



Fast Lane Timeline & Readiness Window Requirements

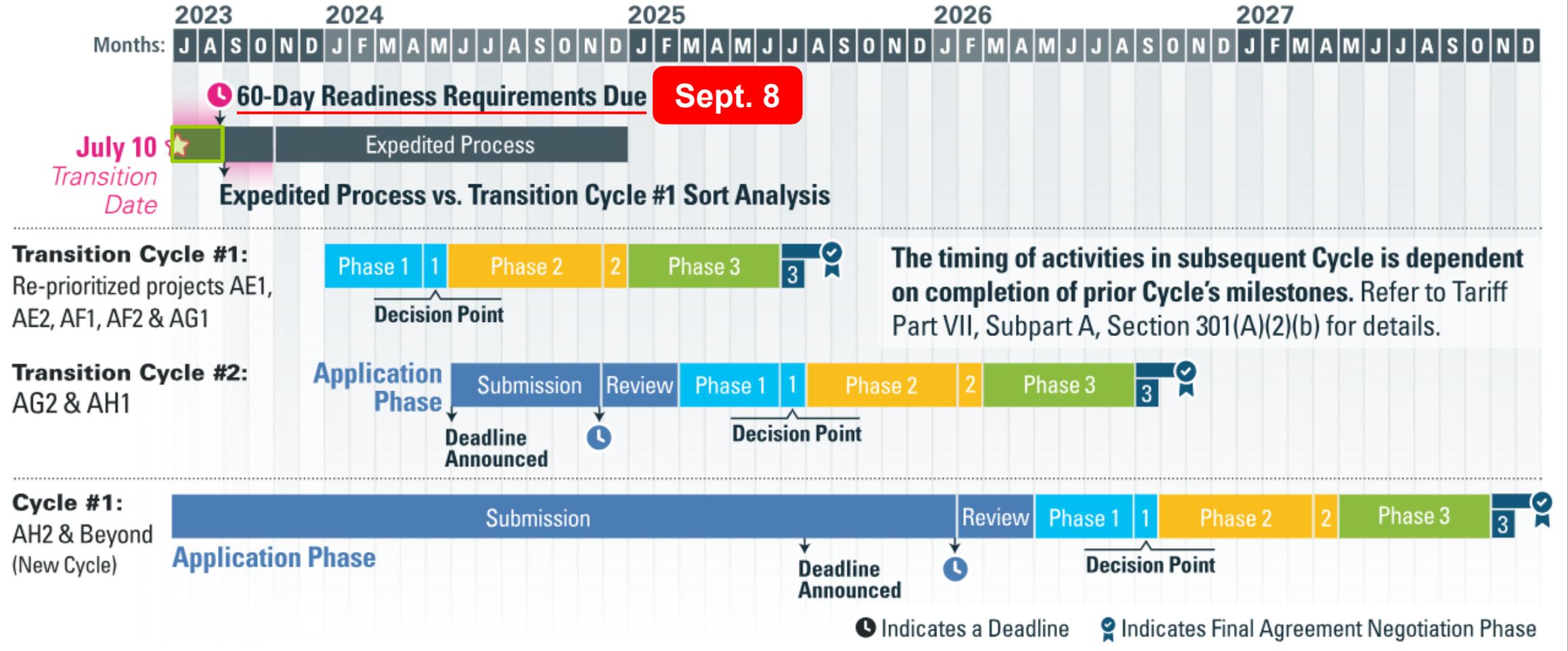
August 2023 IPS

Michelle Farhat
Engineer
Interconnection Planning Projects

Timeline Recap

Queues Timeline

As of 7.13.2023 3:51 p.m. EPT



Fast Lane & TC#1 Analysis Timeline

Readiness Period

- Remaining active AE1-AG1 projects will post readiness requirements.
- No retools during this time.

Refreshed Fast Lane Analysis

- Transition Cycle #1 projects will be removed from fast lane study cases.
- Fast lane projects will be re-analyzed without Transition Cycle #1 projects and results will be updated. Refreshed analysis will include load flow, short circuit and stability studies.

Developers Notified
of Fast Lane Eligibility



Jul.–Aug. 2023

Sept.–Oct. 2023



Nov.–Dec. 2023

Jan.–Apr. 2024

Transition Start

Expedited Processing Eligibility Analysis

- AE1-AG1 projects that have met readiness requirements will receive "Expedited Processing Eligibility Analysis" to sort projects into fast lane and Transition Cycle #1.
- Each project will be analyzed for load flow impacts on their own SIS study case.

Transition Cycle #1 Analysis

Transition Cycle #1 projects will be re-queued into new priority and re-analyzed on new study case.

July–December: Transition Cycle #1 Model Building (LF, SC, Stability)



Transition Readiness Submissions

about pjm | training | committees & groups | **planning** | markets & operations | library

Service Requests

Home > Planning > Service Requests > Interconnection Process Reform

Services Request Status

Interconnection Process Reform

Application & Forms

Planning Modeling Submissions (MOD-026, 027 & 032)

Generation Deactivations

Project Status & Cost Allocation

Competitive Planning Process

RTEP Development

Resource Adequacy

Planning Criteria

Design, Engineering & Construction

Interconnection Process Reform

On Nov. 29, FERC issued an [order](#) conditionally approving PJM's interconnection process reform filing, subject to two compliance filings, one of which has already been submitted by PJM. The filing constituted a comprehensive reform of the PJM interconnection process, designed to more efficiently and timely process New Service Requests by transitioning from a serial "first-come, first-served" queue approach to a "first-ready, first-served" cycle approach. The interconnection reforms are set forth in FERC [Docket No. ER22-2110](#).

Pursuant to the Commission's order, PJM's new Tariff Parts VII and IX have an Effective Date of Jan. 3, 2023; these Tariff provisions have already been merged into PJM's Tariff. However, the Jan. 3, 2023, Effective Date is different from the interconnection reform established Transition Date. As set forth in the new Tariff, Part VII, Definitions, the Transition Date is the later of: (i) the effective date of Transmission Provider's Docket No. ER22-2110 transition cycle filing seeking FERC acceptance of this Tariff Part VII (i.e., Jan. 3, 2023) or (ii) the date by which all AD2 and prior queue window Interconnection Service Agreements (ISAs) or wholesale market participation agreements (WMPAs) have been executed or filed unexecuted.

The Transition Date will be July 10, 2023. As set forth in PJM Tariff, Part VII, within 60 calendar days after the Transition Date, valid AE1-AG1 projects, other than Upgrade Requests, that have not either executed or received for execution a final Interconnection Service Agreement or Wholesale Market Participation Agreement as of the Transition Date will have to demonstrate readiness pursuant to Tariff, Part VII, Subpart B, section 303, in order to move forward in the interconnection transition process.

View the [Transition Readiness Checklist](#) for a summary of these requirements and the [Transition Readiness Education Video](#) for more guidance.

The [Interconnection Process Subcommittee \(IPS\)](#) is the forum in which PJM will be discussing process implementation and providing updates throughout the transition.

[Readiness Checklist](#)

[Education Video](#)

- PJM requested drafts by August 9 but developers should still send their drafts if they have not done so yet
- 477 draft LOC requests received*
 - 286 accepted and results communicated to developers*
 - 191 issues identified, communicated to developers and awaiting revisions*
- Developers will only have five days to address LOC issues once final Readiness submission is reviewed
- We have returned comments for all initial draft LOCs within approximately 48 hours of receiving the request

*as of 8/23/23

Issue	Ask
Changes are made to the template without redlines	Ensure all changes are redlined so they can be easily identified and reviewed
Changes are made outside of the three acceptable provisions	Use the posted template. Only edit the three provisions as outlined in the template instructions
Sending a signed original LOC without first submitting a draft for review	You <u>must</u> submit a draft and it needs to be approved before you submit your final signed version
Additional changes are made from what is submitted from the approved draft	For your draft, submit the actual letter you will issue with all of the project information inserted but not signed yet. Do not make changes to content, format or template once the draft is approved

Issue	Ask
Applicant name does not match our database	Ensure names match down to commas and spaces. Check Queue Point or transfer letter for reference
Signed original letters of credit are mailed to Credit	Mail to the attention of Interconnection Projects, as detailed in the LOC FAQ
Developer needs to upload more than document but Queue Point only allows one upload per project	Upload a zip file with individual pdfs for each and every document

Provision	Common Edits
<ul style="list-style-type: none"> • Pennsylvania law applies to all matters not covered by ISP98 	<ul style="list-style-type: none"> • New York law when Issuing bank based in New York
<ul style="list-style-type: none"> • Presentation of payment demand reflecting Issuer’s communication procedures without changing effectiveness 	<ul style="list-style-type: none"> • Including email address and fax number of Issuing bank
<ul style="list-style-type: none"> • Sanctions, anti-boycott, antiterrorism, or anti-money laundering language 	<ul style="list-style-type: none"> • Standard alternative language of Issuing bank may be acceptable

See the posted LOC template instructions for more details

Provision	Common Edit	Reason Rejected
<ul style="list-style-type: none"> Automatic renewal language 	<ul style="list-style-type: none"> Deletion or replacement with final expiration date 	<ul style="list-style-type: none"> Violates Attachment Q
<ul style="list-style-type: none"> Issuer credit rating requirement 	<ul style="list-style-type: none"> Deletion or modification 	<ul style="list-style-type: none"> Violates Attachment Q
<ul style="list-style-type: none"> Presentment of payment demand 	<ul style="list-style-type: none"> Requires phone call as condition to the effectiveness of presentment 	<ul style="list-style-type: none"> Outside of PJM's sole control
<ul style="list-style-type: none"> Changes in payment terms from one to two business days 	<ul style="list-style-type: none"> Three or more business days 	<ul style="list-style-type: none"> Maintain consistency across letters of credit which supports equal treatment of PJM counterparties and minimizes risk of inconsistent documents



Letters of Credit – Resources

[Application & Forms page](#) on [pjm.com](#)

- Readiness Deposit Letter of Credit Form
- Letter of Credit FAQs

[List of acceptable financial institutions](#)

For questions about acceptable financial institutions, email credit_hotline@pjm.com

Email drafts to SystemPlanning.Admin@pjm.com prior to final submission

Project Assignment	PJM Contact	Consent Documents
Prior to Interconnection Service Agreement, Wholesale Market Participant Agreement or Upgrade Construction Service Agreement execution	Interconnection projects project manager	For Queue Projects: Combined Buyer-Seller DOC Seller DOC Buyer DOC For Cycle Projects: Combined Buyer-Seller DOC Seller DOC Buyer DOC
After ISA and prior to commercial operation (i.e. during construction)	Infrastructure coordination project manager	Assignment to: Lenders DOC Other Than Lenders: IC TO DOC Agreement to Amend per Assignment without Prior Consent Template DOC Consent to Assignment and Agreement to

Transmission Owner/Generation Owner Phasor Device Registry Form [XLS](#)

Transmission Owner Notice of Completion of Construction - Template [DOC](#)

Wholesale Market Participant Agreement Construction Information [PDF](#)

Confirming Letter of Credit for Interconnection Agreements - Version 2 - Effective 4.2.2021 [DOC](#)

Letters of Credit & FAQs

Readiness Deposit Letter of Credit [DOC](#)

Letter of Credit - ISA [DOC](#)

Letter of Credit FAQs [PDF](#)

Issuing Financial Institutions [PDF](#)

Stakeholder Groups

Transmission Expansion Advisory Committee

Notice of Intent to Transfer CIRs

Notice of Intent to Transfer CIRs [DOC](#)

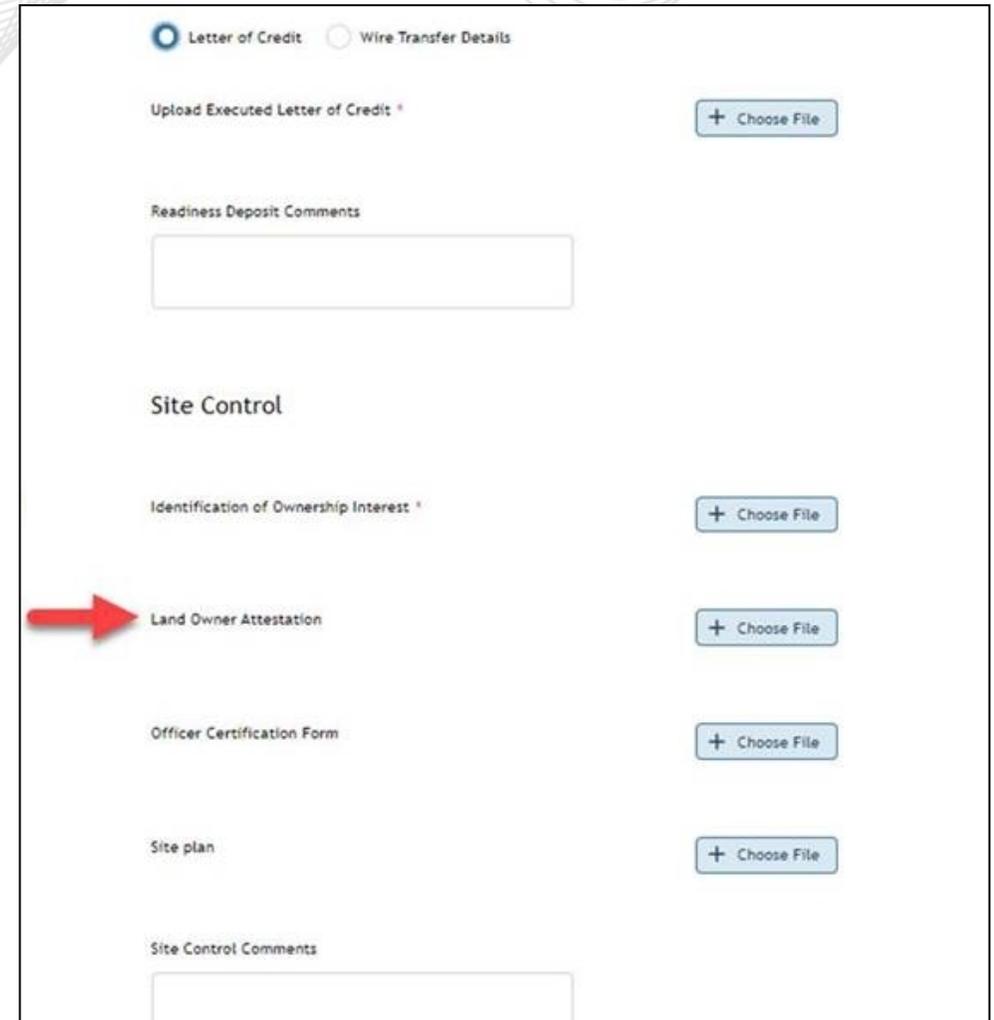
From Application & Forms page on [pjm.com](#)

- Developers whose LoC drafts are not approved one week before the end of the readiness window (by Sept. 1) should prepare to submit their readiness deposit via wire
- Wires must be in PJM's account by COB Sept. 8, not sent from the bank on Sept. 8
- We prefer 1 wire per project for ease of processing.
 - If you need to send 1 wire that covers multiple projects please contact SystemPlanning.Admin@pjm.com with details on the project breakdown.

- Wires must specify the Project Identifier Number
- The wire confirmation number must be entered in Queue Point
- For wire information, email SystemPlanning.Admin@pjm.com

- Entity name must exactly match what is in Queue Point or latest transfer letter
- If Site Control is held by a different entity from the developer you can submit one of the following to establish Site Control:
 - Assignment document from the developer to the entity. This will result in a change of ownership of the project
 - Operating agreement between the entity and the developer
 - A document showing the corporate structure relating the entity and the developer

- This is not necessary unless your project manager requests it
- If requested, your project manager will send you the form



Letter of Credit Wire Transfer Details

Upload Executed Letter of Credit * [+ Choose File](#)

Readiness Deposit Comments

Site Control

Identification of Ownership Interest * [+ Choose File](#)

Land Owner Attestation [+ Choose File](#)

Officer Certification Form [+ Choose File](#)

Site plan [+ Choose File](#)

Site Control Comments

Next Steps

- Projects that meet the following requirements will begin GIA/WMPA drafting
 - Analysis complete for LF/SC/Stability with no upstream queue dependencies
 - **PJM analysis confirms project is clean or first to cause locked**
 - **Project results cannot be impacted by other project decisions or movement to Transition Cycle #1**
 - Facilities Study complete from TO
 - Readiness Deposit and Site Control provided by developer, and reviewed and accepted by PJM
 - Developer GIA/WMPA inputs received
- We are identifying projects that are close to ready based on this criteria. Once Readiness requirements are confirmed, we will start drafting GIAs

- We are preparing for reviews! We anticipate starting readiness verifications on Sept. 9
- If there are questions about a submission, we will communicate them to the developer. The developer will have five business days to address the questions
- If a submission meets all requirements, it will be accepted
- We will provide an update on the status of reviews at the next IPS meeting on Sept. 27
- Once readiness requirements are met, accepted projects will be entered into the first retool pool. The retool will determine Fast Lane/TC#1

Sort Analysis - Fast Lane vs. TC#1

AE1-AG1 Queue Projects



Readiness Requirements



Load Flow Retool on SIS case



Projects that (i) have **no violations** or (ii) are first to cause or have cost allocation eligibility for a network upgrade with a total estimated cost less than or equal to \$5 million.



Fast Lane Projects

OR



Transition Cycle #1 Projects

- Once the first retool is complete, we will start working on Fast Lane final agreements.
- We are currently coordinating with Transmission Owners to work towards updating and completing Facilities Study Reports
- We are taking steps to streamline the GIA process
 - Developing internal plan to meet the needs of processing the large volume of projects
 - Developing tools and templates to facilitate drafting agreements and study reports
- Per our filing, we anticipate completing the Fast Lane by the end of 2024

Michelle Farhat, Engineer,
Interconnection Planning Projects

Michelle.Farhat@pjm.com



Member Hotline

(610) 666 – 8980

(866) 400 – 8980

custsvc@pjm.com