project drop-out
  - Less headroom will likely lead to more Network Upgrade costs
- Loss of confidence in PJM markets
  - Lack of stability and predictability
  - Dampening of investment
- 50 or less projects == no criteria



# Procedural Concerns

## Insufficient Stakeholder Engagement



# Truncated Stakeholder Discussions With No Vote

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- 45 days from initial proposal to notice
  - Raised October 8<sup>th</sup> at Planning Committee
  - November 21<sup>st</sup> notice to Members Committee
- Minimal opportunity for stakeholder input
  - Limited discussion at Special PC and Special MRC
  - Proposals iterate but do not reflect stakeholder concerns about harms to TC2
- No Discussion of “Why”
  - Stakeholders told will not discuss “why” at Special PC
  - Reasoning for proposal changed between Special PC and Special MRC
  - Cannot fully analyze proposal without understanding drivers
- No Vote
  - Undercuts stakeholder opportunity to provide input



# There Are Other Ways

Proposal Presented to PJM





# Stakeholders Tried to Modify the RRI Proposal

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- Compare Network Upgrades for TC2 with and without RRI
  - Determine actual difference, positive or negative
  - If there is a positive delta, RRI projects shoulder the cost they have caused
- Limit the Number of Projects in the RRI Queue
  - Fewer projects will result in less profound impacts on TC2
  - Proposed 20 projects or 5 GW, with geographic diversity
- Post Collateral
  - Ensure commercial viability, hold accountable for harms to TC2
  - Proposed UCAP x BRA Auction Clearing Price, with collateral paying for TC2 Network Upgrades if the project does not achieve commercial viability in time



# Stakeholders Made Suggestions To Help Bring More Projects Online

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- Fix Surplus Interconnection Service beyond current proposal
  - We support the RMI presentation to follow
- Give milestone flexibility to generators in TC2 affected by RRI
  - Recognize the impacts this proposal will have on generators in the queue
- Allow generators in TC1 and TC2 to change technology from lower UCAP to higher UCAP without loss in queue position
  - E.g., solar to gas
  - Current Material Modification provisions require loss of queue position
  - Easy way to obtain more high-UCAP projects quickly



# A Holistic Review Is Critically Necessary

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- Perform a Load Servicing Priority Cluster after TC2 whereby PJM performs an integrated study on load, generation and transmission for the 2030-2040 time frame
  - Significant change calls for thorough, prospective review
- OPSI letter to PJM Board calls for similar review
  - Update reliability analysis to account for significant load and generation trend changes



Thank you

