Elevate Renewables and AlphaGen Proposed Tariff Language Modifications for PJM RRI Initiative

ELEVATE RATIONALE: If PJM is going to consider UCAP and ELCC separately, the cumulative to the two inputs should decreased and the criteria category, "project viability", in the RRI scoring increased. Additionally, if Location is now being added to this category, the Market Impact Criteria scoring should properly be assessed an overall eligible score of 60 points. Below are suggested changes to the tariff language reflecting the enhanced scoring.

Formatted: Font: Italic, Font color: Accent 5

Formatted: Font: Italic, Font color: Accent 5

Formatted: Font: Italic, Font color: Accent 5

Formatted: Font: Italic, Font color: Accent 5

Formatted: Font: Italic, Font color: Accent 5

a. **Market Impact Criteria (maximum of 6065 points).**

i. Unforced Capacity (maximum of 3530 points): Transmission Provider will use RRI Projects' ELCC ratings times the amount of Capacity Interconnection Rights requested to determine an RRI Unforced Capacity component of the projects' scores. An Applicant will provide the requested Capacity Interconnection Rights for its project, or in the case of an RRI Project that is an Uprate, the Application must provide the increased amount of Capacity Interconnection Rights associated with its Interconnection Request. An Applicant must specify its project's fuel type.

In order to qualify as an RRI Project, a storage project must specify the hour class (e.g. 4, 6, 8, or 10) of the project. A solar project must specify whether the project is fixed-tilt or tracking. A gas project must specify whether the project is combined cycle, combustion turbine, or combustion turbine dual fuel. A hybrid project must provide the breakdown of requested Capacity Interconnection Rights between generation and storage. Any project with RRI Unforced Capacity of less than 10 MW shall be deemed ineligible under this Tariff, Part VII, Subpart C, section 306(E), and its Application shall be rejected. No changes to an RRI Project's Maximum Facility Output and Capacity Interconnection Rights shall be allowed at any point prior to the time the Project Developer enters into a GIA or WMPA, and the GIA or WMPA must reflect the same Maximum Facility Output and Capacity Interconnection Rights as contained in the Project Developer's Application.

Each RRI Project will be assigned an RRI ELCC class rating based on a set of Preliminary ELCC Class Ratings for Delivery Year 2028/29 as determined in accordance with the Reliability Assurance Agreement and set forth below. This rating is multiplied by the requested MWs of Capacity Interconnection Rights to determine the RRI Unforced Capacity. Transmission Provider will then use the RRI Unforced Capacity amounts for all projects that seek to enter Transition Cycle No. 2 as RRI Projects under these procedures to create appropriately sized bins using the Freedman-Diaconis rule, which systematically calculates bin widths based on interquartile range and sample size. Bins are then combined to eliminate those with zero projects and rounded to clean ranges. An RRI Project will receive a base score 0- 1 based on the bin into which it falls. The table below shows an example. The size and number of the bins will vary based on the pool of RRI Projects. An Applicant's base score will be multiplied by 1535 to determine its overall score for this section. Min Max UCAP Score 10 50 0.2 51 100 0.4 101 150 0.6 151 200 0.8 201 1

Formatted: Highlight

ii. ELCC (maximum of 15200 points) RRI projects will be scored using their 2028/2029 Preliminary ELCC Class Ratings as determined in accordance with the Reliability Assurance Agreement and as set forth above. In the event an RRI project does not have a published ELCC Class, Transmission Provider shall establish an ELCC rating based on information provided by the

Project Developer. In order to qualify as an RRI Project, a storage project must specify the hour class (e.g. 4, 6, 8, or 10) of the project. A solar project must specify whether the project is fixed-tilt or tracking. A gas project must specify whether the project is combined cycle, combustion turbine, or combustion turbine dual fuel. A hybrid project must provide the breakdown of requested Capacity Interconnection Rights between generation and storage. An Applicant receive a base score of 0-1 based on the range of its project's RRI ELCC class rating, as shown in the table below .

RRI ELCC Class Rating Base Score 0 - 20% 0.2 21 - 40% 0.4 41 - 60% 0.6 61 - 80% 0.8 81 - 100 % 1

An Applicant's base score will be multiplied by 2015~~20~~ to determine its overall score for this section.

iii. Location (maximum of 10 points)

An Applicant will receive a base score of 1 for an RRI Project locating in either the Baltimore Gas & Electric Co. or Dominion Locational Deliverability Areas or has a contractual agreement with a LSE in either the Baltimore Gas & Electric Co. or Dominion Locational Deliverability Areas. All other projects will receive a base score of zero. An Applicant's base score will be multiplied by 10 to determine its overall score for this section.

ELEVATE RATIONALE: Many stakeholders recommended that PJM increase the weighting and scoring of the "project viability" and "in service date" categories because of their criticality to achieving the stated goals of the RRI initiative. However, in the latest PJM proposal and draft tariff language, PJM contemplates grouping these critical categories and not increasing their cumulative weighting and scoring. If PJM seeks to group these categories together in final tariff language, the categories of "project viability" and "in service date," now collectively "In-Service Date Viability," the weighting and scoring must reflect their criticality to meeting the objectives of the RRI initiative and properly be assessed an overall eligible score of 40 points. Below are suggested changes to the tariff language reflecting the enhanced scoring.

b. In-Service Date Viability (maximum of 40~~35~~ points)

i. Critical Path Construction Schedule (maximum of 20~~10~~ points):

Applicant must submit a critical path construction schedule containing the information and items below that pertain to its RRI Project and an attestation executed by an officer or authorized representative of the Applicant, verifying the accuracy of the information, including all dates. While an Applicant may provide estimated dates in its critical path construction schedule, Applications that do not include any critical path construction schedule and attestation shall not be considered complete, and the Applicant's Interconnection Request shall be rejected. • financing, if necessary, completion date; • if project will have a power purchase agreement, the date the agreement will be fully executed; • dates permits will be obtained (fuel, air, water and site); • dates all fuel and water supply arrangements, if necessary, will be entered into; • date acquisition of equipment will be completed; • date of fully executed Engineering, Procurement and Construction ("EPC") Agreement; • date Full Notice to Proceed issued; • date of groundbreaking at the proposed Generating Facility's Site; • Date of substantial site work completed; • Date of delivery of major electrical equipment; • Date of testing and

Formatted: Highlight

Formatted: Font: Bold

Formatted: Font: Italic

Formatted: Font: Italic

Formatted: Normal

Formatted: Font: Italic

Formatted: Font: Bold, Italic

Formatted: Font: Italic

Formatted: Font: Italic

Formatted: Font: Bold, Italic

Formatted: Font: Bold, Italic

commissioning; and • Commercial operation date. An Applicant will receive a score of 0 to 1, evaluating the in-service date on the submitted critical path construction schedule using the date ranges and associated points below. In-Service Date Base Score Prior to June 2028 0.8 July 2028 June 2029 0.6 July 2029 June 2030 0.4 July 2030 June 2031 0.2 July 2031 and beyond 0 In order to receive an adder of 0.2 points, an Applicant must submit with its attestation specific documentary evidence, such as agreements, leases, contracts, permits, and bills of lading, that supports the dates in the schedule. Submissions with documentary evidence that clearly demonstrates that critical path construction schedule items have been achieved or will be achieved will receive an adder of 0.2 points; provided, however, the total base score shall not exceed 1.0. An Applicant's base score with be multiplied by 20~~10~~ to determine its sub-score for the critical path construction schedule component.

ii. RRI Uprates (maximum of 15 points):
An Applicant must indicate if its project is an RRI Uprate or new project. If the RRI Project is an RRI Uprate, Applicant must specify the Base Project it is uprating. RRI Uprate projects must have the same Project Developer or Interconnection Customer name as the Base Project. Where an Applicant is proposing RRI Uprate projects for multiple individual units of the same ELCC class at a single generating station, and where such Uprate projects individually are not greater than 10 MW UCAP, Applicant may aggregate such Uprate projects into a single RRI application such that the projects in aggregate satisfy the 10 MW UCAP minimum requirement. An Applicant will receive a score of 0 to 1 based on the uprate level shown in the table below. If the RRI Project is an RRI Uprate, Transmission Provider will check the status of the Base Project as of the date of the Application Deadline. Uprate Level Base Score Base Project In-Service 1 Base Project with Executed ISA/GIA/WMPA 0.75 Base Project Under Study 0.5 New Project 0 An Applicant's base score will be multiplied by 15 to determine its sub-score for the Uprate component.

***ALPHAGEN RATIONALE*: It is logical to require a MW UCAP threshold for project participation to ensure meaningful addition of MWs to the system. However, for generating stations with multiple individual generating units that must be uprated individually but, potentially, simultaneously, a threshold eligibility requirement of 10 MWs UCAP per unit has the potential to disqualify multiple uprate projects at a single power station that, when counted in aggregate, may equal many times the 10 MW UCAP eligibility threshold. For example, a single generating station may have four individual generating units capable of 9 MW UCAP uprate projects. Individually, each project is ineligible for RRI participation. Considered in aggregate as a single RRI project, the uprates would equal 36 MW UCAP added to the system.**

Formatted: Font: Italic

Formatted: Font: Bold

iii. Headroom (maximum of 5~~10~~ points)
An Applicant must specify its requested Point of Interconnection, including the PSSE bus number at which the RRI Project will be modeled. In cases where the RRI Project is proposing to tap an existing transmission line, the bus numbers for each line terminal must be provided along with distances from the Point of Interconnection. Transmission Provider will review and confirm the bus number(s). Transmission Provider will use the project size and the nearest Poin~~t of~~ Interconnection to estimate the system impact of the project. Applications will be modeled on an interim 2028/29 Transition Cycle No. 2 base case for Summer Peak, Winter Peak, and Light

Load, containing all active projects under study through the Transition Cycle No. 2 . Transmission Provider will perform a highlevel direct-current flowgate analysis with Transmission Provider's Generator Deliverability software to screen the existing transmission constraints at each project Point of Interconnection. Transmission Provider will determine the number of transmission facilities with loading above 100% at each voltage level and by project Point of Interconnection. The RRI Projects will be evaluated individually, not as a cohort. A violation score will then be calculated by multiplying the number of violations at each voltage level by the "violation points" shown in the table below. Voltage Violation Points 765, 500 1 345,230 0.75 138,115, 69 0.5 < 69 0.25 Transmission Provider will then use the violation scores of the entire RRI Project application pool to create appropriately sized bins. The number and size of the bins will be informed by the FreedmanDiaconis rule, as described in Tariff, Part VII, Subpart C, section 306(E)(3)(a)(i), and scores of 0 to 1 will be assigned to each bin. An Applicant's base score will be multiplied by 5~~10~~ to determine its sub-score for the Headroom component. The sub-scores for paragraph (i) through (iii) above shall be added together to derive the score for the section. 5. The Project Developer may not change the fuel type(s), Maximum Facility Output and Capacity Interconnection Rights of its RRI Project from those set forth in the Application through the conclusion of the 10th consecutive Delivery Year. 6. Any final interconnection-related service agreement entered into in connection with an RRI Project will require the Project Developer to offer the Generating Facility in Transmission Provider's RPM Auction for a minimum of 10 consecutive Delivery Year periods. The initial Delivery Year will be based on the Generating Facility's projected in-service date, and will be documented through milestones or other conditions in the final interconnection-related service agreement. 7. Milestones in the final executed or filed interconnection-related service agreement shall not be extended for any reason other than a qualified Force Majeure event. 8. The provisions of this Tariff, Part VII, Subpart C, section 306(E) and of Tariff, Part VII, Subpart C, section 305(B) shall sunset and no longer apply once all projects.