



RRI Proposal: There Are Other Ways

Presentation to the PJM MC

Nov. 21, 2024



Substantive Concerns

RRI Is Unjust, Unreasonable and Unduly Discriminatory



The RRI Proposal Is Unjust and Unreasonable

- Queue-jumping is unjust and unreasonable
 - FERC routinely rejects queue jumping proposals on the grounds that they discriminate against higher-queued generations.
 - Queue jumping “increase[s] the level of uncertainty an interconnection customers may face ... change the nature of the available capacity at a given time and may induce multiple restudies of lower-queued interconnection requests.”
See Sw. Power Pool, Inc., 147 FERC ¶ 61,201 at P 124 (2014).
- Cases cited in support do not involve queue-jumping
 - CAISO and MISO proposals were prospective-only, after existing cycles
 - No changes to existing processes



And Unduly Discriminatory to TC2

- TC2 Projects have waited in queue 3+ years
 - Closed September 2021
 - Includes AG1 and AH1 submissions
- Impacts on TC2 Network Upgrades
 - Insufficiently analyzed and addressed – no data presented to stakeholders
 - PJM concedes it cannot quantify the likely impacts
 - DC analysis referenced in latest proposal is not sufficient
- Upending settled expectations of TC2
- Potential delays to TC2 with addition of 50 new projects



And Unlikely to Fix PJM's Reliability Concerns

- No binding requirement to achieve COD by 2029/30
 - How will PJM solve its problems if RRI projects are delayed past 2029/30?
 - No collateral or binding commitment to achieve COD
- Supply chain issues are significant
 - Must have equipment on order to meet 2029/30 COD
- Harm and delays to TC2 may increase project drop-out
 - Less headroom will likely lead to more Network Upgrade costs
- Loss of confidence in PJM markets
 - Lack of stability and predictability
 - Dampening of investment
- 50 or less projects == no criteria

Procedural Concerns

Insufficient Stakeholder Engagement



Truncated Stakeholder Discussions With No Vote

- 45 days from initial proposal to notice
 - Raised October 8th at Planning Committee
 - November 21st notice to Members Committee
- Minimal opportunity for stakeholder input
 - Limited discussion at Special PC and Special MRC
 - Proposals iterate but do not reflect stakeholder concerns about harms to TC2
- No Discussion of “Why”
 - Stakeholders told will not discuss “why” at Special PC
 - Reasoning for proposal changed between Special PC and Special MRC
 - Cannot fully analyze proposal without understanding drivers
- No Vote
 - Undercuts stakeholder opportunity to provide input



There Are Other Ways

Proposal Presented to PJM



Stakeholders Tried to Modify the RRI Proposal

- Compare Network Upgrades for TC2 with and without RRI
 - Determine actual difference, positive or negative
 - If there is a positive delta, RRI projects shoulder the cost they have caused
- Limit the Number of Projects in the RRI Queue
 - Fewer projects will result in less profound impacts on TC2
 - Proposed 20 projects or 5 GW, with geographic diversity
- Post Collateral
 - Ensure commercial viability, hold accountable for harms to TC2
 - Proposed UCAP x BRA Auction Clearing Price, with collateral paying for TC2 Network Upgrades if the project does not achieve commercial viability in time



Stakeholders Made Suggestions To Help Bring More Projects Online

- Fix Surplus Interconnection Service beyond current proposal
 - We support the RMI presentation to follow
- Give milestone flexibility to generators in TC2 affected by RRI
 - Recognize the impacts this proposal will have on generators in the queue
- Allow generators in TC1 and TC2 to change technology from lower UCAP to higher UCAP without loss in queue position
 - E.g., solar to gas
 - Current Material Modification provisions require loss of queue position
 - Easy way to obtain more high-UCAP projects quickly



A Holistic Review Is Critically Necessary

- Perform a Load Servicing Priority Cluster after TC2 whereby PJM performs an integrated study on load, generation and transmission for the 2030-2040 time frame
 - Significant change calls for thorough, prospective review
- OPSI letter to PJM Board calls for similar review
 - Update reliability analysis to account for significant load and generation trend changes

Thank you

