PJM Manual 14A Updates

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Presented to PJM Planning Committee
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Reasons for Updates:

Biennial Review:

• Clarify PJM Tariff as it relates to Interconnection Queue Process

• Explanation of sections and Schedules found in the ISA/CSA/UCSA/WMPA

• Explain PJM practices related to specific Tariff terms (e.g. Behind the Meter Generation, site control)

• Restructure for better ease of locating information
Purpose for Presenting M14A Updates to PC:

• Inform Planning Committee Members that these are the areas PJM identified to improve in M14A.

• Obtain input from Stakeholders for other areas of improvement that may have not been identified by PJM.
Clarify Tariff
Multiple Requests behind same Point of Interconnection (POI)

- Manual language will clarify how PJM will assess more than one request behind the same POI.

- Scenarios provided to explain how analysis will be performed

- Analysis method ensures that cost allocation and material modification assessments are processed fairly
Combined Feasibility/Impact Studies

• Manual language will clarify what projects qualify for a combined Feasibility and Impact Study report.

• Target timeframe for completion of the combined report clarified.
Feasibility of In-Service Dates

• Explanation of how PJM requires a reasonable proposed in-service date provided on the New Service Application – customer must account for the study duration requirements.
Site Control

PJM has authority to verify site control and to determine whether:

• Sufficient land was obtained by the Developer to build the proposed facility.

• Adequate land was obtained for requested rights.

• Minimum duration of site control spans the required study period:
  – 2 years for small gen
  – 3 years for large gen

• Merchant Transmission requirements
Fuel Changes

• Only customers having constructed Network Upgrades can preserve system capability.

• Queue positions are for specific projects.

• **Transparency of Fuel Change** - Clarify that if a customer intends on changing all or a portion of their fuel source for one of their existing queue requests, they must reduce the existing queue position by that amount, a new service request must be submitted identifying the size of the new fuel source.
Queue project relative to RTEP baseline project

- Describe relationship and timing between RTEP upgrades and Network Upgrades resulting from the New Services Queue.
  - Reliability-based
  - Market Efficiency
  - Advancements per Tariff Section 217
Affected System/Queue Priority/Study Sequencing

- Describe how queue priority across systems impacts project’s work flow.
- Final agreement coordination.
Interim ISA vs. ISA with Interim Rights

- Interim ISA is for purchasing of long lead time items.
- Can be used for advanced construction if coordinated with a CSA.
- Any operations must be done under an ISA.
- For operations in advance of the study year, ISA with interim rights is required.
ISA/CSA/UCSA/WMPA Sections
Option to Build

- Part of ISA/CSA/UCSA
- Outline under what conditions Options to Build is possible.
- Clarify what facilities would be eligible for Option to Build.
- Not part of a WMPA
Milestones

Ensure Interconnection Customer is performing due diligence and making progress with the installation of their generator facilities.

- Substantial site work completed by date
- Delivery of major electrical equipment date
- Commercial Operation date
Security

• Included in ISA, CSA, and WMPA

• Provide explanation behind why PJM collects security.

• Describe how security is calculated.
Power Factor

- Clarify power factor requirements per the Tariff.
CIRs and MFO

- Describe rules on transfer of CIRs.
- CIRs by unit.
- CIRs for uprates to existing generators.
- MFO is maximum output of the facility.
- MFO will be reduced if the facility is not built out.
Types of Network and Local Upgrades

- Attachment Facilities
- Direct Connection Upgrades
- Non-Direct Connection Upgrades
Sharing POIs

Clarify how PJM handles multiple owners behind the same POI.
Generators cannot directly serve the load of another entity

- Serving another entity’s load is reserved for the Transmission Owner of the franchise territory.
Description of Schedules in M14A

- Customer facility location/site plan
- Single line diagram
- List of metering equipment
- Applicable technical requirements and standards
- Schedule of charges
- Schedule of non-standard terms and conditions
- Interconnection customer’s (or Wholesale Market Participant’s) agreement to conform with IRS Safe Harbor provisions for non-taxable status
Description of Schedules in M14A (cont.)

- Interconnection requirements for all wind and non-synchronous generation facilities
- Transmission Owner interconnection facilities to be built by interconnected Transmission Owner
- Transmission Owner interconnection facilities to be built by Interconnection Customer pursuant to option to build
- Customer interconnection facilities
- Negotiated contract option terms
Description of Schedules in M14A (cont.)

- Scope of work
- Schedule of work
- List of local/network upgrades (WMPA)
- Operation and maintenance charges for Merchant Network Upgrades (UCSA)
Process Descriptions
• Non-queue process:
  – Outline process of how generators with existing Power Purchase Agreements convert to three-party ISA’s.

• Cooperatives/Municipalities:
  – Summary of how interconnections to coops/munis are handled in the interconnection queue process.
Description of Terms
Describe Terms

- FERC Jurisdictional vs. FERC non-Jurisdictional
- Generating unit
- Behind the Meter Generation
- Base case year
- Affected Systems
- Work Papers
• 6/1/2017- Original Version Posted to PJM.com
• 6/5/2017- Updated