

Regional Transmission Expansion Process (RTEP) Incremental Auction Revenue Rights (IARRs) Update for 2022/23 Planning Period

Emmy Messina Sr. Engineer II, Market Simulation Market Implementation Committee February 9, 2022



- PJM offers various IARR products for transmission expansions that add incremental capability to the PJM system
 - Generator/Merchant transmission facility interconnections
 - Customer funded network upgrade requests (attachment EE)
 - RTEP incremental-rights eligible required transmission enhancements
- All IARR products have the following characteristics
 - IARR MWs are awarded for the incremental capability created for the life of the facility or 30 years, whichever is less
 - Must be simultaneously feasible with all existing Stage 1 ARRs
 - Valued each year based on Annual FTR Auction clearing prices
- PJM Operating Agreement requires annual RTEP IARR analysis



RTEP IARR Overview

- Analysis may trigger IARRs for the following RTEP upgrades:
 - Backbone Upgrades
 - Non-Backbone Upgrades: cost responsibility is assigned to 1) non-contiguous zones or 2) Merchant Transmission Providers
- PJM evaluates constraint most relieved by the RTEP upgrade
 - See appendix for projects analyzed for 22/23
- PJM determines an eligible path and evaluates if IARRs could be awarded:
 - Source: aggregate pnode up to ten generator buses
 - Sink: zone
 - MWs: if available, allocated similar to project cost (percentage by zone, by NSPL)





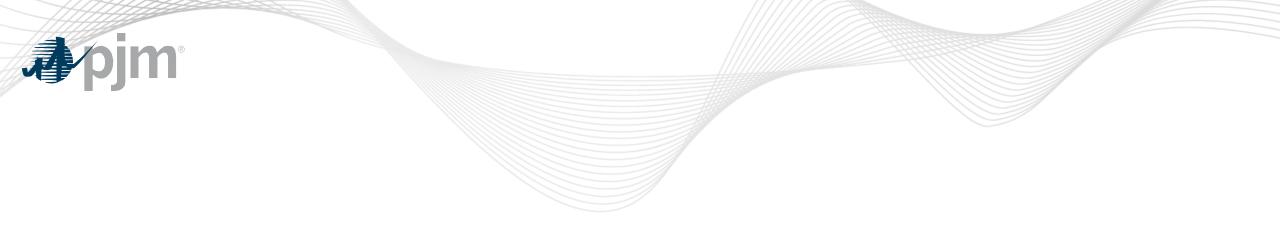
- All IARR-eligible RTEP upgrades scheduled to be in-service for 2022/23 planning period were analyzed
 - No IARRs produced
- Previously approved RTEP IARRs will populate at FTR Center prior to Annual ARR starts
 - Members can reject or reduce MWs through FTR Center
- Effective RTEP IARRs will be posted on the <u>FTR website</u> under the Annual Auction Revenue Rights (ARR) Allocation section, 22/23 accordion in February





SME/Presenter: **Emmy Messina** Emmy.Messina@pjm.com **Facilitator:** Lisa Morelli, Lisa.Morelli@pjm.com Secretary: Nick DiSciullo Nicholas.Disciullo@pjm.com **RTEP IARR Update for 2022/2023**





Appendix



RTEP IARR Analysis for 2022/23 Planning Period

Project #	Туре	Upgrade Description	In-Service Date	Pre- Upgrade ARR Capability	Pre-Upgrade Limit	Post- Upgrade ARR Capability	Post-Upgrade Limit	IARR MW	Source	Sink
		Install 2-125 MVAR STATCOMs at Rawlings and 1- 125 MVAR STATCOM at Clover			TMI 500 KV 1 BANK I/o L500.Conastone-		TMI 500 KV 1 BANK I/o L500.Conastone-		CLOVER 25 KV G1-2, PLYWOOD 13.8 KV PLYWODBI, KERRDAM 14	
b2978	Backbone		2/11/2022	0	PeachBottom.5012	0	PeachBottom.5012	0	KV G1-7	DOM