

Generator Deactivation Analysis Timeline and Obstacles

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- Maintaining reliability is paramount
- Direct-Assign Immediate Need refers to transmission projects needed to address urgent reliability concerns that cannot wait for the standard competitive bidding process
- Reliability Must Run Agreements are a potential outcome of a generator deactivation study where the required transmission solutions could not be built in advance of the requested deactivation date
- RMR Determination based on timing of Transmission Solution

- Deactivating Generators required to notify PJM at least 12 months prior to deactivation
- PJM studies all requested deactivations grouped quarterly by requested deactivation date
- PJM Tariff sets timelines for deactivation analysis process
 - PJM has a total of 60 days for study process
 - Typical deactivation analysis at PJM takes 30 days
 - Transmission Owners provided 30 days to verify and develop any required transmission solutions.

- PJM conducts competitive proposal windows for all baseline projects where sufficient time exists for a proposal window to be implemented
- Immediate Need Reliability Projects are those that are required to be in service in three years or less.
- Immediate need is based on the required In-Service Date, not the estimated completion date of the transmission solution
- Immediate Need process avoids competitive proposal window which requires ~7 months of analysis, review and stakeholder presentation and legal agreements

- The DESTF Issue charge seek to “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.”
- PJM is open to discussing updates to the process that consider cost effective alternatives given that the solution ensures reliability and compliance with analysis timelines.
- Factors such as limited timeline (3 years or less), regulatory process/ permitting timeline limitations, need to procure green field/new ROW are all examples of factors that need consideration as risks to targeted Transmission in service dates.

- When PJM identifies a reliability violation resulting from a Generator Deactivation study, the clock starts to identify the transmission solutions and RMR needs
- Phase 1 of the DESTF increased notification time from 3 to 12 months
- Immediate need tied to requested deactivation date
 - PJM requires 12 months notice in advance of deactivation – Any violation identified would need to be fixed in advance of that retirement
- The administration of running a Competitive Window including the processing time, evaluation, selection, and agreement negotiation would quickly absorb any gains of including an immediate need project in a competitive proposal window.

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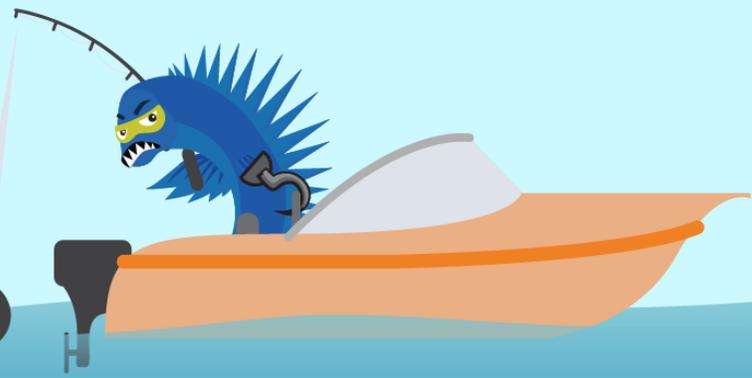
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