



Interconnection Queue Reform

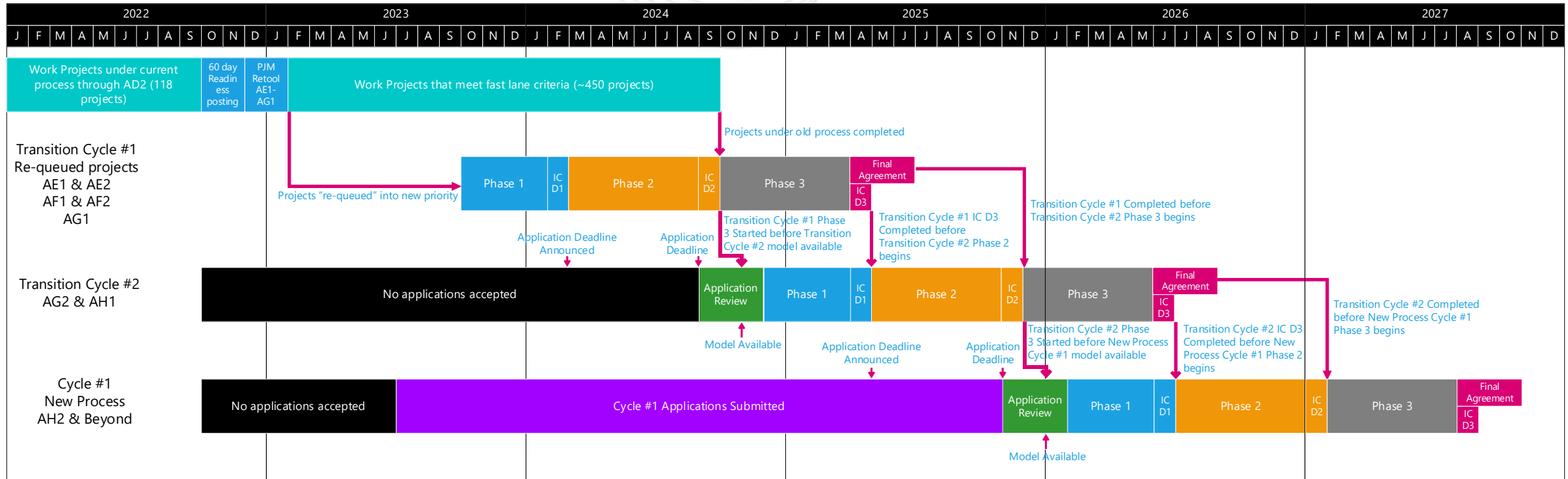
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- This presentation focuses on the draft Tariff language for PJM's transition to its new Interconnection Process (Cycle/Phase)
- The Transition rules were created in the IPRTF and endorsed by the PC in February 2022
 - The PC endorsed the new Interconnection Process on January 11, 2022, with 274 Members voting in favor; and endorsed the Transition Process on February 8, 2022, with 218 Members in favor
- PJM cannot consider alternate proposals at this meeting
 - Alternate proposals can be considered at the March MRC or during the Interconnection Subcommittee after its inception this summer

- The PJM IPRTF team has been making proposed modifications to the existing Tariff Parts II, III, IV and VI language, as well as adding new Parts VII, VIII and IX to the Tariff
 - Parts II and III – Deleted penalty provisions; reporting requirements carried forward
 - Parts IV and VI – sunset language and Tariff metadata cleanup (for web Tariff)
 - New Tariff Part VII – Transition rules to Cycle approach
 - New Tariff Part VIII – New Cycle rules
 - New Tariff Part IX – All interconnection related agreements
- New rules are a mix of new and existing rules with tweaks to meet the Cycle process concepts. Some legacy clean-up issues have also been addressed (e.g., the bulk of agreements in new Part IX)

- We started to review this language in the IPRTF last Friday. There is one more scheduled IPRTF meetings:
 - March 31 – Clean up to existing Tariff Parts IV and VI
 - Additional meetings may be scheduled in early April as needed
- Key next steps
 - March 23 MRC - First read of new Cycle and transition rules
 - April 27 MRC and MC: Same day vote on new Cycle and transition rules
 - May 31 - Targeted filings with the Commission



- PJM Transition Option Highlights
 - Assuming an effective date of Oct. 1, 2022, PJM expects to complete queues through the end of AD2 under existing process
 - Projects that received a final ISA/WMPA for execution or have a signed final agreement will not be subject to the transition
- As of transition date, all AE1-AG1 projects will have 60 days to post \$4K/MW Readiness Deposit and demonstrate site control for one year term
 - Projects that meet this requirement will be retooled to determine shared network upgrade impacts
 - Projects that are the first to cause a network upgrade or have cost allocation eligibility to a network upgrade for load flow and short circuit violations that are less than or equal to \$5 Million will enter fast lane
 - Fast lane projects – Facilities Study and ISA/CSA under existing cost allocation rules

- Projects that are the first to cause a network upgrade or have cost allocation eligibility to a network upgrade for load flow and short circuit violations that are greater than \$5 Million will be processed in Transition Cycle #1
- AG2 and AH1 queues will be processed as Transition Cycle #2
- All projects that have not been studied (AH2 and beyond) will be maintained and asked to submit changes to their application under the new Cycle/Phase interconnection rules



New Request Types vs. Existing Tariff

	Generation Interconnection Request	Transmission Interconnection Request	Transmission Service	Upgrade Request
Project Type Description	Standard generation project	Controllable Merchant Transmission connecting to another Control Area or Non-controllable facilities	Long Term Firm Transmission Service	Section 7.8 requests or Merchant Network Upgrade
Developer Type	Generation Project Developer (old – Generation Interconnection Customer)	Transmission Project Developer (old – Transmission Interconnection Customer)	Eligible Customer	Upgrade Customer
Process Type	Cycle Process (old – New Services Queue)	Cycle Process (old – New Services Queue)	Cycle Process (old – New Services Queue)	Upgrade Process (old – New Services Queue)
Agreements	GIA/CSA/MPCSA/NUFA (old – ISA/ICSA/NUFA)	GIA/CSA/MPCSA/NUFA (old – ISA/ICSA/NUFA)	TSA/NITSA/CSA/NUFA (old – TSA/NITSA/UCSA/NUFA)	UCSA
Network Upgrades	Customer Funded Network Upgrades, Interconnection Facilities	Customer Funded Network Upgrades, Interconnection Facilities	Customer Funded Upgrades	Customer Funded Upgrade/Merchant Network Upgrades
Rights	MFO/CIR	TIR/TWR or ICTR/IARR/IDR	Transmission Service	ICTR/IARR/IDR
Application	Application Study Agreement (old – Att. N, Y, BB)	Application Study Agreement (old – Att. S)	Application Study Agreement (old – Att. PP)	Upgrade Combined System Impact & Facilities Study Application Agreement (old – Att. EE)

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