



PJM Interconnection administers the connection of new generating facilities to the grid as part of its role as a regional transmission organization. PJM coordinates the planning process for connecting new generation, analyzes the reliability impact of proposed generating projects and oversees the construction of the facilities required to interconnect new generation to the grid.

PJM plans the expansion and enhancement of the grid on a regional basis. The long-range Regional Transmission Expansion Planning process determines what changes and additions to the system are needed to maintain and enhance reliability.

The RTEP process employs a 15-year planning horizon to more effectively deal with reliability needs, upgrades that support economic sales of power across the region and major developments like power-plant retirements. Because the planned interconnection of new generating units and proposed increases in the output capability of existing generating units affect the overall operation of the grid and its reliability, they are reviewed as part of the RTEP process.

The process begins with a party proposing a new generating facility or an increase in the capability of an existing generating facility submitting an interconnection request to PJM. The process continues as follows:

- **Proposal** – New project proposals are entered in a calendar-based queue.
- **Feasibility Study** – PJM conducts a feasibility study to estimate interconnection costs and construction time, and provides feedback to the project developer.
- **System Impact Study** – PJM conducts impact studies to perform more detailed analyses and develop more precise estimates for system upgrade costs and timing.
- **Interconnection Facilities Study** – Detailed design work is performed for all required network transmission upgrades and attachment facilities.
- **Interconnection Service Agreement** – An Interconnection Service Agreement is executed among the generation developer, the transmission owner to which the generator will be interconnected, and PJM. The agreement establishes the terms and conditions that will govern the interconnection and the rights that accrue to the generation developer.

The project developer pays for the studies. The process places increasing financial obligations on the developer, who has the right to withdraw the project at any point. PJM does not approve projects. It studies a project's impact on the grid and the costs to interconnect it while meeting reliability standards. It is up to the developer to evaluate those costs in terms of the project's viability.

New generators are responsible for paying the cost of the facilities needed to interconnect the generator to the grid, as well as the cost of the transmission upgrades needed to deal with the impact to the system of the generator's interconnection. PJM's studies determine the required upgrades – upgrades that would not be necessary but for the interconnection of the new generator.