

CIR Transfer Efficiency

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Director, Interconnection Analysis

Planning Committee
September 9, 2025

- Result of work done at IPS & PC in 2024 on the CIR Transfer Efficiency Issue Charge and a solution package endorsed at MRC/MC in November 2024.
 - Solution package proposes to create a new expedited Replacement Generation Interconnection Process for transferring CIRs from a deactivating resource to a replacement resource
- PJM submitted the CIR Transfer Efficiency filing with FERC on January 31, 2025
 - FERC Docket No. ER25-1128

- FERC issued a deficiency letter in March 2025 requesting additional information
- PJM responded to the deficiency letter in April 2025
- FERC issued an order rejecting, without prejudice, the CIR Transfer Proposal and related proposed Tariff changes on August 8, 2025
- PJM provided an update to stakeholders on the FERC order at the August 20, 2025 MRC

- Rejected the one-time option for a Replacement Generation Project Developer to extend its project's Commercial Operation Date (COD)
 - 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.
- Rejected the proposal's exemption of certain resource types from the 3-year Commercial Operation Date requirement if they have “industry recognized significant construction timeframes”.
- PJM's proposal could yield significant benefits such as:
 - (1) efficiencies through using existing interconnection service at retiring facilities;
 - (2) reduced interconnection timelines for replacement generation through an expedited study process;
 - (3) cost savings for customers by reducing study and construction costs; and
 - (4) reduced interconnection-related uncertainty in generation resource planning.

- Incorporate the upfront Replacement Gen application requirement on the provided Planned In-Service Date of the Replacement resource.
 - Set the 'goal posts' for Replacement Generation planned in-service date to the greater of:
 - 4 years from Replacement Gen application submittal date to PJM (~3 years from GIA execution date) OR
 - 3 years from the official Requested Deactivation Date per the official Deactivation Notice submitted to PJM (if applicable)
 - The Replacement Generation planned in-service date demonstrated to PJM through:
 - Project Schedule
 - Officer attestation
 - Project schedule supporting information
 - At Final Agreement Negotiation, the planned in-service date would be used to set the initial set of GIA Milestones
 - PJM and developer would follow the established negotiation process and if the milestones need to change, the developer would need to demonstrate, similar to a milestone extension, where the new milestones should be.

Revise the Commercial Operation Date (COD) extension rules as outlined in OATT Part VIII, section 437.A.6:

- Remove the one-time milestone option to extend. This resolves the FERC concern on the indeterminate amount of time detail.
 - This was also removed for FERC-approved RRI projects and would support the timing certainty that this process is driving towards.
 - Milestone extensions would follow the existing process
- Remove the 3-year COD rule exemption for certain resource types if they have “industry recognized significant construction timeframes”

Specific timeframe for providing an official Deactivation Notice

- In the event the Replacement Gen application is submitted with a NOI to Deactivate, Official Deactivation Notice must be supplied prior to the execution of the GIA or the project will be withdrawn.

- Process allows a Replacement Generation Project Developer to submit project changes to address any identified Material Adverse Impact.
 - Require that the change be submitted within 15 business days after receiving study results
 - Specify that it is a one-time opportunity
 - After the changes are submitted, PJM will move forward with those new parameters to retool any analyses and inform the GIA

- September 25, 2025 - PJM's proposal (with OATT redlines), as such may be modified, and any alternate proposal, will be considered and voted at the Members Committee meeting.

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Member Hotline

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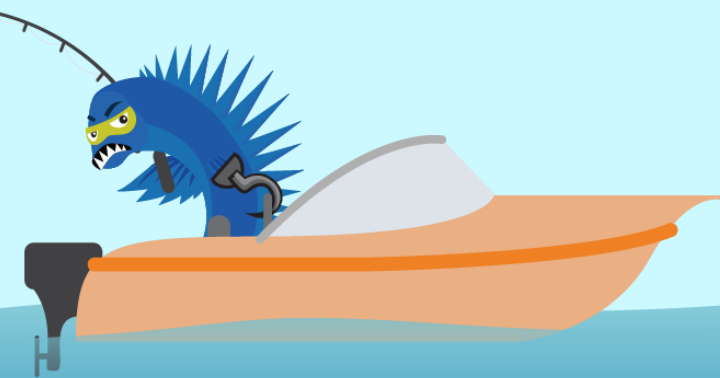
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