



Generation Deactivation Tariff Changes

Planning Committee Meeting
September 8, 2010

- **Section 113.2**

Within 30 days of receipt of the Generation Owner's notice to deactivate its generating unit, PJM must study whether the deactivation of the generating unit would adversely affect the reliability of the PJM Transmission System.

If yes, PJM must: (1) identify the specific reliability impacts and (2) provide an estimate of the time it will take to complete the necessary upgrades.

PJM coordinates with the affected transmission owners (TOs) to determine the upgrades needed.

Section 230.3.3

Any Capacity Interconnection Rights (CIRs) associated with deactivation of a Generation Capacity Resource shall terminate one year from the Deactivation Date unless the holder of such rights submits a new Generation Interconnection Request within one year from the Deactivation Date, which contemplates use of the same CIRs at the same Point of Interconnection (POI).

- Study Process is more complicated under the following scenarios:
 - With the coincident transfer of CIRs, the need for upgrades may be minimal;
 - PJM must also study the deactivation without the transfer of CIRs.
- Dilemma: PJM must ensure the reliability of the transmission system while trying to minimize the building of unnecessary upgrades.

- Inflexible study period deadline(s).
- Until new Interconnection Service Agreement is executed for the new Generation Unit(s), the new units are not included in PJM's analysis results.
- If response deadlines must be met, relevant TOs may be required to build unnecessary upgrades

- On June 17, 2010, PJM filed a limited waiver request of section 113 of the PJM Tariff to excuse PJM's inability to comply with study timeline requirements relative to receipt of a Notice to Deactivate (Notice) coincidental with request to transfer a generator's Capacity Interconnection Requests (CIRs).
- In Aug. 17, 2010 Order, FERC granted limited waiver request until Dec. 31, 2010, in order to allow PJM to file Tariff changes.
- Status report on Tariff modifications due by Nov. 1, 2010.

- Section 113.2
- Within 30 days of the receipt of the Generation Owner's notice to section 113.1 of this Tariff, or as mutually agreed upon by the parties, the Transmission Provider shall inform Generation Owner, or its designated Agent, whether the Deactivation of the generating unit would adversely affect the reliability of the Transmission System.