



# Enhance CIR Transfer Efficiency – PJM Solution Package

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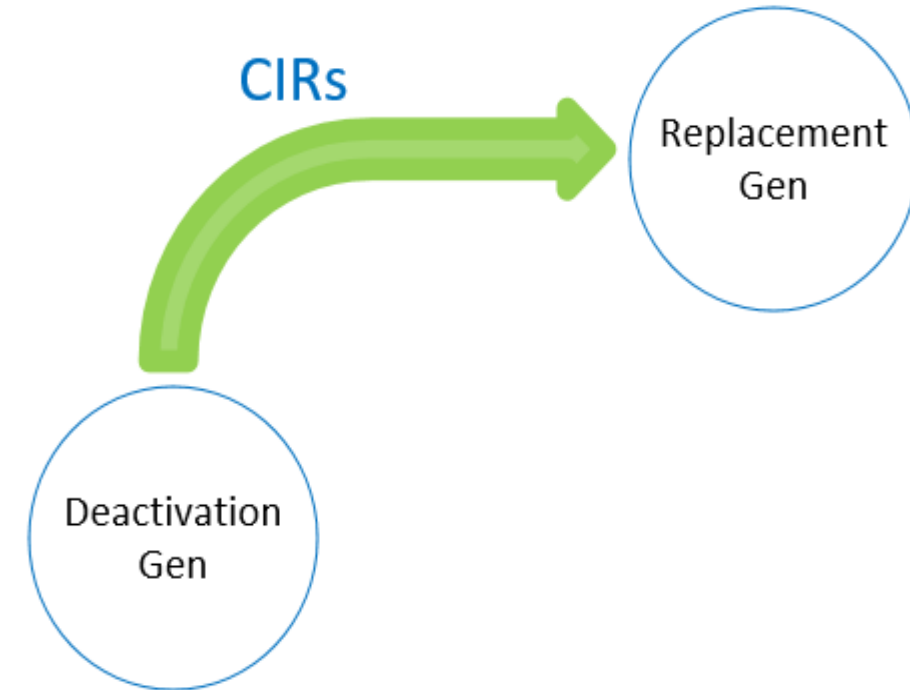
- Create a new, separate Replacement Generation Interconnection Process outside of the PJM Cycle Process
- Key Principles:
  - Ensure no material adverse impacts to the system or to other interconnection requests in the Cycle Process
  - Expedited – requests can be submitted at any time and study process can begin immediately. The overall process and associated timeline should be efficient.
- Develop eligibility criteria to enter this process and associated processing rules in order to support the key principles

- Process for the transfer of CIRs from a Deactivation capacity resource to a Replacement capacity resource (applies to battery storage fuel type), which meets the following criteria:
  - Requires an official Deactivation Notice sent to PJM (status quo)
  - CIRs claimed prior to expiring, which is 1 year after the Actual Deactivation Date (status quo)
  - Same CIR holder for both the deactivation resource and the replacement resource (confirmed via Notice of Intent to Transfer CIRs form) (status quo)
    - Note: status quo in Matrix provides status quo details
  - POI - Replacement resource must connect at same voltage level at same interconnection substation as the Deactivation resource
    - Note: If a line tap with no interconnection substation, the POI must be at same line tap termination location
  - MWs – Replacement resource’s CIRs and MFO cannot exceed the Deactivation resource
  - No material adverse impact - Replacement resource cannot consume available transmission capability from the system in excess of what the Deactivation resource already utilizes

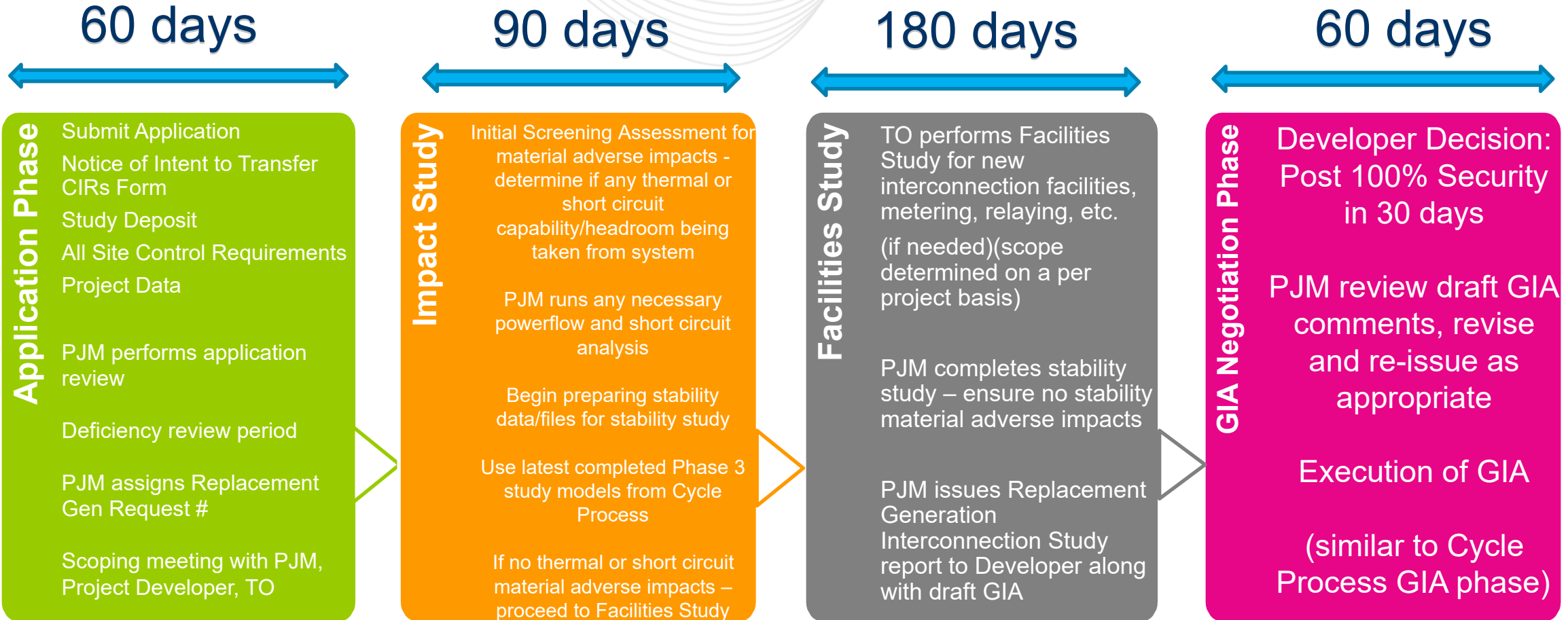
**\*\*\* Any Generation Interconnection request seeking a CIR transfer that does not meet the criteria above can submit an application for and enter the Cycle Process**

**\*\*\* If a Replacement Gen application is submitted to PJM, and the Replacement project is withdrawn for any reason, the Developer must submit a Cycle Process application if they choose to enter that process (the Replacement project will not be automatically moved over to the Cycle Process).**

**\*\*\*Alternatively, Developer can choose to re-apply to Replacement Gen Process**



Total time – ~13 months



- Replacement Generation applications can be submitted to PJM at any time. There are no defined Replacement Generation application windows.
- Replacement Generation applications prioritized serially, in the order each application is received by PJM.
- After the Application Phase:
  - No site control changes
  - No POI changes
  - No fuel changes
  - Cannot change project size, in MW, for CIRs nor MFO
  - Equipment changes (Permissible Technological Advancement changes only) can occur via Necessary Study after GIA execution

- Study Deposit requirements – same as Generation Interconnection requests in the Cycle Process
  - PJM Manual 14H section 2.5.1:

| Project Size | Study Deposit |
|--------------|---------------|
| 0-20 MW      | \$75,000      |
| >20-50 MW    | \$200,000     |
| >50-100 MW   | \$250,000     |
| >100-250 MW  | \$300,000     |
| >250-750 MW  | \$350,000     |
| >750 MW      | \$400,000     |



# Key PJM Package Component – No Material Adverse Impacts

- PJM Package - Replacement resource cannot consume available transmission capability from the system in excess of what the Deactivation resource already utilizes. This concept/criteria is presently used in the PJM Surplus Interconnection Service Process.
- If any transmission capability (i.e. headroom) taken from the system by the Replacement resource, it should be evaluated in the Cycle Process where the capability can be awarded and allocated equitably among all interconnection requests in the Cycle Process
- When evaluating transmission system capability, PJM is considering not only thermal (MW) capability, but also short circuit capability and dynamic capability (stability). (reference CIR Transfer Education – Sept 2023 IPS)
  - Short circuit and stability responses are also determined by the electrical characteristics of each resource (not just MWs)
  - New generation and associated facilities will almost certainly have differing characteristics from the deactivating facility that will require analytical evaluation
  - Example - Replacement resource could increase fault current into the system as compared to the Deactivation resource
- Thermal (MW) capability of the PJM transmission system is evaluated at various seasonal conditions (PJM tests generation deliverability of resources at summer peak, light load, winter peak) (reference CIR Transfer Education – Sept 2023 IPS)
  - Different fuel types have different Deliverability criteria at different seasons. Resources are not only tested at their CIR value for Deliverability, but also tested to varying levels up to their MFO for some fuel types for specific seasons
  - If the fuel type of the Replacement resource differs from the Deactivation resource, the Replacement resource’s deliverability requirements will need to be evaluated and compared to the Deactivation resource’s deliverability requirements, even if the MW output is the same or less
  - Standalone Battery/Storage – if charging from the grid, and replacing synchronous generation for example.....would not qualify for Replacement Generation process. Transmission capability is ensured/preserved for battery charging in the Light Load Deliverability Test. This capability has not already been utilized by the Deactivation resource.
    - Note: Hybrid generation projects (multi fuel types) which include Battery Storage may not need to charge the batteries from the grid and may qualify for Replacement Generation process depending if all eligibility criteria is met
- No new reliability driven network upgrades in the Replacement Generation process – if they are required, it indicates that transmission capability is being taken by the Replacement resource





# Transition Plan – Existing CIR Transfer Requests

- CIR Transfer Requests in Expedited Process/Fast Lane (AE1-AG1) remain in Expedited Process/Fast Lane.
- CIR Transfer Requests in Transition Cycle #1 (TC1) (AE1-AG1) remain in TC1 - TC1 has started and is scheduled to be completed 3Q 2025.
- CIR Transfer Requests in Transition Cycle #2 (TC2) (AG2-AH1) - requests would be eligible to be moved to new Replacement Gen Process. Maintain existing queue priority (between other Replacement Gen Requests) in Replacement Gen Process as already established with their original queue submission.  
**\*\*\*More consideration/detail needed. See next slide on potential overlap of TC2 schedule and FERC approval of such Replacement Generation Process.**
- CIR Transfer Requests in Cycle #1 (AH2 & beyond) - requests would be eligible to be moved to new Replacement Gen Process. Maintain existing queue priority (between other Replacement Gen Requests) in Replacement Gen Process as already established with their original queue submission.



- The following details are being provided for awareness to stakeholders for consideration at this point. These reflect PJM's initial thoughts on the Transition Plan implementation and are not finalized just yet for inclusion into PJM's Package.
- Projects in Cycles eligible to enter new Replacement Process (TC2 & Cycle 1): within 30 days of FERC Approval Date, PJM communicates at IPS and reaches out to applicable Developers seeking a CIR Transfer that a 60 day application window will open for TC2 & Cycle 1 Developers to apply to the Replacement Gen Process. Applying during the 60 day application window ensures their existing serial queue priority among each other is maintained in the Replacement Gen Process.
  - After the 60 day application window, any Replacement Gen application can be submitted. These will be queued after the Replacement Gen requests received during the 60 day application window.
- Further details to consider and address:
- TC2 Projects - eligibility for Transition 60 day application window may depend on FERC approval and implementation timing of such a Replacement Gen Process and the schedule for TC2. FERC approval of any such Replacement Gen Process could be after TC2 starts.
  - Note: if TC2 projects not eligible for Transition 60 day application window, nothing preventing the TC2 project from withdrawing from TC2 and submitting a Replacement Gen application.
- Avoid potential duplication of replacement generation projects/CIR Transfers (1 in Replacement Gen Process & 1 in Cycle Process)
- Tariff should be clear that if a Cycle project withdrawals from Cycle Process, and the CIRs have expired at that point (after 1 year of Deactivation Date), those CIRs are returned to the system and they cannot be claimed again with a new Replacement or Cycle Application. If they are not yet expired, can claim the CIRs again with a new Replacement or Cycle Application. (this is Status Quo concept).
- If directed out of Replacement Gen Process due to ineligibility, and the CIRs have expired:
  - CIRs are returned to the system and they cannot be claimed again with a new Replacement or Cycle Application ?
  - Developer could have 30 days from PJM withdrawal notification to submit an application for the Cycle Process to claim and transfer the CIRs, else the CIRs expire ?

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## Enhance CIR Transfer Efficiency - PJM Solution Package



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