

Review of Stakeholder Feedback and Updates to PJM's Compliance Approach to Order 1920

Emmanuele Bobbio
Principal Economist

TEAC special session – Order 1920
September 5, 2025

- Review stakeholder feedback from July 18, 2025
- Review PARSEC feedback
- PJM's considerations:
 - PJM 1920 whitepaper (posted with this special TEAC materials)
 - All-in One Plan to address Core and Additional Needs holistically with PARSEC-developed automatic selection criterion
 - Age-based retirements
 - Alternative Transmission Technologies
 - Facilitating the interconnection of future resources

Review of Stakeholder Feedback from 7/18 Special TEAC and PARSEC Feedback

- **Vistra** (Arnie Quinn)
 - Voluntary Funding Opportunities
- **RMI** (Claire Wayner)
 - Core and Additional LT Needs distinction
 - Age-based deactivations
 - Alternative Transmission Technologies

- **The PJM Area Relevant State Entity Committee (PARSEC) provided unanimous support for PJM compliance approach** that distinguishes between Core and Additional Needs **subject to PJM's adoption of the following PARSEC-requested selection criteria**
 - **Backstop Plan**, which addresses Core Needs, i.e. the minimum set of LT Needs that PJM should address to maintain system reliability: **adoption of a 1:1 benefit-to-cost minimum ratio threshold selection criterion calculated *on a portfolio basis***
 - **All-in One Plan** which addresses all types of LT Needs (Core and Additional) *holistically*: **adoption of a 1.25:1 benefit-to-cost minimum ratio threshold for the incremental scope (relative to the Backstop Plan) that address Additional Needs**

PJM Consideration on: All-in One Plan for Core and Additional LT Needs, and PARSEC-Developed Selection Criteria

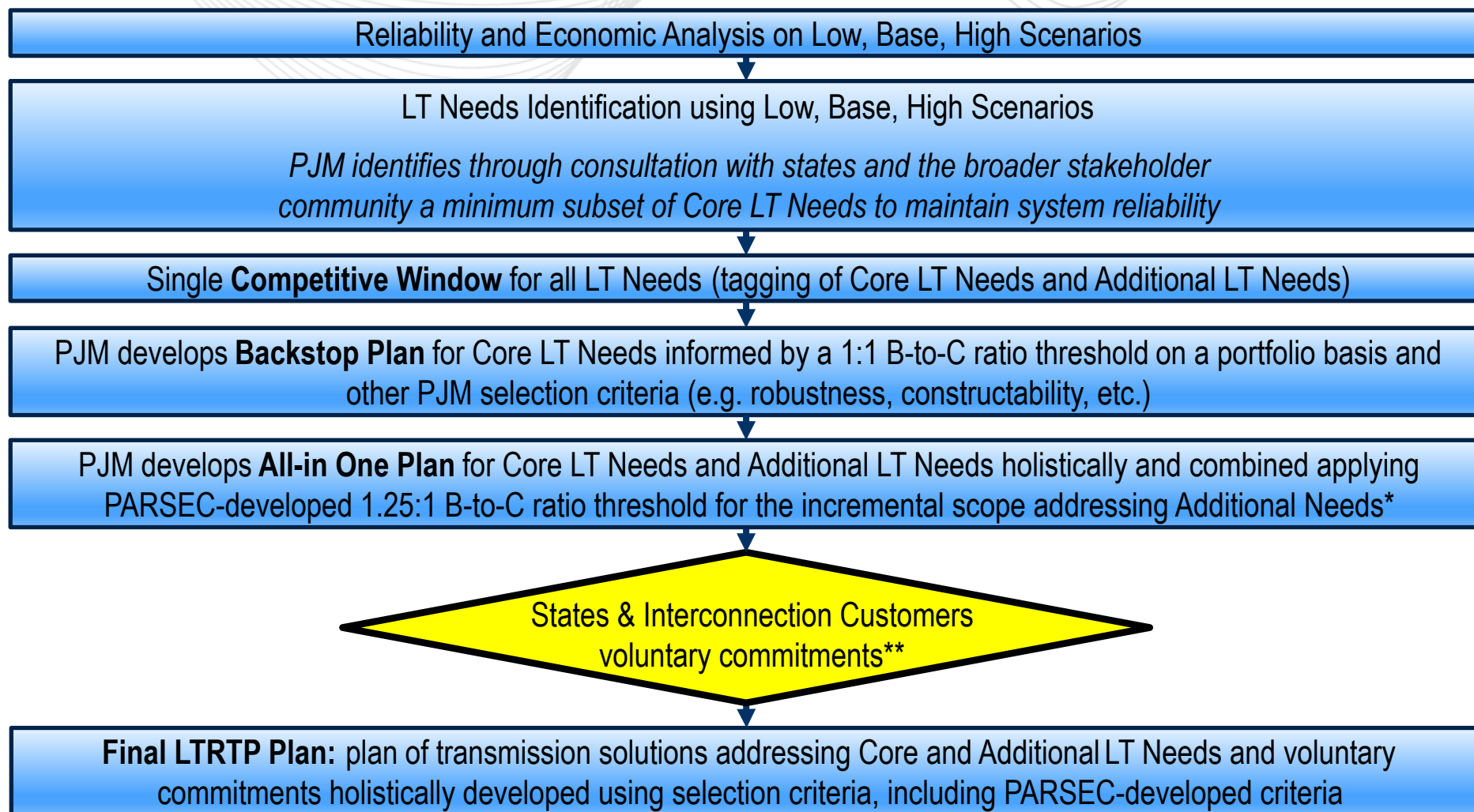
All-in One Plan for Core and Additional LT Needs, and PARSEC-Developed Selection Criteria

- **PJM adopts PARSEC and stakeholder recommendations**
 - PJM has issued a whitepaper outlining the main features of PJM's compliance approach as requested by the states and other stakeholders in the 5/19 special TEAC
 - The whitepaper introduces two main enhancements to the conceptual approach:
 - **All-in One Plan** which holistically addresses LT Needs (Core & Additional) combined
 - **Adoption of PARSEC-requested selection criteria** for the Backstop Plan and for the All-in-One Plan to complement those already discussed with stakeholders in Phase III.A of the stakeholder engagement plan*

* Required vs projected in-service date; robustness; constructability; expandability; operational performance/flexibility; benefits and costs (see 4/10 special TEAC [materials](#))

* PJM will identify the more efficient or cost effective solutions addressing Core and Additional LT Needs holistically (combined) subject to the PJM selection criteria, including the PARSEC developed criteria

** States' decision to select, through Voluntary Funding Opportunities, other projects not selected by PJM in the All-in One Plan – also for interconnection customers, per Order 1920 requirement



PJM Consideration on Age-Based Retirements, ATT, Voluntary Funding Opportunities Feedback

- Scenario development assumptions, including anticipated deactivation assumptions, will be determined on implementation through consultation with the states and other stakeholders
- PJM can consider on implementation to adopt for the Base Scenario an aged-based approach

- PJM will not propose or force specific solutions nor technology specific uses but will evaluate all submitted proposals and encourage use of Alternative Transmission Technologies where appropriate
- Proposing entities and project sponsors need to be willing and ready to adopt the proposed solution (if proposed by non-incumbents)
- PJM selects projects based on merit and will review selections with stakeholders through the TEAC prior to submission to the PJM Board of Managers for review and approval

- **Interconnection Process (3 years):** the reformed, cluster-based, interconnection process allows to collectively fund large transmission upgrades
- **Order 1000 (5 years):** coordination with Interconnection Processes required by Order 1920 creates another opportunity for PJM to facilitate the interconnection of new resources with near term actions
- **Order 1920 (+6 years):**
 - PJM will account for commercial interest in the capacity expansion by using existing and withdrawn projects from the queue (reflecting developer interest, area/zone development potential and resource/fuel availability)
 - PJM will solicit stakeholder feedback (also from interconnection customers) at the scenario development stage
 - Order 1920 benefits quantify the benefits from the interconnection of new resources
 - Voluntary Funding Opportunities creates yet an additional venue