

# Transition Cycle 1 Retool 2 System Impact Study Results

FAQs for TC1 Project Developers

Version: 001, 5/15/2026

## System Impact Study (SIS) Analysis Questions

**Q1** What was the purpose of the TC1 Retool 2 analysis?

**A1** Retool 2 was performed to update the TC1 System Impact Study reports with results reflecting removal of TC1 projects that have **withdrawn from the Cycle since Retool 1**. All remaining TC1 projects stayed in the model. The goal was to determine the **updated set of required Network Upgrades, associated cost allocation and Contingent Facilities** for the Cycle based on the final TC1 project cohort.

**Q2** What study assumptions were used in TC1 Retool 2?

**A2** Retool 2 used the **same study assumptions** as the TC1 System Impact Study Phase III and Retool 1, except for the final TC1 project cohort. Key assumptions included:

- Same base case models, load levels and topology assumptions (except for TC1 project withdrawals)
- Same dispatch assumptions for generation in the case along with the TC1 projects
- Same thermal, voltage and stability criteria
- Contingency set modified to reflect project withdrawals since Retool 1
- Same study methodology used to identify reliability criteria violations and the required upgrades

The only change was the **removal of projects that formally withdrew** since Retool 1 was posted to PJM.com on Dec. 10, 2025. Retool 2 is not a full re-study. It is a targeted update intended to reflect the final upgrades and cost allocation based on the changes in the TC1 project participation since Retool 1. All other assumptions remain unchanged to maintain consistency with the Retool 1 study.

**Q3** How did PJM handle violations where a newly Board-approved RTEP baseline upgrade or supplemental upgrade does address a reinforcement need in Retool 2?

**A3** If a recently approved RTEP baseline upgrade or supplemental upgrade fully addresses a violation identified in TC1 Retool 2, PJM replaced the original Network Upgrade with the baseline or supplemental upgrade. In these cases:

- The baseline project becomes the final mitigation.
- The original Network Upgrade is removed as a required TC1 upgrade along with the associated cost allocation.
- The final System Impact Study report notes that the baseline or supplemental upgrade is now a contingent upgrade.

This is shown in the **System Reinforcements** section of the SIS report.

**Q4** What if there is a difference between my Retool 1 and Retool 2 results?**A4** Changes that impact the Network Upgrades and/or cost allocation for a project will be handled via the Agreement to Amend and/or Scope Changes processes. Changes that impact your project milestones will be coordinated with your PJM Construction Project Manager.**Q5** If additional Security is required for my project, when is that due?**A5** The Project Developer will be notified by their PJM Project Manager or PJM Construction Project Manager of an Agreement to Amend or Scope Changes for an increase in Security. The Project Developer should provide increased Security to PJM within 30 days of notification.**Q6** Can TC1 projects function as helpers in the TC1 Retool 2 GenDeliv Studies?**A6** No, projects under study can never function as helpers in the Generator Deliverability Studies.

## Underfunded Network Upgrade Questions

**Q7** How does PJM determine underfunded Network Upgrades in Retool 2?**A7** Underfunded upgrades occur when one or more TC1 projects that originally shared cost responsibility for a Network Upgrade withdraws from the Cycle after the Phase III studies are complete (i.e., late-stage withdrawals). In Retool 2, PJM:

1. Removes only the TC1 projects that withdrew since Retool 1
2. Reruns the SIS analysis to identify the required Network Upgrades for the remaining projects
3. Flags as an underfunded Network Upgrade any Network Upgrades where one or more Phase III cost allocated contributors have been withdrawn.
4. The underfunded amount for each underfunded Network Upgrade shall equal the Phase III cost allocation of the withdrawn parties.
5. Underfunded Network Upgrades will be identified as those where one or more withdrawn New Service Requests were identified as having cost allocation in the Phase III analysis results.

**Q8** How are forfeited Readiness Deposits applied to underfunded Network Upgrades?**A8** PJM applies the total forfeited readiness deposits throughout the Cycle (RD1, RD2 and RD3) to offset any underfunded Network Upgrades identified in Retool 2. Forfeited readiness deposits are applied to underfunded Network Upgrades on a pro-rata share of funds missing from the Phase III cost allocation.

If the total forfeited readiness deposits exceed the underfunded Network Upgrade amount, PJM will refund the excess to the remaining Project Developers in the Cycle.

If the underfunded Network Upgrade amount exceeds the total forfeited readiness deposits, Project Developers will be responsible for the balance that the total forfeited readiness deposits were unable to cover.

PJM shall disburse the forfeited readiness deposits as a one-time credit against each underfunded Network Upgrade for the benefit of the remaining cost-allocated parties.

**Q9** Where can I find information on the total underfunded Network Upgrades for the Cycle?

**A9** The TC1 Executive Summary Cluster Report includes:

- The total forfeited readiness deposits for the Cycle
- The total amount of the underfunded Network Upgrades after accounting for project withdrawals
- A list of the underfunded Network Upgrades.

A link is provided in the “**System Reinforcements**” section of the Executive Summary Report for TC1 to access this information.

## Affected System Study Questions

**Q10** Why don't I see a full “Affected System – Non-PJM-Identified Violation Section” in the TC1 Retool 2 SIS report?

**A10** An Affected System Study that is performed by other ISOs is an iterative process and is subject to change until the Affected System Operator declares the Affected System Study report as the final version. Therefore, if under the “Affected System – Non-PJM Affected System Study-Identified” section you see the status “Identified Impacts” for any of the listed ISOs, please review their latest Affected System Study report pertaining to your project and follow the steps that are outlined in their Tariff document.

**Q11** How can I access the latest Affected System Study report for my project?

**A11** If you have a MISO-identified violation, MISO shares the Affected System Study report with PJM and then PJM shares the report with the main point of contact person for your project. For all other ISOs, you should have already executed an Affected System Study Agreement, and per the agreement, the Affected System Operator will share the Affected System Study report with the developers directly.

**Q12** What is the next action item for me if I have a non-PJM-identified violation?

**A12** For the next steps in the Affected System Study process, please refer to the Tariff document of the applicable Affected System Operator. In addition, PJM has more details about the Affected System Study process with MISO in the [PJM – MISO Joint Operating Agreement \(JOA\)](#) (PDF), which can be found on PJM's website.