



# ELEVATE

## RENEWABLES

*Elevate PJM CIR Transfer Efficiency Process Solutions Proposal  
July 9, 2024 Planning Committee Meeting*

- In 2023, PJM issued its 4R Report that announced **40,000 MW** of generation at risk of retirement by 2030.
- PJM has messaged that “current pace of new entry would be **insufficient to keep up with expected retirements** and demand growth by 2030.”
- PJM has announced that it is expecting an **additional 10,000 megawatts of demand** by 2030 that **wasn’t forecast last year**.
- Over **40,000MW of generation** moved through the traditional interconnection queue, signed IAs, but **less than 3,000MWs actually showed up**.
- **Enhancing the CIR Transfer process for existing generators to speedily transfer CIRs** from deactivating resources **to a replacement resource** through a **fast-track standalone review process** is **the solution** to this reliability and resource adequacy crisis.

*We need new approaches to address new problems  
in a new era of new technology deployments*

# FERC Supports Fast Track Interconnection Processes for Deactivating Resources

“It is the fact that an existing generator possesses interconnection rights in a particular location on the transmission system and in a specific type and quantity that is relevant to whether a separate, fast-track interconnection process may be warranted for replacing that generator.”

(Clements) FERC Commissioner Clements’ Concurrence in *Vistra* (Docket No. ER22-2632)

“new interconnection requests are not similarly situated to existing generation facilities”

PacifiCorp Order (Docket No. ER23-407-000)

“establishment of a separate, resource-neutral generator replacement process for owners of existing generation, administered by the Independent Coordinator, does not provide an undue preference to the transmission provider’s existing generation”

PacifiCorp Order (Docket No. ER23-407-000)

- “such owners have already gone through an interconnection process and faced cost responsibility for any network upgrades that may have been necessary”

PacifiCorp Order (Docket No. ER23-407-000)

**FAST TRACK**  
**Completed in 9 months**

**Stand Alone Battery Energy Storage Must Be Eligible for Any PJM Generator Replacement Process**

**Replacement Resources Considered as Alternative to RMR and Costly Inefficient Transmission Upgrades at Generation Site**

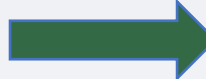
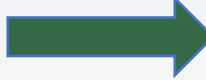
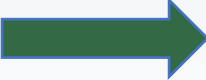


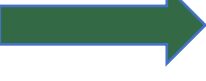

**CIR Transfer Process Initiated By an "Official" Deactivation Notice, "Unofficial" Request, or NOI to Deactivate**

**Replacement Resource Study Process Utilize Completed Phase 3 Model**

**Material Adverse Impact Screen Should Test For Reliability Criteria Violations and IC Has Opportunity To Mitigate Or Modify Proposed Replacement Resource**

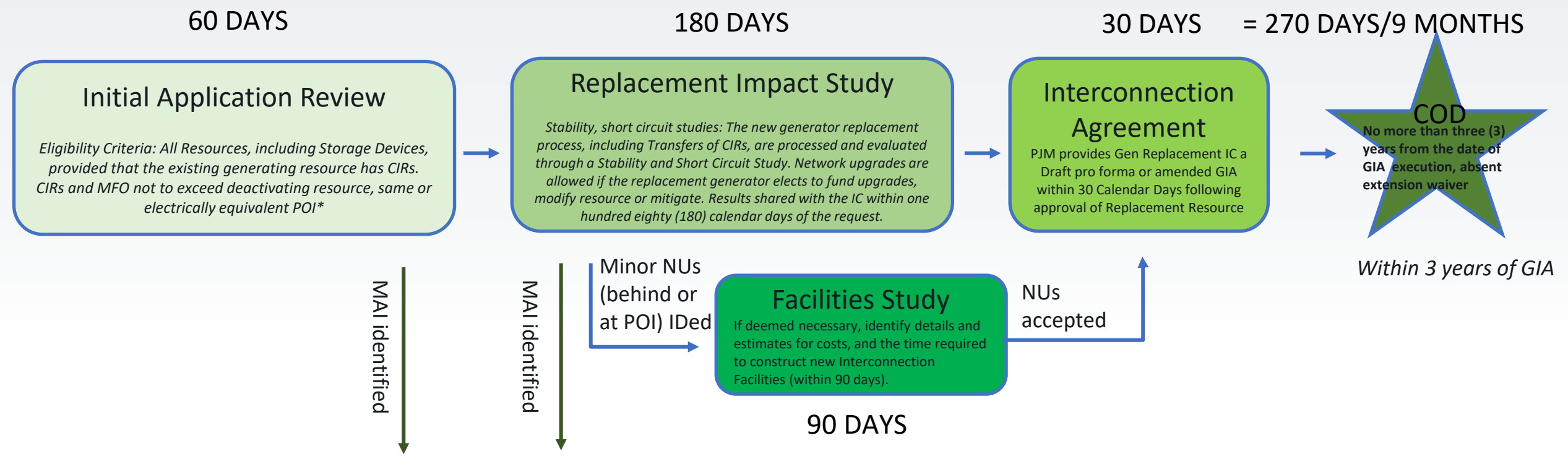
**Replacement Resources Should Be Commercially Operable Within 3 Years From GIA Execution**

# Rationale for Generation Replacement Imperatives

IMPERATIVE	RATIONALE
➤ <b>Stand Alone Battery Energy Storage Must Be Eligible</b>	 Charging is load. Should be deemed only as a companion study to any generator interconnection study (Cycle or Replacement study) or be allowed to separately pursue load study as other traditional load.
➤ <b>Replacement Resources Considered as Alternative to RMR and Costly Inefficient Transmission Upgrades at Generation Site</b>	 Common practice at other RTOs. Reduce cost to rate-payers.
➤ <b>CIR Transfer Process Initiated By an "Official" Deactivation Notice, "Unofficial" Request, or NOI to Deactivate</b>	 Allows notification to PJM to allow study process to begin to align timing of actual "deenergizing" of deactivation resource with "energizing" of replacement resource.
➤ <b>Replacement Resource Studies Include only Short Circuit and Stability</b>	 Thermal study not required – retiring generators received capacity/firm rights after being studied and paying for network upgrades, for both peak and off-peak scenarios.
➤ <b>Replacement Resource Study Process Utilize Completed Phase 3</b>	 Interconnection application in early Phase 1 and Phase 2 studies are subject to significant withdrawals causing need to restudy constantly.
➤ <b>Material Adverse Impact Screen Should Test For "Reliability Criteria Violations" Caused By the Replacement Generation</b>	 Dynamic and short circuit performances are mostly localized and do not have the "competing for headroom" issue. All requests are likely to fail if any change of performance is considered adverse impact.
➤ <b>Replacement Resources should be Commercially Operable within 3 years from GIA Execution</b>	 It will not unduly withhold transmission capacity and timely provide capacity to PJM market.

# Generation Replacement Process Flow Chart Diagram

Initiated upon submission of generator replacement request to PJM, and the process will occur as a stand-alone process outside of the current new interconnection services agreement process, i.e. new generator replacement process



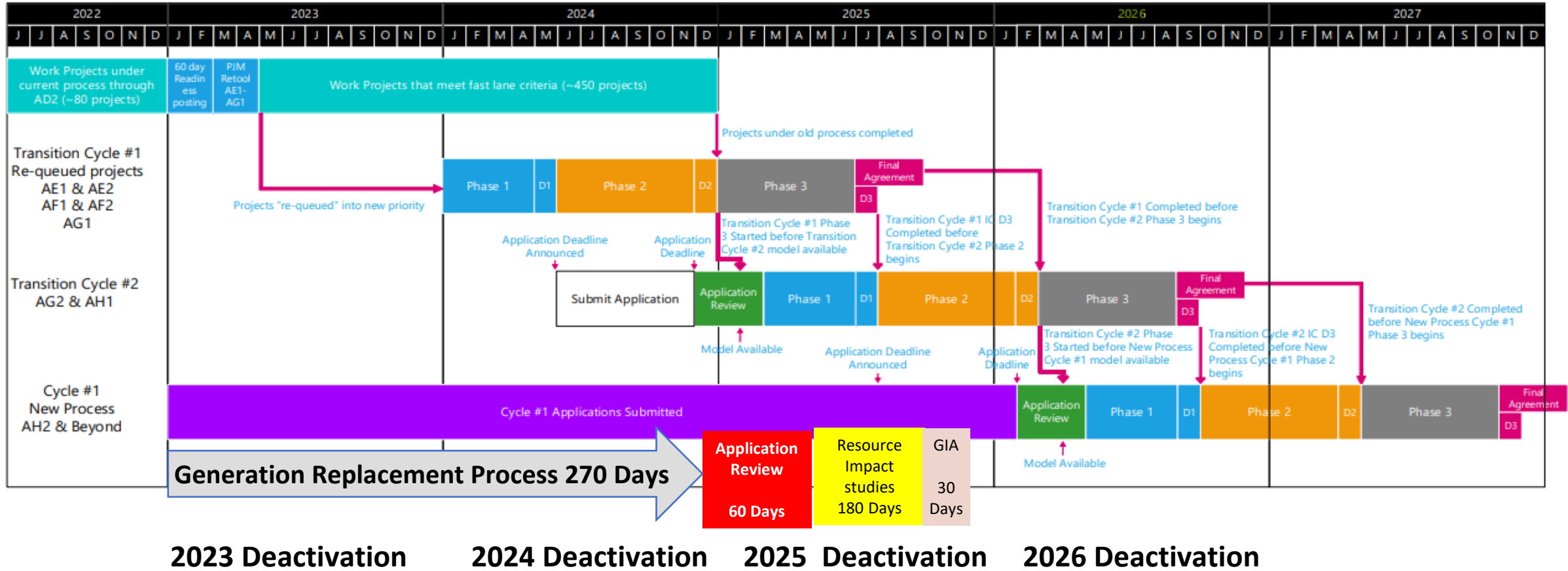
If MAI identified, the IC is given the opportunity to amend the project to remove the MAI or IC Customer can elect to withdraw and resume its position in the New Interconnection Queue Process

CIRs = capacity interconnection rights  
MFO = maximum facility output

MAI = material adverse impact  
NU = network upgrade

\*Note: different asset ownership permitted (with transfer of CIRs), deactivation notice optional but not required to initiate process

### FIGURE 9: TRANSITION PERIOD SEQUENCING AND PROCESS



Timelines from PJM June 14, 2022 Transmittal Letter in ER22-2110

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