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

Problem / Opportunity Statement

The current Interim Deliverability Study (IDS) process allocates available system headroom on constrained flowgates based on a sequential and project-by-project approach, where projects that first load a facility up to its limit are granted full or partial deliverability. While this methodology has been effective in the context of PJM's previous serial-based interconnection process, the transition to a Cycle-based interconnection process, System Reliability concerns, evolving system conditions and increased participation in interim deliverability studies have signaled a need to evolve the current methodology.

Problem to be Addressed / Issue to be Resolved

The existing IDS framework does not differentiate between projects that have already been granted Provisional Interconnection Service and those that have not. As a result:

- Projects currently generating and supporting system operations may lose deliverability status in subsequent Delivery Years
- Deliverability outcomes may shift significantly year-over-year, even for generating resources
- The process does not adequately account for or mitigate the potential impacts on system reliability or operational continuity

This creates uncertainty for both PJM and project developers and may lead to inefficient or unintended reliability or operational outcomes.

Situation to be Improved

Improvements are needed to:

- Provide greater stability and predictability in deliverability determinations across Delivery Years
- Reduce the risk that generation resources already granted Provisional Interconnection Service would need to cease generating in subsequent Delivery Year(s)
- Enhance alignment between planning study outcomes and real-time system operational needs and Project Developers' capacity market obligations
- Reduce abrupt changes in reliability and resource availability driven solely by study sequencing effects
- Enable more efficient utilization of limited transmission capability by recognizing operational realities
- Secure additional capacity commitments by supporting resources that will carry must-offer obligations into subsequent Delivery Years

- Improved alignment between new Cycle-based interconnection process and IDS methodology in the allocation of headroom
- Enhanced linkage between planning study results and real-world operational status
- Potential for increased predictably for projects in successive Delivery Years

Potential Consequences if No Action is Taken

If the current approach remains unchanged:

- Resources granted Provisional Interconnection Service may continue to face uncertainty in maintaining deliverability status
- Continued developer dissatisfaction and reduced investor confidence
- Potential misalignment between planning outcomes and operational and reliability needs
- Disconnect between Interim Deliverability Study process and capacity market rules for securing committed capacity resources for future Delivery Years