PJM Manual 14H: Enhancements to the Cluster-Based Interim Deliverability Study Methodology

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July 7, 2026

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Background

- An Interim Deliverability Study (IDS) evaluates whether the project can deliver capacity and/or energy reliably to the system under the conditions below:
  - Planned in-service date is earlier than their original base case study year
  - Planned in-service date is prior to the completion of the required Contingent Facilities
- PJM conducts an IDS on an annual basis for each Delivery Year, evaluating Interim Deliverability Study requests submitted by project developers.

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Interim Deliverability Study (IDS) Status Updates

- Beginning with the 2027/2028 Delivery Year IDS methodology will transition from a serial study approach to a cluster-based study approach. Existing language in Manual 14-H Section 4.10.1
  - "…For flowgates that are not overloaded prior to the interim deliverability study but are overloaded at the end of the interim deliverability study, deliverable MW's will be determined via a cluster study methodology and will be allocated proportionally based on the project's MW impact to the flowgate and distribution factor (DFAX)…."
- PJM is proposing a "Quick Fix" approach in response to recent stakeholder inquiries and timing constraints, given that the application window for the 2027/2028 IDS closed on June 30, 2026, and PJM must complete the IDS by October 2026.

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Proposed Addition

- M-14H Section 4.10.1.3 Analysis for Interim Deliverability Studies: adding additional language that describes how cluster-based study Interim Deliverability Study will be performed.

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- 4.10.1.3 “Analysis for Interim Deliverability Studies” proposed addition:

Beginning with the 2027/2028 Delivery Year Interim Deliverability Study, PJM will implement a cluster-based methodology for the allocation of deliverable capacity and/or energy megawatts in the Interim Deliverability Study. Under this methodology, all eligible Interim Deliverability Study requests will be grouped into two subclusters.

- Subcluster 1 shall include projects that are already provisionally operational based on the prior Delivery Year’s Interim Deliverability Study results.
- Subcluster 2 shall include all other projects that have met the requirements for requesting an Interim Deliverability Study and are not included in Subcluster 1.

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M-14H Section 4.10.1.3 (continued)

- 4.10.1.3 “Analysis for Interim Deliverability Studies” proposed addition:

For purposes of allocating deliverable megawatts for the delivery year under the study, PJM shall first evaluate and assign deliverable megawatts to projects in Subcluster 1 using a cluster-based methodology and will be allocated proportionally based on the project’s MW impact to the flowgate and distribution factor (DFAX). To the extent that deliverable megawatts remain available after completion of Subcluster 1 deliverable megawatt allocations, PJM shall then assign deliverable megawatts to projects in Subcluster 2 using the same methodology.

Note:

- Subcluster 1 status does not guarantee that such project will be determined deliverable in the Interim Deliverability Study for a Delivery Year.
- Projects that were deemed fully or partially deliverable as a result of an Interim Deliverability Study for a prior Delivery Year but did not commence provisional operation during that Delivery Year shall be classified as Subcluster 2 for Interim Deliverability Study for the subsequent Delivery Year.

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Benefits of the Proposed Methodology

Reliability Enhancements: Accounting for projects that are provisionally in service, supports system reliability by maintaining operating generation in the dispatch stack

Operational Continuity: Given limited headroom in certain areas, this methodology may allow provisionally operational resources to remain online, providing greater certainty to PJM Operations.

Reduced Project Developer Risks: Project Developers have expressed concern regarding the operational and financial impacts of being required to cease generation after previously being deemed deliverable. This methodology may mitigate such disruptions.

Capacity Market Alignment: Projects deemed deliverable in one Delivery Year will have must-offer obligations in subsequent auctions; proposed cluster based methodology improves projects' Planning and Markets obligations

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Risks of Status Quo

- In case of insufficient stakeholder support for proposed cluster based methodology, PJM will perform 2027/28 Interim Deliverability Study on a cluster basis where all IDS requests will be part of a single cluster.
- Potential consequence
  - Projects that are provisionally operational based on IDS results may be subject to a higher likelihood of curtailment, including potential cessation of generation.
  - Operational and Markets challenges

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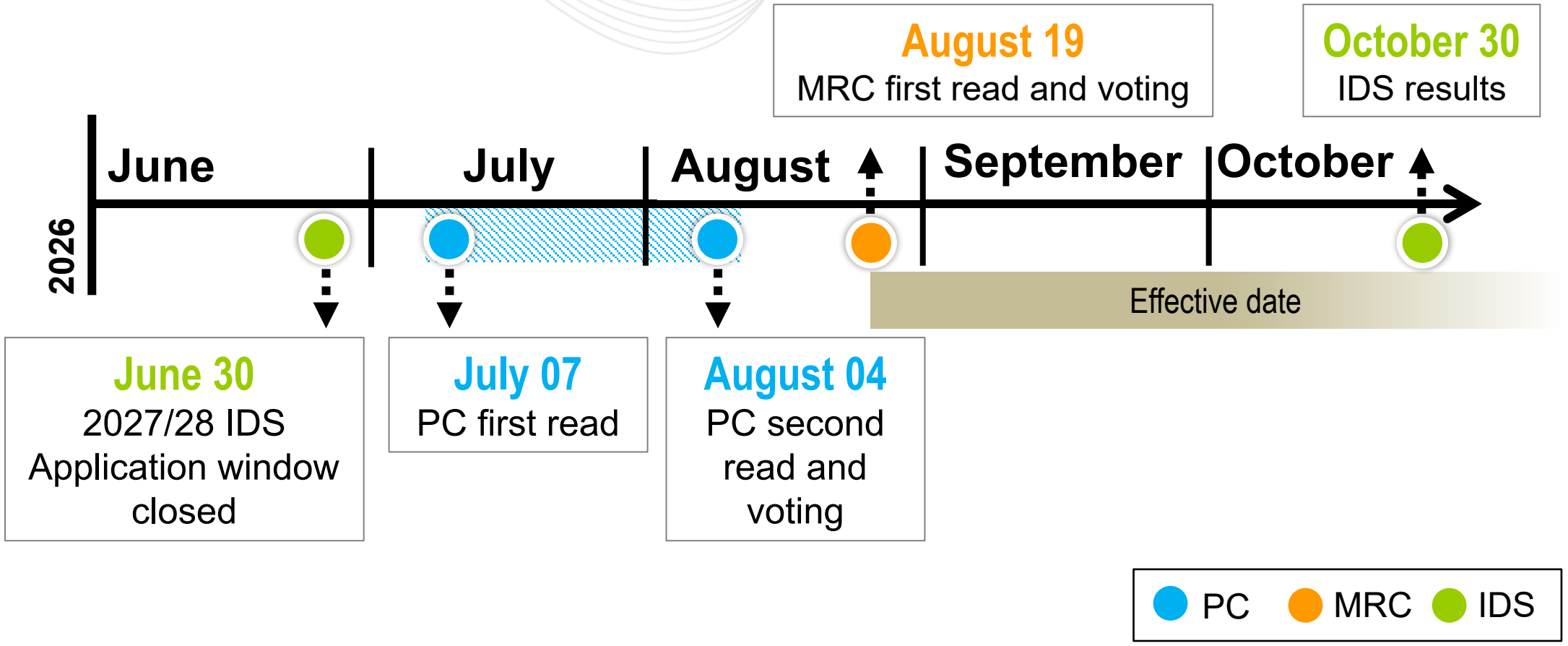
Review/Endorsement Timeline



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How the proposal impacts the 2027/28 IDS applications?

- PJM has received all applications for the 2027/28 Delivery Year Interim Deliverability Study. At this time, in case of approval of the proposed revisions to Manual 14-H, no additional action will be required from Project Developers who submitted IDS request.

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Key Takeaways From Proposed Cluster-Based IDS Methodology

1	2	3
• PJM will transition from serial study approach to cluster study approach for IDS starting with 2027/28 Delivery Year IDS	• Proposed Manual change introduces subclusters to account for projects that are provisionally operational over the other request in IDS process	• The proposed methodology is designed to ensure operational continuity, mitigate developer risk, enhance system reliability, and improve alignment with Capacity Market rules.

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Interim Deliverability Study Manual M-14H update

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