

Overview of FERC Order on CIR Transfer Proposal

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- On January 31, 2025, PJM proposed Tarif changes to revise the process for transferring Capacity Interconnection Rights (CIRs) from deactivating resources to new replacement resources (CIR Transfer Proposal).
- The CIR Transfer Proposal was endorsed by the Markets and Reliability Committee and Members Committee in their November 21, 2024 meetings.

- On August 8, 2025, the Commission issued an order rejecting, without prejudice, the CIR Transfer Proposal and related proposed Tariff changes.
- FERC's chief concern:
 - The one-time option for Replacement Project Developers to extend the Commercial Operation Date of a Replacement Resource beyond the 3-year maximum regardless of cause and for an indeterminate amount of time.

- FERC's rationale:
 - This “unilateral and unbounded ability to extend the date regardless of cause and lack of a reasonable, maximum time limit” could allow Replacement Project Developers to move through the Replacement process and then seek an extended delay without any justification or limiting criteria.
 - Such an outcome is contrary to PJM's stated goal of getting additional resources in operation by the 2030/31 Delivery Year and undermines the efficient and cost-effective replacement of deactivating generation.

- FERC's guidance:
 - PJM should reference SPP's and MISO's FERC-approved processes, which have a 3-year to COD maximum (or a maximum of 4 years from a forced outage date to COD).
 - The exemption from the 3-year to COD maximum for generating resources with industry-recognized long construction timeframes was an appropriate goal, but FERC noted that the Tariff language for this exemption is ambiguous.
 - PJM is encouraged to include in a renewed revision filing information showing that the long lead exemption is not unduly discriminatory and the criteria for the exemption.

11.18 Rejected FERC Filings

Following completion of the stakeholder process on a specific issue, proposed revisions to PJM's governing documents may be necessary, and if so, will be filed with the FERC. If stakeholder endorsement or approval had been reached on the proposed revisions they would be filed under section Federal Power Act (FPA) Section 205. In the absence of stakeholder consensus, PJM may still elect to file proposed revisions to governing documents. In such cases, the filing would be made under FPA Section 205 for revisions to the Tariff or Reliability Assurance Agreement, and under FPA Section 206 for any related changes to the Operating Agreement.

Ultimately the FERC will act on such filings in one of the following ways:

- Acceptance of the filing – in this case the updated governing documents will go into effect on the date approved by the FERC.
- Acceptance with a compliance requirement – in this case PJM has an obligation to file additional information with FERC for approval, and upon FERC's ultimate approval the updated governing documents will go into effect on the date approved by the FERC. The process for the compliance filing is included in Manual 34 Appendix I.
- Reject the filing - in this case no proposed governing document revisions will go into effect.

In the event that the FERC rejects a filing, there may be interest among PJM and/or stakeholders to pursue additional consideration of the issue. In such cases, the following guidelines apply:

- No later than 90 days after the notice of FERC's rejection of such a filing, PJM (on its own initiative or at the request of a stakeholder) will present to a Senior Standing Committee the content of the related FERC order and recommend next steps.
- Discussion of future paths will be conducted, including discussion of all potential stakeholder process options (e.g. re-commencement of the stakeholder process, identification of refinements or new options/proposals, or any other determination to which the Senior Standing Committee agrees).

Nothing in this section shall be interpreted as impacting either Manual 34 Appendix 1 or PJM's rights to make filings to governing documents under FPA Sections 205 or 206.

- September 9, 2025 - PJM to put forth a proposal at the Planning Committee meeting.
- September 25, 2025 - PJM's proposal, as such may be modified, and any alternate proposal, will be considered and voted at the Members Committee meeting.

Appendix

- *PJM Interconnection, L.L.C.*, 192 ¶ 61,137 (2025)
- PJM Manual 34, Section 11.18 (Rejected FERC Filings)

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CIR Transfer Proposal



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