

# ORR PJM Queue Reform New Interconnection Process

*Items worthy of discussion beyond the “Transition” topic*

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# Suspension Rights Are Important Systemic Shock Absorber

- We understand PJM's interest in removing suspension rights from the Solution.
- As ICs advance pre-construction tasks, at-times, there are non-Force Majeure events that challenge the Sec 6 milestone dates in the ISA.
- Such non-Force Majeure project delays can be project specific or can impact GWs of projects. Examples include:
  - New policy or regulatory actions that impact suppliers or financial markets (ex. Trump ban on bulk power system equipment from China, change in tax law that creates broad delay in tax equity markets, FERC challenges or pending rule changes, etc.)
  - Financial crisis that broadly impact/freeze/delay capital markets
  - OEM issues (ex. Serial defect in equipment, supplier bankruptcy, etc.)
- Historically, ICs have utilized their 12 months of suspension rights to address such project delays, and such rights have been key to manage project finance risk.

# IC Rights to modify Sec 6 milestone dates

- Going forward, in-lieu of suspension rights, ORR proposes express rights that the IC shall have to modify the Sec 6 ISA milestone dates to address these real-world issues that are outside of a project's control.
- This approach has significant benefits vs. ICs individually negotiating such key terms with PJM in hundreds of ISAs as has been suggested as an alternative to 1-year of suspension rights
- In-lieu of suspension rights, it is critical for ISAs to include these secure delay rights (at ICs sole discretion) at any point in time from ISA execution up-to and including COD milestone.

# Site Control

- Projects must have sufficient site control (from an ENG perspective) to initiate the study process. However, is PJM's discretion needed on "100% site control" beyond the engineering feasibility that is included in the initial application (i.e. 5 acres/MWac for SAT Solar)?
- We would like to discuss PJM's proposal for SIS & Facilities Study site control requirements:
  - Provide 50% of site control for customer interconnection facilities and interconnection switchyard (if applicable) & 100% of site control for generation facility site (SIS)
  - Customer to provide 100% of site control for generating site, customer interconnection facilities, and interconnection switchyard (if applicable). If the customer is unable to provide the aforementioned, a requirement to produce this evidence within 6 months of the execution of the ISA will be included in the final agreement (Facilities)
- Also, with regards to Site Control, there was previous discussion on the remaining tenor for Site Control needed at various stages (we believe 5 years was previously discussed). ORR would like to further discuss this within the stakeholder group.

# Project Site Move

- Provided that relocating the POI facilities a short distance up or down a circuit (i.e. 1,000 to 2,000 feet) does not impact any of the powerflow and stability considerations, ORR would advocate for flexibility on POI facility relocations throughout the process. We do not believe it is appropriate for a POI to be relocated outside of the two substation endpoints being studied, but having a degree of flexibility on the final POI location can enable more project CODs and support good community relations.
- PJM has proposed “Permitted on adjacent parcels of land only where site control has previously been provided with the application.”
- ORR has proposed “Permitted provided the relocation does not change the POI circuit endpoints and there is not any change to the powerflow or stability considerations.”

# Thank you

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