

Deactivation Enhancement Sr. Task Force Phase II Issue Charge Scope Update

David Anders, Director – Stakeholder Affairs

Deactivation Enhancement Sr. Task Force
February 11, 2025



1. Provide education around the general deactivation process and the provisions in the Tariff, mostly Part V, regarding requests for units to operate beyond their desired deactivation date, including, but not limited to, how units requested to operate beyond their desired deactivation date are included in the capacity and energy supply stack, and the criteria for and mechanism to account for units operating beyond their desired deactivation date in capacity market auctions.
2. Provide education around the current issues associated with situations where units have been requested to operate beyond their desired deactivation date.

Notes:

- Items 1 and 2 are existing KWAs, and were completed for Phase I.

3. Provide education around processes used by other transmission system operators to evaluate alternatives to retaining existing generators that have announced deactivation.
4. Provide education around the potential for alternative transmission technologies, such as reconductoring and grid-enhancing technologies, as well as energy storage, to address reliability violations associated with generator deactivation, including the time for deployment and cost relative to conventional transmission solutions.
5. Receive updates on any applicable work and account for outcomes of the Enhancing Capacity Interconnection Rights (CIR) Transfer Efficiency workstream.

Notes:

- Items 3 and 4 are entirely new KWAs.
- Item 5 is entirely new, however the CIR Transfer Efficiency work stream has been completed and therefore KWA 5 should be considered completed.

6. Develop solution options for addressing the identified issues, including a process to consider and implement potential cost-effective alternatives to Reliability Must Run (RMR) arrangements.
7. Review and discuss proposed solutions.
8. Refine proposed solutions. Partial solutions are acceptable.

Notes:

- Items 6, 7 and 8 are existing KWAs, and were completed for Phase I.
- These existing KWAs should apply to the new scope added in Phase II and should be considered open for Phase II.

1. Compensation: Compensation mechanism for units agreeing to operate beyond their desired deactivation date. This includes how resources requested to operate beyond their requested deactivation date are offered and modeled in the capacity and energy markets.
2. Timing: Deactivation notification timeline and when and under what circumstances a unit is no longer needed to continue to operate beyond its desired deactivation date.
3. Transparency: Ensure any rules developed in relation to all in-scope items include consideration of transparency of information.

Notes:

- Items 1, 2 and 3 are existing Scope items, and were completed for Phase I.
- Aspects of new Scope items 4 and 5 may address some cost/compensation consideration, which would be addressed in that new Scope item.
- Aspects of new Scope items 4 and 5 may address some transparency consideration which would be addressed in that new Scope item.

4. Potential to accelerate completion of long-term transmission solutions: Develop procedures for PJM to evaluate grid-enhancing technologies, reconductoring, other alternative transmission technologies, demand-side management, and energy storage, upon receipt of such solutions from developers, when reliability violations are identified by PJM under OATT Part V. Develop procedures for PJM to account for any RMR costs avoided by shorter lead-time transmission solutions when comparing the costs of competing transmission solutions.

- 4. Potential to accelerate completion of long-term transmission solutions:**
- A. Develop procedures for PJM to evaluate grid-enhancing technologies,*** reconductoring, other alternative transmission technologies, demand-side management, and energy storage, upon receipt of such solutions from developers, when reliability violations are identified.
 - B. Develop procedures for PJM to account for any RMR costs avoided*** by shorter lead-time transmission solutions when comparing the costs of competing transmission solutions.

5. Alternatives to Part V arrangements with deactivating generators: Development of process to identify, evaluate, and procure alternative solutions to reliability violations, in lieu of a Part V arrangement with the deactivating generator, including mechanisms for compensation. Such solutions could involve, but are not limited to, new generation assets, energy storage, demand-side solutions, and transmission system enhancements including alternative transmission technologies. This process may include, but is not limited to, consideration of generation replacement proposals submitted by a deactivating generator (i.e., CIR transfers), or accelerated interconnection processing for resources that would alleviate short-term, local reliability issues. Different procurement structures, including request for proposals, should be considered, as well as the respective roles for PJM and states in administering the procurement. A framework for evaluating competing solutions should be developed, including methods to compare costs and benefits across resource types.

5. Alternatives to RMR contracts with deactivating generators:

A. Development of process to identify, evaluate, and procure alternative solutions to reliability violations, in lieu of an RMR contract, including mechanisms for compensation.

- A. This process could involve, but is not limited to, new generation assets, energy storage, demand-side solutions, and transmission system enhancements including alternative transmission technologies.
- B. This process may include, but is not limited to, consideration of generation replacement proposals submitted by a deactivating generator (i.e., CIR transfers), or accelerated interconnection processing for resources that would alleviate short-term, local reliability issues.

B. Consider different procurement structures, including request for proposals.

- A. This should address the respective roles for PJM and states in administering the procurement.
- B. A framework for evaluating competing solutions should be developed, including methods to compare costs and benefits across resource types.

1. Capacity market changes. Any capacity market and/or existing reliability backstop auction issues identified will be assigned separately to the appropriate stakeholder group.
2. Expanding justifications for RMRs beyond the current policies (e.g., to include resource adequacy)

Notes:

- Items 2 is a new Out of Scope item.

- [DESTF Problem Statement](#)
- [DESTF Issue Charge - Updated](#)

1	2	3
<ul style="list-style-type: none"> The DESTF Phase I scope is complete. 	<ul style="list-style-type: none"> DESTF Issue Charge was updated to add new scope for Phase 2 	<ul style="list-style-type: none"> Phase II scope includes developing proposals to both potentially shorten and/or avoid future RMRs.

Facilitator:

David Anders, David.Anders@pjm.com

Secretary:

Tyler Arkatin, Tyler.Arkatin@pjm.com

SME/Presenter:

David Anders, David.Anders@pjm.com

DESTF Phase II Issue Charge Scope Update

A green speech bubble containing a large black question mark.

?

A blue speech bubble containing three horizontal white lines.

Member Hotline

(610) 666 – 8980

(866) 400 – 8980

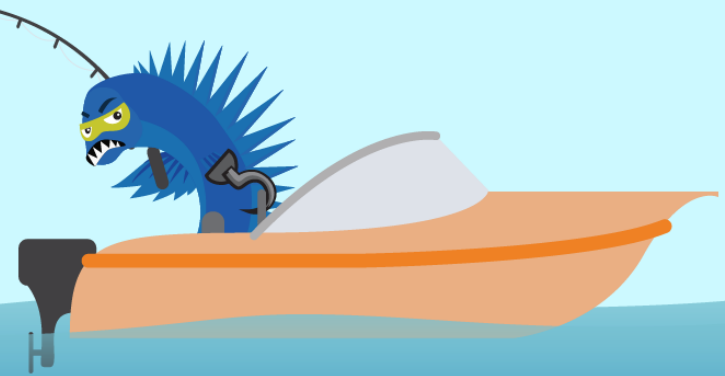
custsvc@pjm.com

**PROTECT THE
POWER GRID**

**THINK BEFORE
YOU CLICK!**



**BE ALERT TO
MALICIOUS PHISHING
EMAILS**



Report suspicious email activity to PJM.
Call (610) 666-2244 or email it_ops_ctr_shift@pjm.com