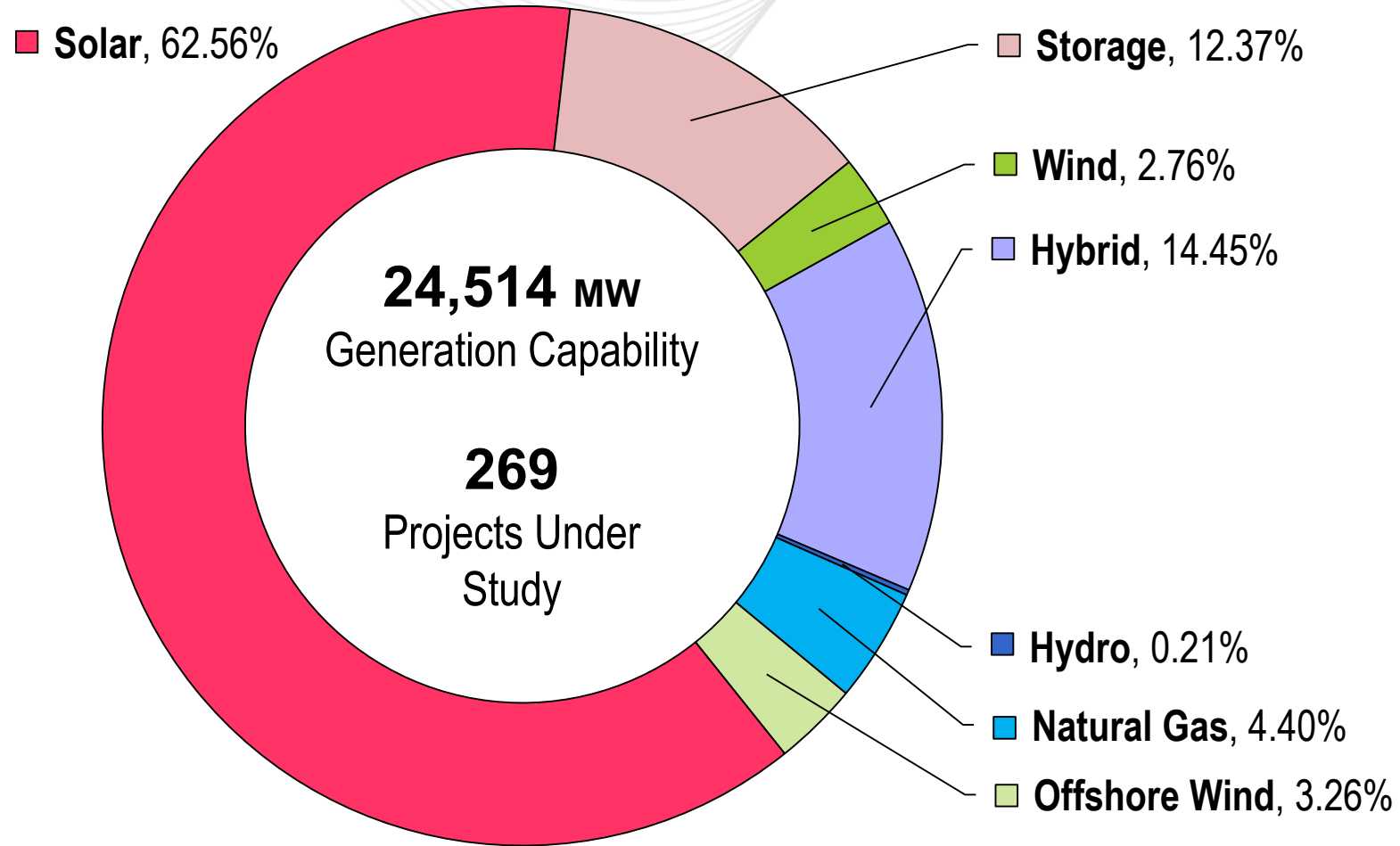




Reliability Resource Initiative: Interim Accelerated Interconnection Process

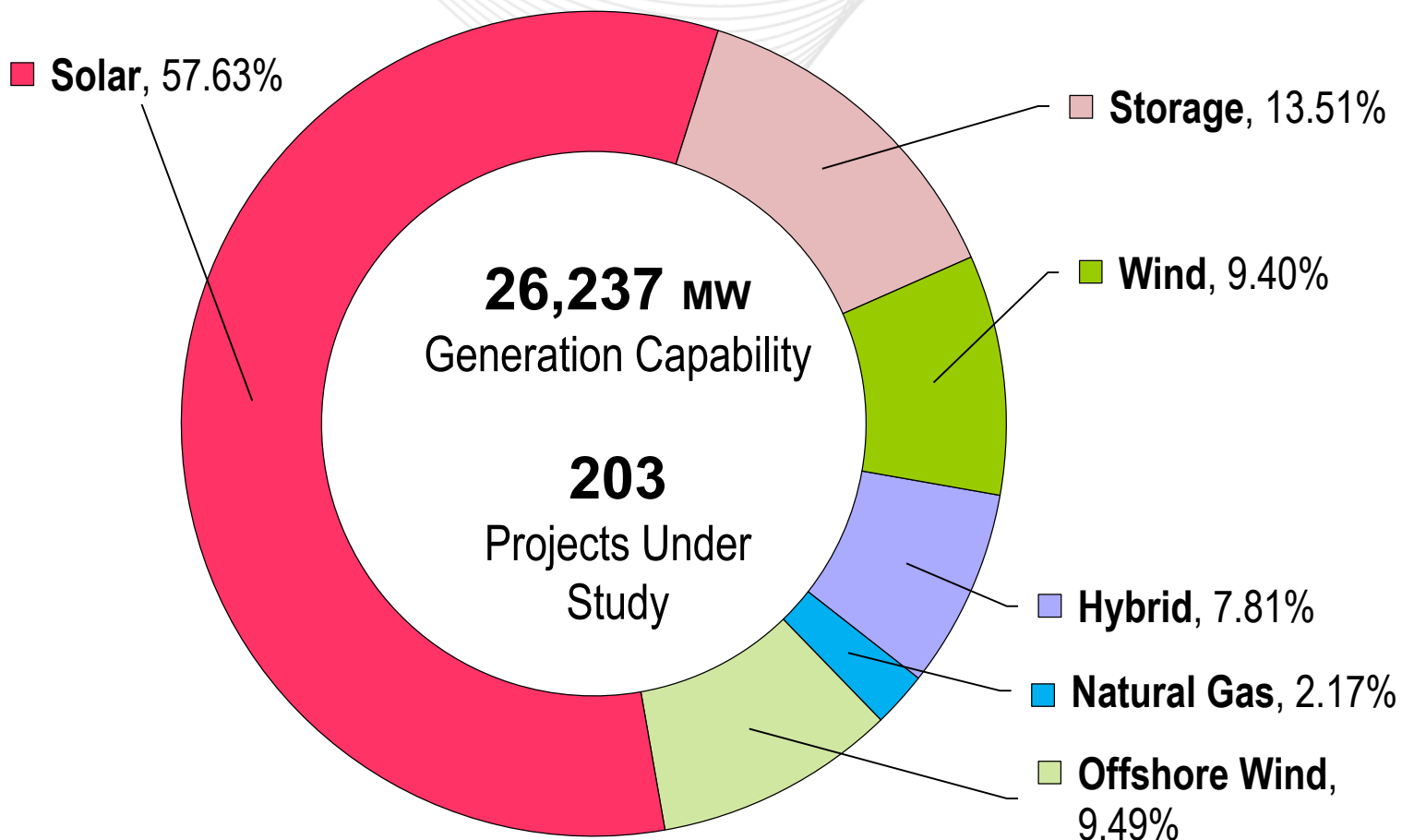
Donnie Bielak
Director, Interconnection Planning
Planning Committee
October 8, 2024

- PJM has communicated concerns in recent years on **growing resource adequacy concerns** driven by the following factors
 - Significant load growth, including large data centers
 - Accelerated generator retirement due to age and environmental concerns
 - New resource additions slowing due to issues such as supply chain, permitting, and financing issues
 - Lower reliability value of resources in the interconnection queue as measured by ELCC
 - Recent PJM capacity market clearing prices have highlighted these concerns
- PJM's reformed interconnection queue process will more efficiently process new resources through the interconnection process
 - **Interim concern exists for new resources that can support near term reliability due to Transition Cycle timing** (processing of backlog)



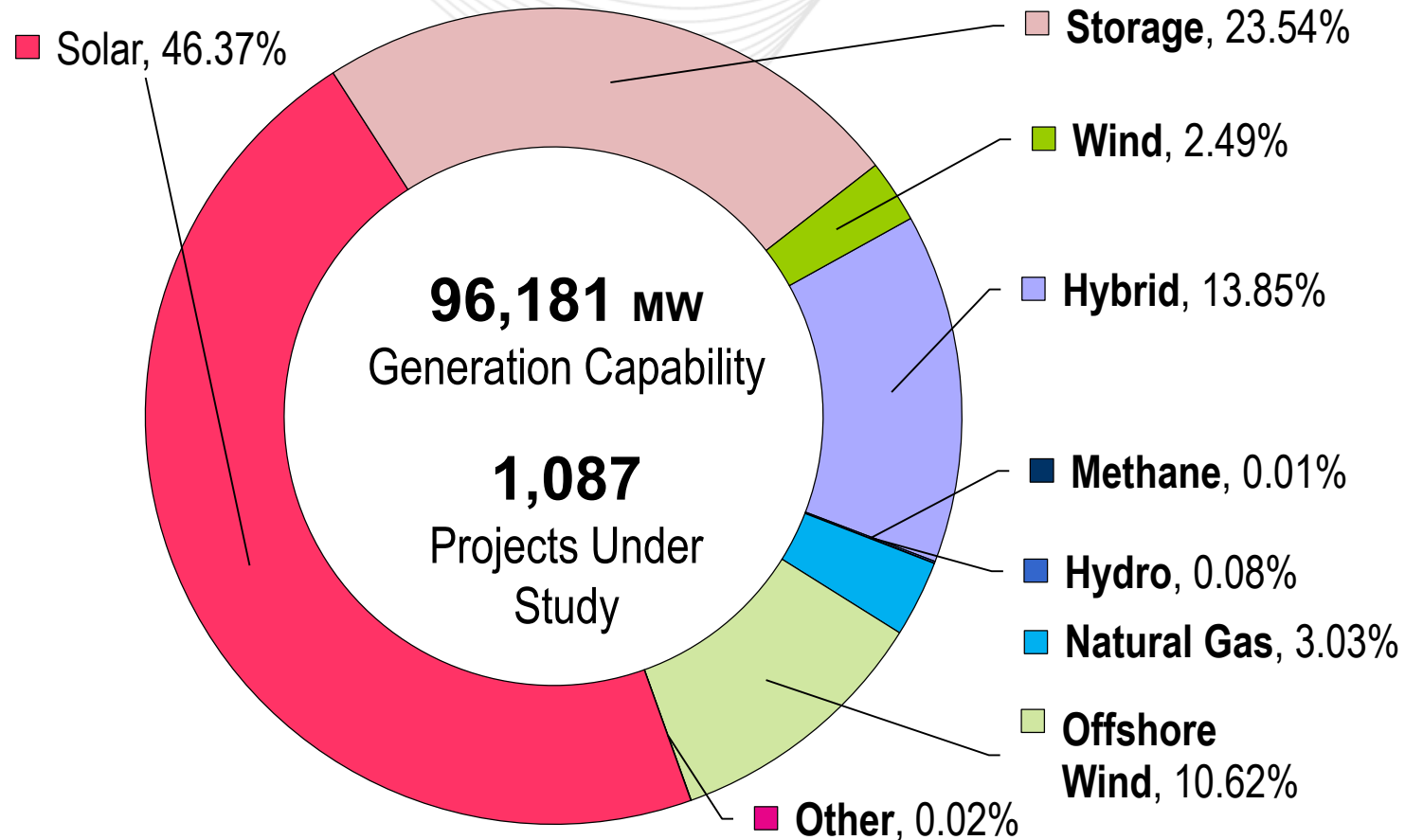
Makeup of Active PJM Generation Interconnection Requests Transition Cycle 1

As of September 30, 2024



Makeup of Active PJM Generation Interconnection Requests Transition Cycle 2

As of September 30, 2024



- **One time opportunity** to accommodate resources that support near term resource adequacy concerns (address Transition Cycle #2 timing delays to accept new resources into Cycle #1)
- Projects meeting eligibility and priority criteria will **insert into the Phase I study period of Transition Cycle #2** with an abbreviated application window (pending PJM Board & FERC approval)
- New process designed to have **no impact to any milestone dates of Transition Cycle #2** (e.g. normal application window for TC2 still closes Dec 17th)
- Due to urgency, **PJM Board & FERC approval will be requested on accelerated timeline** (limited stakeholder engagement period)

- Contribution to Resource Adequacy – Focus on Reliability Value
 - Effective Load Carrying Capability (ELCC) and/or UCAP Threshold
 - Fuel agnostic (e.g., hybrid intermittent resource plus storage)
- In-Service Date by Established Need Date
 - Establish method to verify ability to meet need date
- Limit Number of Projects
 - Set cap on number of projects to minimize risk to TC2 timeline
 - Optimize based upon contribution to the Reliability Requirement (e.g., ELCC x MW – size matters due to administrative burden)

- October 8 PC – Overview of need and initial feedback
- October 18 Special PC – Review PJM proposal and collect feedback
- October 30 MRC – Review PJM proposal based on feedback
- November 6 PC – Continue discussion and feedback
- November 21 MC* – Provide official notice under Tariff, §9.2(b)
- First half of December – Anticipated filing
- Open Transition Cycle 2 for submissions meeting approved criteria in Q12025

**PJM will also provide notice to the TOA-AC prior to this date -TBD*

- October 18 Special PC
 - PJM to provide straw proposal
 - Members to provide suggestions and feedback
- Surplus Interconnection separate
 - PJM open to process refinements

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