Transition Cycle 2, Phase II System Impact Study Results FAQs for Developers

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General Questions

Q1 Who is impacted by these Transition Cycle 2 (TC2), Phase II study results?

A1 Transition Cycle 2 projects are all New Service Requests in the AG2-AH1 queues that did not yet receive a Final Agreement, as well as the final selection of Resource Reliability Initiative (RRI) projects. The AG2-AH1 projects entered the PJM interconnection process in the October 2020 through March 2021 time frame. Summer peak, winter peak and light load steady-state load flow, short-circuit and transient stability analyses, if applicable, were performed for the AG2-AH1 projects that make up Transition Cycle 2. The Phase II System Impact Study summarizes the results of these studies and provides cost allocation for any required Network Upgrades to accommodate the new interconnection.

The Interconnection timeline is posted on the PJM.com Planning page.

Q2 What does the System Impact Study (SIS) tell me?

A2 The Phase I, Phase II and Phase III System Impact Studies are a regional analysis of the effect of adding New Service Requests to the Transmission System and include an evaluation of the New Service Requests' impact on deliverability to the aggregate of PJM Network Load.

- For the Phase II System Impact Study, PJM studies each New Service Request on a summer peak, winter peak and light load RTEP base case, as applicable. PJM will perform load flow, short-circuit and stability analysis during the Phase II System Impact Study. The Phase II System Impact Study report also includes the results of Affected System Study screening, which identifies whether the project requires a separate Affected System Study by another Affected System Study Operator.

- The Phase II SIS results show both: 1) the magnitude of the estimated scope, cost and elapsed schedule to complete the required physical interconnection work and 2) the magnitude of the scope, cost and elapsed schedule to complete any Network Upgrade work to accommodate the interconnection and to address any reliability criteria violations on the grid identified by the analysis performed during Phase II SIS.

- Procedures and other terms related to the three study phases are outlined in Tariff, Part VII, Subpart D, sections 307, 308, 310 and 312 and Tariff Part VIII, Subpart C, sections 404, 405, 407 and 409. See PJM Manual 14H, Section 4.2.1 for more details on what the System Impact Study provides.

Q3 Where can I find the definitions of terms used for the Cycle study approaches?

A3 Refer to Tariff Part VII, Subpart A, section 300.

Q4 **What if I have a question about my SIS report results?**

A4 Please review this FAQ document prior to contacting your PJM project manager with any project-specific questions. If you still have any general questions regarding TC2 Phase II SIS or TC2 Decision Point II (DP2) after reviewing the FAQ, please contact InterconnectionSupport@pjm.com.

Q5 **What is the Project Developer required to do if they intend to begin generation for their TC2 project immediately after obtaining a Generation Interconnection Agreement?**

A5 The earliest a TC2 project can achieve commercial operation – provided all required milestones are met – is June 1, 2027, which is the first day of the 2027/2028 Delivery Year.

Any TC2 project intending to become operational at any point during the 2027/2028 Delivery Year must submit an Interim Deliverability Study (IDS) request no later than June 30, 2026. Once the study is completed, if the project is found deliverable, then the project can begin generation.

For application procedures and further details, please refer to the Interim Deliverability Study section of PJM's website.

Phase II Model Questions

Q6 **What RTEP series base case was used for the TC2 Phase II models, and what upgrades are modeled?**

A6 The TC2 Phase II models are based on the 2024 RTEP series models with updates in topology to reflect a 2028 base case year. The 2023 series load forecast for a 2028 Delivery Year from the 2023 series Window 2 models was used for the TC2 Phase II models. During the initial TC2 base case development in July of 2024, all PJM Board-approved baseline, supplemental and securitized Network Upgrades were included in the model if the projected in-service date of the upgrade was on or before the seasonal case reference cutoff dates as outlined in Manual 14B, Section C.3.1.3.

Q7 **Were any Network Upgrades modeled in the TC2 Phase II models for TC1 and prior queues?**

A7 The same rules apply as outlined in the previous question (Question 6). When the TC2 base case was developed in July of 2024, only securitized Network Upgrades were modeled for prior Cycles/queues if the upgrades were securitized, PJM Board approved and had a projected in-service date by the reference year cutoff dates outlined in Manual 14B. For the securitized upgrades that are not modeled in the TC2 Phase II models, they were considered in the analysis as potential mitigations and tested (as required) to determine if the upgrade is a suitable mitigation required for the TC2 Cycle. These types of upgrades, if topology-changing in nature, will be included in the Phase II sensitivity models to be posted along with the Phase II base case models. For reference, a securitized Network Upgrade is a Network Upgrade that has been fully funded by a prior Cycle or prior New Service Request under the old interconnection process.

Q8 **Did PJM take any Board-approved upgrades that were not included in the TC2 Phase II Cycle models into consideration for the TC2 Phase II analysis?**

A8 Yes, PJM did consider PJM Board-approved upgrades (baseline, supplemental, securitized network) that were not included in the TC2 Phase II Cycle model as potential mitigations in the studies and completed testing (as required) to determine if the upgrade(s) was a suitable mitigation required for the TC2 Cycle. This will also include the Board-approved 2025 RTEP series Window 1 solutions recently approved in February 2026. These types of upgrades, if topology-changing in nature, will be included in the Phase II sensitivity models to be posted along with the Phase II base case models. While the TC2 New Service Requests may take advantage of the approved upgrades if they are determined to be suitable mitigations, an interim deliverability study may be required for any generators contingent on the upgrade(s) and planning to come into service prior to the upgrade(s) being completed.

Q9 **For New Service Requests that share a common Point of Interconnection (POI) on a FERC jurisdictional facility, will they be aggregated in the TC2 Phase II models?**

A9 No. New Service Requests will continue to be modeled separately in order to determine their individual project contributions (megawatt impacts) to facility overloads in the GenDeliv and Individual Plant Deliverability (IPD) studies. For New Service Requests sharing a common POI, PJM will aggregate the megawatt impact of the New Service Requests to determine if the aggregated impact meets cost allocation criteria as outlined in Attachment B of Manual 14H. If the aggregated impact meets cost allocation criteria, then cost allocation will be applied proportionally to the megawatt impact of each individual New Service Request. This is consistent with how project aggregation was handled for TC2 Phase I and TC1 Phase II and III.

Please see additional educational material (PDF) on this topic.

Q10 **Why do some units/New Service Requests have different Pmax values across the different seasonal cases?**

A10 In line with Manual 14B, Attachment C, a unit's Pmax value in each seasonal case should align with its maximum seasonal net energy output. Typically, the unit Pmax values in the summer peak and light load cases will be identical, with an exception for winter peak where conventional units, such as combustion turbines, combined cycle plants and nuclear plants, will have higher Pmax values to reflect the higher winter energy output.

There are also some scenarios, depending on the type of TC2 New Service Requests under study, where the generator Pmax/Pmin may not match across seasons if the New Service Request is claiming Capacity Interconnection Rights (CIRs) from an existing resource at the same POI. In these modeling scenarios, PJM will model the incremental output above the resource's claimed CIRs already existing in the case based on the resource's seasonal ramping.

Battery Storage Projects: As it relates to battery projects that charge from the grid and are claiming CIRs from an existing resource at the same POI, the Pmin value in light load must reflect -100% of the megawatt energy (MWE) to capture the charging impact during the light load studies.

CIR Transfers: Also, the Pmax/Pmin differences between seasons will not apply to TC2 New Service Requests that are claiming CIRs from an existing resource located at a different POI. These CIR claims are considered POI transfers, and therefore the full output of the New Service Request will be modeled at its final POI location in the Phase II models to support a POI transfer study completed in each phase of the TC2 studies. This POI transfer study is a comparative generator

deliverability analysis with the claimed megawatts at the original deactivated unit's POI, which is performed to analyze any change in flowgate loading to determine overload and cost responsibilities for the New Service Request claiming the CIRs.

Q11 **Why are some New Service Requests modeled in some of the seasonal cases but missing from the other cases?**

A11 This scenario typically only applies to: 1) New Service Requests claiming CIRs at the same POI as the deactivated resource and 2) New Service Requests that are only requesting a seasonal-based uprate. For the New Service Requests claiming CIRs at the same POI as the deactivated resource(s), there may be no need to model any incremental output above the existing CIRs already modeled in the case depending on the seasonal resource ramping. For New Service Requests that are only requesting a seasonal-based uprate, such as thermal units looking to increase CIRs and summer net energy, there may be no change to the existing winter net energy output and therefore no need to model the uprate project in the winter peak case.

Q12 **How is the block dispatch being set in each seasonal case?**

A12 Please reference Manual 14B, Attachment C, Section C.3.1.3, Step 2 for more details on the procedure used to set the block dispatch in the RTEP base case. PJM will dispatch blocks 1, 2 and 3 generation consecutively based on demands of the system while also leveraging TARA SCED to ensure generation is ramped as required for constraint control while also meeting the CETO requirements by designated area. Typically blocks 1–3 are required for summer and winter peak cases, while only blocks 1–2 may be required for the light load case.

Q13 **How were the generator output/performance values established for the TC2 models?**

A13 In the TC2 Phase II models, the generator EEFORd class averages, renewable resource capacity factors (CF), and renewable resource ramp limits in the GD (GenDeliv) datafiles are all based on the 2024 RTEP series values. The renewable CF and ramp limits are developed on an annual basis and posted as part of the study assumptions for the given RTEP series. For reference, the 2024 RTEP series renewable CF and ramp limits values by season may be found on slides 16–18 in the Review of 2024 RTEP Assumptions TEAC presentation (PDF).

Typically for non-solar/wind units, the 50/50 and regular adder ramp limits should be the same across RTEP years where the 50/50 limit is set to 100% across all seasons and the adder ramp limit is set to 1 – PJM Avg EEFORd (~94%) for summer peak only. There is no regular adder ramping in the winter peak or light load studies.

Existing unit CIRs were also updated to reflect the latest 2030 CIR values provided by Resource Adequacy Planning to better reflect recent generator testing performance.

System Impact Study (SIS) Analysis Questions

Q14 **What is the study approach for Transition Cycle 2 projects?**

A14 Transition Cycle 2 projects were studied under the Cycle study process approved as part of PJM's interconnection process reform. The Cycle study process is to evaluate Transition Cycle 2 projects using the reformed GD process as outlined in Manual 14B, Attachment C, including the Individual Plant Deliverability (IPD) test.

PowerGem released PJM GD Reform 2601.001 on March 3, 2026. Please see PowerGEM's TARA 2601.001 PJM GD Tool release notes for the details on the addressed issues. Please use this latest version of the PJM GD Reform 2601 for running analysis on the TC2 Phase II case.

More information about the GD2 reform implementation for TC2 can be found in the Transition Cycle 2 Phase I Model Posting FAQs for Developers (PDF).

Transition Cycle 2 projects were cost allocated under the Cycle-based cost allocation rules in Manual 14H, Attachment B.

Q15 **The terms "Cluster study" and "Cycle study" seem to be used interchangeably. What is the difference between a "Cluster study" and "Cycle study"?**

A15 A "Cycle study" refers to the study approach used for a group of New Service Requests (i.e., Cycle) approved as part of PJM's interconnection process reform, whereas a "Cluster study" refers to the stability study approach of grouping a subset of New Service Requests within a Cycle into a cluster based on their electrical proximity to be studied together.

Q16 **If I am in Transition Cycle 2 and my Phase II study runs clean, can I accelerate to a final agreement?**

A16 New Service Requests that are eligible to accelerate to final agreement at DP2 per PJM Tariff Part VII, Subpart D, section 309 (A)(2) have received an email notification on May 9, 2026, via NextGen regarding the next steps for their project. A New Service Request that does not have any cost allocation may still be blocked from accelerating; refer to Question 20 below. For more details on acceleration eligibility at DP2, see PJM Manual 14H, Section 4.6.3.

Q17 **My project's System Impact Study (SIS) report only provides the final Cycle loading for each overloaded flowgate. Why is the pre-Cycle loading not provided?**

A17 In the new Cycle study process, pre-Cycle loading is no longer a concept or part of the study results (e.g., there is no serial first to cause/driver, and there is no queued/serial project order within any given Cycle under study). The final Cycle facility loading (MVA to mitigate) is the responsibility of the Cycle under study (with Cycle project contributors) if the facility loading is not already mitigated by a preexisting upgrade (e.g., prior queue/Cycle upgrades and RTEP baseline/supplemental upgrades).

- The final facility loading results for each Cycle are contained within that Cycle and the base case year assumptions for that Cycle's model.
- Please refer to PJM Tariff Part VII, Subpart D, section 307 A.5.C, PJM Tariff Part VIII, Subpart C, section 404 A.5.c and PJM Manual 14H, Section 4.2.6-3, first sub-bullet.

Q18 **There is a withdrawn project contributing to an overloaded facility that my project also contributes to. Why wasn't this withdrawn project removed for the Phase II analysis?**

A18 The TC2 Phase II study officially commenced on December 3, 2025. The Phase II model was locked on this date for the Phase II analysis. The study results to be delivered prior to the start of Decision Point II will be based on the December 3 study model. Any changes to projects in prior queues/Cycles after the model lock date will be captured in model updates for the Phase III studies along with the outcome of any changes to TC2 projects during Decision Point II.

Q19 **Did Transmission Owners perform analysis of lower-voltage facilities for Transition Cycle 2, Phase II?**

A19 Yes, a Transmission Owner analysis, including an analysis of lower-voltage facilities, was performed as part of the retool studies in the Transition Cycle 2, Phase II study process and will also be retooled in Phase III.

Q20 **My project doesn't have any cost allocation for system reliability Network Upgrades or any contingent upgrades identified in the System Impact Study report. Why are system reliability upgrades still listed in my report?**

A20 Although your project may not have cost allocation or any contingent upgrades required for overloaded flowgates listed in your System Impact Study report, your project may fall into the potential aggregate contributor pool. Projects in this pool may receive cost allocation in later phases of the Cycle study based on changes to New Service Request projects, and therefore these upgrades will be listed until the upgrades are securitized (or drop away as a required upgrade based on changes in the study results). A securitized Network Upgrade is a Network Upgrade that has been fully funded by a prior Cycle or prior New Service Request under the old interconnection process. Please refer to PJM Manual 14H, Section B.3.1 for cost allocation eligibility criteria.

Q21 **Some of the Network Upgrades in my System Impact Study report have significant cost estimate changes compared to the cost estimates for the same or similar upgrades identified in my Phase I study. Why are the cost estimate changes so significant in some cases?**

A21 There are a variety of reasons or factors as to why cost estimates may have significant changes (either increases or decreases) compared to the Phase I study. In many cases, the cost estimates for large upgrades are being updated to reflect more recent estimates based on recent information, current-day engineering, material and construction costs as provided by the Transmission Owners. Furthermore, the Transmission Owners have completed facility-level cost estimates for physical interconnection facilities, which will reflect a higher fidelity estimate than the planning-level estimates provided in prior phases. Additionally, the 2025 RTEP series Window 1 solutions were Board approved in February 2026 and were considered in the Phase II analysis. The full sensitivity testing of the topology-changing reinforcements, including the 2025 Window 1 solutions, resulted in fewer Network Upgrades being required and benefited the Cycle as a whole. Details regarding the 2025 Window 1 solutions can be found on the Transmission Expansion Advisory Committee page.

Q22 **Do the TC2 study results also consider recent system network changes, such as rating increases, substation reconfigurations, etc.?**

A22 Yes, as part of the PJM analysis and review with the Transmission Owners, any current known rating increases and contingency changes as the result of in-service system reconfigurations are considered before assigning any system reinforcements for a TC2 reliability criteria violation.

Q23 **For my CIR transfer project, how do I view the impact of the CIR transfer analysis?**

A23 The megawatt impact values shown throughout the report (in the flowgate section and in the System Reinforcement section) reflect the final impact of the project, including any adjustments from the CIR transfer analysis, and these values are being used for cost allocation. Any flowgates where the project's megawatt impact was adjusted by the CIR transfer analysis will have a small informational icon next to the megawatt impact value. Click on this icon to see the New Service Request's original megawatt impact on the flowgate before considering the impact of the CIR transfer. See Question 10 for more information on the CIR transfer analysis.

Q24 **When should I expect to see the next set of study results for my project?**

A24 Project Developers with Transition Cycle 2 projects (that meet the DP2 requirements to move on in the Cycle) should refer to the Cycle timeline on the PJM.com Planning page for the anticipated posting of the Phase III System Impact Study results. Any updates to the Cycle timeline will be communicated at the IPS committee meetings.

PJM will prepare the TC2 Phase III model considering system updates and changes from DP2. PJM will post the TC2 Phase III model once it is locked and ready for the Phase III SIS analysis. Summer, light load and winter peak analysis cases will be made available.

PJM will make an announcement prior to the release of the Transition Cycle 2 Phase III study results and the beginning of Decision Point III.

Retooled load flow analysis, along with stability and short-circuit analyses, will be performed in Phase III, and results will be shared in the Phase III SIS report. EMT analysis will also be performed in Phase III for particular projects identified to be in weak grid areas of the system (Project Developers impacted have been made aware of the need for a PSCAD model for these studies to be performed in Phase III). Additionally, Facilities Studies for system reliability Network Upgrades will be provided with the Phase III SIS report as well as any revisions to a project's physical interconnection facility study.

Q25 **My project has a battery component. How can I determine whether my project is injecting (i.e., generating) or withdrawing (i.e., charging) for a given flowgate?**

A25 For TC2 Phase II, battery charging is considered only for light load analysis and not for summer peak or winter peak. In the flowgate details for light load analysis, if the project was dispatched as withdrawing (i.e., charging) for a given flowgate, there will be a battery icon representing "Charging" in the "Type" column of the flowgate details.

Q26 **Does the Phase II analysis include the impact of topology-changing reinforcements such as recently approved baseline projects?**

A26 As a part of the Phase II load flow analysis, PJM evaluated topology-changing reinforcements as part of the generation deliverability and IPD tests. These topology-changing reinforcements included PJM Board-approved upgrades (baseline, supplemental, network) that were not included in the TC2 Phase II base model (as required). The topology-changing reinforcement's impact on the TC2 Cycle loading as well as the impact on other facilities that were alleviated by modeling these topology-changing reinforcements was assessed. All the topology-changing reinforcements were modeled into a load flow Cycle-based sensitivity case and compared with a Cycle base case that did not include the topology-changing reinforcements. Each impacted facility was reviewed to see if all of the contingencies against the originally impacted facility were eliminated as a result of modeling the topology-changing reinforcements.

Q27 **Does my project's short-circuit analysis include the impact of topology-changing reinforcements?**

A27 No, the impact of topology-changing upgrades on short-circuit analysis will be evaluated in Phase III.

Q28 **Does my project's transient stability analysis include the impact of topology-changing reinforcements?**

A28 No, the impact of topology-changing upgrades on transient stability analysis will be evaluated in Phase III. This allows PJM to better understand the topology-changing reinforcements needed to address the thermal impacts identified in the Cycle before evaluating them in the transient stability model.

Q29 **My TC2 Phase II stability study report recommends certain dynamic model parameter/project updates. Would I be required to provide updated data during Decision Point II based on these changes?**

A29 Yes, any changes recommended by PJM to the dynamic model or the overall project data based on the TC2 Phase II stability analysis (as outlined in the stability executive summary of your Phase II SIS report) will need to be confirmed during Decision Point II. Only the parameters that require updating may be modified. No other changes to the technical data may be made. Additionally, if PJM notified the project developer of the need for PSCAD model in February 2026, it must be submitted at TC2 Decision Point II. PJM will perform an electromagnetic transient analysis on an as-needed basis in TC2 Phase III. Please refer to TC2 DP2 PSCAD Model Requirements IPS presentation (PDF).

Q30 **How will the termination of the New Jersey State Agreement Approach (NJ SAA) impact New Service Request Projects in Transition Cycle 2 and Cycle 01?**

A30 Assuming the Mutual Termination Agreement (MTA) between PJM and the New Jersey BPU is accepted by FERC, the baseline projects identified in the MTA as subject to termination will be deemed terminated and removed from PJM's Regional Transmission Expansion Plan (RTEP) and power flow models. For TC2, PJM has already delivered analysis results to stakeholders in Phase I based on the NJ SAA projects that were to be in service by 2028 being represented in the model. Therefore, PJM does not plan to modify the base case model assumptions for the entirety of TC2.

After PJM performs the final Phase III retool analysis for TC2 at the end of the Cycle, PJM will determine if any New Service Request would still rely on one or more of the canceled NJ SAA baseline projects. If so, PJM's RTEP process will identify a replacement baseline project to address the mitigation needed by the New Service Request in TC2.

For Cycle 01, the canceled SAA baseline projects will not be represented in the model used for analysis.

Q31 **Does a System Impact Study include the impact of other neighboring ISO system upgrades, such as MISO Tranche 1.0 and 2.1, as solutions for mitigating reliability criteria violations specific to PJM New Service Requests?**

A31 No. Consistent with PJM Tariff Part VII, Subpart D, section 307 (A)(2), a System Impact Study is an analysis of the effect of adding to the Transmission System in the PJM region the new facilities and services proposed by valid New Service Requests and an evaluation of their impact on deliverability. For MISO specifically, the Tranche 2.1 projects are long-term projects in the MISO and PJM regions that do not constitute New Service Requests, which have not yet been accepted by the Commission.

Contingent on the Commission's acceptance of the necessary MISO agreements and Tariff revision, these projects may or may not become viable projects.

Affected System Study (AFS) Questions

Q32 What do the different statuses mean under "Affected System – PJM Identified Violations" and "Affected System – Non-PJM Identified Violation"?

A32 PJM consistently coordinates with other Affected System Operators regarding new Interconnection Service Requests to determine potential impacts on neighboring systems. The Affected System Study process is performed in two stages.

The initial stage involves PJM evaluating the New Service Request to identify any potential impact on tie-line facilities that connect PJM to another affected system entity, based on PJM's planning analysis criteria. A project status of "Impact Identified" for an applicable Transmission Provider signifies a potential impact on a tie-line facility identified through PJM's analysis. Conversely, a "No Impact" status indicates that PJM's analysis did not identify any tie-line facility overload.

In the second stage, PJM receives the Affected System Study screening results from the Affected System Operator. If the Affected System Operator identifies potential overloads, PJM sets the status for that operator under the "Affected System – Non-PJM Identified Violation" section as "Pending." Other Affected System Operators will be assigned a "Not Required" status. The "Pending" status will be maintained in each Phase SIS report until an official Affected System Study Report is received from the Affected System Operator. Following receipt of the report, the status will change from "Pending" to either "Impact Identified" or "No Impact Identified," depending on the results.

Q33 What is the next step for a Project Developer if my report shows a "Study Pending" or "Identified Impact" or "Preliminary Results – Impact" or "Preliminary results – No Impact" affected system status?

A33 Different statuses have different project responsibilities that are subject to change depending on the Affected System Operator as described below:

"Study Pending" Status Non-MISO (Action Needed): If a project has a "Study Pending" status for any of the Affected System Operators under "Affected System – Non-PJM Identified Violation," the Project Developer is required to review the Affected System Operator's tariff and adhere to all applicable rules for the Affected System Study. It is important to note that all of the Affected System Operators except for MISO require an Affected System Study Agreement to be executed between the Project Developer and the Affected System Operator. If this agreement is not executed within the timeline outlined in the Affected System Operator tariff/manuals, the project will not be able to present evidence of executed Affected System Study Agreement to PJM by the end of Decision Point II; therefore, in accordance with PJM Tariff Part VII, Subpart G, section 336, paragraph A.1.d, the project shall be terminated and withdrawn from the Cycle. However, per Louisville Gas & Electric (LG&E) request, PJM executed an agreement with LG&E on behalf of the developers, and TC2 projects with "Study Pending" status for Louisville Gas & Electric (LG&E) will not be required to execute an agreement with LG&E unless they are instructed by PJM otherwise.

"Study Pending" Status MISO (No Action Needed): Projects with a "Study Pending" status for MISO under the "Affected System – Non-PJM Identified Violation" section do not require action from the Project Developer until the MISO Affected System Study results are available. The PJM-MISO Joint Operating Agreement (JOA) should be consulted for details on developer responsibilities regarding MISO affected system studies.

"Preliminary Results – No Impact" Status: if a project has "Preliminary Results – No Impact" status under "Non PJM Identified Violation" section, there is no action item for the developer as no impact has been identified. PJM will verify the same results with Affected System Operator and if the results are declared as final by the Affected System Operator, PJM will change this status to Final results.

"Preliminary Results – Impact" Status: if a project has "Preliminary Results –Impact" status under "Non PJM Identified Violation" section, there is no action item for the developer. Affected System Operators – if necessary – will perform a restudy in Phase III and PJM will include the results in Phase III System Impact Study report. There is no action item for projects that have this status with MISO, but for other ISOs, the Affected System Operator will reach out to you for necessary action items (if any).

"Identified Impact" Status (No Action Needed): If a project has "Identified Impact" status under "PJM Identified Violation" section with MISO, there is no action required for the project. This status only indicates that the project contributes to a violation on a PJM MISO tie line. There is no action required for such projects until the final System Impact Study results show the final loading of the tie lines. For other Affected System Operators, the information is shown as informational only and will require an upgrade if the Affected System Operator identifies the same overload part of their Affected System Study process.

Q34 When will a Project Developer receive an Affected System Study Report?

A34 Each Affected System Operator has different timelines and rules for performing an Affected System Study. Project Developers should refer to the specific Affected System Operator's tariff for detailed information. PJM works in continuous cooperation with Affected System Operators to ensure that study reports are made available, generally, before the conclusion of Phase III.

Cost Allocation Questions

Q35 How was my project's cost allocation determined?

A35 For Phase II, PJM performed the generation deliverability and Individual Plant Deliverability (IPD) tests to determine thermal impacts for summer peak, winter peak and light load conditions, including the impact of topology-changing upgrades required by TC2. Furthermore, PJM performed voltage, short-circuit and stability analysis. Additionally, PJM member Transmission Owners performed an analysis of their lower-voltage systems. PJM's neighboring Affected System Operators have determined which PJM projects require an Affected System Study. If your project was dispatched against an overloaded facility in TC2, then your project is eligible for cost allocation. PJM has applied the new Cycle cost allocation rules defined in Manual 14H, Attachment B.

Cost Allocation Classification: Your project's impact to the facility will be classified in one of five ways: cost allocated, contingent, non-contingent, potential aggregate contributor and informational. See PJM Manual 14H, Attachment B, B.3.1 for criteria defining cost allocated and potential aggregate contributor, and PJM Manual 14H, Section 4.2.3 for more detail on contingent facilities.

Q36 When determining cost allocation for a given Network Upgrade(s), is PJM using the megawatt impact for each project from the worst reportable flowgate against that facility for the given project?

A36 For a load flow violation, a project's cost allocation for a Network Upgrade is based on the project's highest ramped megawatt impact to the flowgate (monitored facility/contingency pair) selected from the highest post-Cycle loading for each analysis

season reported against the facility for the given project. For load flow, a flowgate can be identified by either the Generation Deliverability or Individual Plant Deliverability analyses. These impacts are grouped together by season to determine the highest post-Cycle loaded flowgate by season. This methodology accounts for the differences in the fuel-based and seasonal ramping of generators dispatched into a flowgate to ensure that the highest ramped megawatt impact is chosen for cost allocation based on the worst loaded flowgate across seasons for a given facility.

If the Network Upgrade addresses multiple facility overloads, the megawatt impact is additive and includes the megawatt impact from the worst overloaded flowgate reported for each facility. This methodology is required because not all projects in a given Cycle may contribute to the same overloaded flowgate for a given facility. This can occur due to topology differences when a given contingency is taken and the generator dispatch is applied for a given flowgate. Ultimately, if the project loads into an overload on the facility (monitored element), which requires a system reinforcement, the project is subject to the cost allocation criteria.

Q37 If my project shares an Interconnection Switchyard (Common Use Upgrade) with another New Service Request project, how will my interconnection costs be calculated?

A37 If multiple Project Developers request to connect to the same interconnection substation, the Transmission Owner will determine the scope of work to accommodate all the requests at the substation. The cost for the interconnection will be allocated in proportion to the number of required terminations into the substation.

Q38 My project loads into a reinforcement marked as topology-changing. How was my project associated with these types of reinforcements?

A38 As a part of the Phase II load flow analysis, PJM evaluated topology-changing reinforcements as part of the generation deliverability test. The topology-changing reinforcement's impact on the TC2 Cycle loading as well as the impact on other facilities that were alleviated by modeling these topology-changing reinforcements was assessed. All the topology-changing reinforcements were modeled into a load flow Cycle-based sensitivity case and compared with a Cycle base case that did not include the topology-changing reinforcements. Each impacted facility was reviewed to see if all of the contingencies against the originally impacted facility were eliminated as a result of modeling the topology-changing reinforcements.

Impacted Facility Directly Addressed by Topology Upgrade: If all flowgates for the impacted facility were directly addressed by a topology-changing reinforcement such as adding a parallel line or eliminating a contingency driving an overload on the impacted facility, then projects were assigned cost based on the topology reinforcement that addressed that impacted facility. The possible exception to this is if the eliminated flowgates' loading would also be addressed by a Board-approved baseline, supplemental or securitized Network Upgrade. In order to minimize costs and schedule delays for the Cycle projects, the projects will be held contingent upon these existing projects when possible instead of being marked as contributors or contingent on the topology-changing reinforcements.

Q39 My project shares a Point of Interconnection with another project. How might this impact my cost allocation?

A39 In accordance with the PJM OATT, Part VII, Subpart D, section 307 (A)(2)(a)(iii) and PJM Manual 14H, Section 9.9, PJM aggregated the megawatt impacts of New Service Requests sharing the same Point of Interconnection (POI) for the purpose of screening them against PJM's cost allocation criteria. This aggregation of the megawatt impact for projects sharing the same POI was implemented to prevent subdividing projects from avoiding the cost allocation thresholds and requirements. For thermal impacts, a project's cost allocation will still be based on the individual project's megawatt impact and NOT the

aggregated megawatt impact. Please refer to Question 9 above, as well as the presentation (PDF) given at the March 2025 Interconnection Process Subcommittee.

Q40 My project has short-circuit violation(s). How was my project's cost allocation for the short-circuit upgrade determined?

A40 New Service Requests short-circuit cost allocation was determined as outlined in Manual 14H, Attachment B, Section 3.2. If the TC2 Cycle as a whole increased the circuit breaker's applicable interrupting rating greater than 1%, or if the Cycle resulted in a greater than 1% increase in fault current at the substation, then the TC2 Cycle will receive some cost allocation. A New Service Request will have some cost allocation if the project's contributing fault current impact on the circuit breaker's applicable interrupting rating is greater than 1% or if it results in a greater than 1% increase in fault current at the substation. If no single New Service Request project meets these thresholds, the top five New Service Requests contributing to the breaker overduty shall receive cost allocation proportional to the individual impact of each project.

Q41 My project has stability violation(s). How was my project's cost allocation against stability overload(s) determined?

A41 PJM stability analysis for TC2 was performed by grouping projects into stability clusters based on electrical proximity. A single report will be available at the end of TC2 Phase II for all projects within the same stability cluster. A New Service Request's stability cost allocation was determined as outlined in Manual 14H, Attachment B, Section 3.4. If a stability violation is identified during the study of a stability cluster, costs for the required Network Upgrade to eliminate the stability violation will be allocated in proportion to the Maximum Facility Output (MFO) (or energy request for an uprate) of each New Services Request in that stability cluster.

Q42 Multi-Driver Cost Allocation

A42 In some instances, there are reliability Network Upgrades(s) that address multiple reliability criteria violations across multiple types of analyses (steady-state thermal and voltage, short circuit, and transient stability) and require proportional cost allocation based on each individual project's cumulative impact (all analysis types). These types of system reinforcements are not like the typical topology-changing reinforcements that eliminate the need for multiple conventional facility reinforcements (e.g., reconductor) for steady-state thermal constraints. In this case, these types of multi-driver reinforcements are the only feasible solution(s) to mitigate reliability criteria violations across multiple types of analysis where costs must be proportionally allocated to the applicable projects. One multi-driver cost allocation reinforcement example may be the wreck and rebuild of an existing transmission line in order to convert it to double circuit because it addresses both steady-state thermal and transient stability violations. In these cases, the total project contribution to the violation(s) for each type of analysis is used to determine the cumulative impact of the project for the purposes of calculating the proportional cost allocation. For example:

	MFO	Thermal (MW)	Stability (MFO)	Total	% Allocation
Project A	50	10	-	10	3.7%
Project B	75	20	75	95	35.2%
Project C	125	40	125	165	61.1%
Total		70	200	270	100.0%

Readiness Deposit Questions

Q43 Which costs are subject to Readiness Deposit?

A43 The costs subject to readiness are dependent on whether the New Service Request is FERC or Non-FERC jurisdictional. For FERC jurisdictional New Service Requests: 1) the physical interconnection work (Transmission Owner build option only) including Stand-Alone Network Upgrades and Network Upgrades, 2) all BES system reliability upgrades, and 3) Transmission Owner-identified upgrades on subregional facilities are subject to readiness. For Non-FERC jurisdictional projects only: 1) BES system reliability upgrades and 2) Transmission Owner-identified upgrades on subregional facilities are subject to readiness.

Please refer to the "Cost Summary" section of the SIS report for more information including:

- A cost summary table, specifying which costs for the particular project are subject to readiness
- Definitions for common terms related to costs subject to readiness

Q44 How will I know if my project met criteria for Adverse Study Results?

A44 Each New Service Request should refer to the Adverse Test Eligibility section of their individual System Impact Study report to check whether they're eligible to withdraw their request and be refunded the cumulative Readiness Deposit amounts paid by the Project Developer or Eligible Customer per PJM Manual 14H, Section 6.2.2. The adverse cost allocation computed at each decision point is the same as the cost subject to readiness given the cost summary section of your report plus any costs identified in Affected System Studies, if available.

Q45 Do I have to post any additional deposits in Transition Cycle 2?

A45 Yes, Readiness Deposit #3 will be required at Decision Point II. Please review both: 1) the Readiness Deposit requirements in PJM Manual 14H, Section 6.2 and 2) Decision Point II requirements in PJM Manual 14H, Section 4.6.

Q46 If I withdraw at Decision Point II, which of my deposits are at risk?

A46 For Transition Cycle 2, Readiness Deposit #1 (RD1) is fully at risk now that Decision Point I has completed. Readiness Deposit #2 (RD2) is not at risk prior to the close of Decision Point II. After Decision Point II, RD2 is 100% at risk. Additionally, only 10% of the Study Deposit is at risk regardless of actual study costs, and PJM will draw from the refundable portion of the Study Deposit to cover actual study cost. Therefore, for Transition Cycle 2, Decision Point II, the money at risk will be the greater of the actual study cost or 10% of your Study Deposit as well as 100% of RD1. Please refer to PJM Manual 14H, Sections 6.2 and 6.3.

For RRI projects, the RRI Readiness Deposit is fully at risk at Decision Point II.

Decision Point II (DP2) Questions

General

Note: Please review the presentation on DP2 Requirements from the April 27, 2026 IPS meeting (PDF).

Q47 **When will Transition Cycle 2, Decision Point II start and end?**

A47 Please refer to the timeline posted on the PJM.com Planning page for Decision Point II start and end dates.

Q48 **What modifications are allowed in Transition Cycle 2 (TC2) at Decision Point II (DP2)?**

A48 The following modifications are allowed:

- Projects in Transition Cycle 2 (TC2) may reduce Maximum Facility Output (MFO) and/or CIRs up to 10% of the requested amount. Projects reducing MFO may not have CIRs over ELCC limits.

  Note: RRI projects may not reduce their MFO and/or CIRs.

- Projects with multiple fuel types can reduce the MFO/CIRs associated with a fuel type up to 10%. Such projects can remove a fuel type, as long as the MFO/CIR from the total project does not reduce more than 10%, but megawatts cannot be transferred between fuel types. Projects with only one fuel type may not change their fuel type.

  Note: RRI projects may not change their fuel type.

- Projects may not adjust their POI.

- Project Developers may make Permissible Technological Advancement changes only and may not update any other equipment data or make any system configuration changes behind their POI at DP2.

Q49 **I have made permitted modifications to my project as part of Decision Point II. When will the models be updated and available to reflect this change?**

A49 Modifications permitted at Decision Point II are incorporated into the model for Phase III SIS analysis. The model will be available and posted to the PJM website in the following weeks after Phase III SIS has begun. PJM first needs to complete the deficiency review of the modifications at Decision Point II before posting the model update. The updated Phase III SIS model will be available with a CEII request.

Q50 **Do we still need to post the calculated readiness amount due during Decision Point II as summarized in the Phase II report even though we know of other projects that are expecting to withdraw or modify and possibly remove the need for certain upgrades?**

A50 Yes, each New Service Request must submit the calculated Readiness Deposit due based on the Phase II analysis regardless of changes in prior queues/Cycles after the Phase II model lock date and any expected changes with TC2 projects during Decision Point II. The Readiness Deposit calculations account for prior Readiness Deposits received, and the New Service Request will only be responsible for the Readiness Deposit due at the Decision Point to meet the total Readiness Deposit required as outlined in Manual 14H, Section 6.2.

Q51 **As it relates to Output modifications at DP2, can CIRs be transferred between fuel types within a given project/plant?**

A51 No, CIRs may not be transferred between fuel types as requested and studied in the Phase II studies. The existing CIRs associated with each fuel type may be reduced within the allowable DP2 modification limits, but they cannot be transferred

between fuel types within the same project/plant. Please reference Manual 14H, Section 9.8.5 as it relates to additional requirements for a multi-fuel new service request.

Q52 **Are batteries allowed to change their grid-charging characteristics at DP2?**

A52 No, battery projects are not allowed to change their grid-charging characteristic at DP2. This change would result in more than a 10% decrease since batteries are ramped to full withdrawal output in the light load studies for a grid charging configuration.

Q53 **Are solar projects allowed to change their fixed/tracking characteristics at DP2?**

A53 No, solar projects are not allowed to change their fixed/tracking characteristics at DP2. A change from "tracking" to "fixed" is essentially a megawatt impact reduction in the PJM GenDeliv studies due to lower ramp limits for fixed solar and is only applicable at DP1 due to allowable equipment changes.

Q54 **Are there any considerations and/or limitations when reducing the output of my solar or wind project at DP2?**

A54 Yes, solar and wind projects can reduce MFO without a corresponding CIR reduction as long as the maximum CIR request rules are not violated for these resources. The legacy Capacity Factor rules no longer apply due to the new ELCC rules. Please ensure you reference the latest table (PDF) on the Resource Adequacy Planning page on PJM.com for the maximum regional CIRs that can be requested for solar and wind projects.

Q55 **Are there any considerations when changing battery stockpile and hour class at DP2?**

A55 Yes, there are a couple of considerations. Firstly, battery storage facilities can change their hour class at Decision Point I or II in the Cycle. However, if the request becomes eligible for higher CIRs, as a result of the updated hour class, the Project Developer will need to submit an uprate for the incremental CIRs in order to claim the higher CIR value. Please reference Manual 14H, Section 9.8.5, as it relates to additional requirements for a multi-fuel New Service Request.

Secondly, if a battery stockpile and hour class are adjusted at DP2 and reduce the maximum eligible CIRs that may be requested for the battery, a corresponding CIR reduction must be made at DP2. Battery project CIR eligibility is equal to stockpile megawatt-hour divided by hour class, and CIRs requested for the battery cannot exceed this CIR eligibility value. This will only be permitted if the reduction in CIR is less than 10% of the total for the battery and for the project as a whole. Also keep in mind that there are Site Control considerations with megawatt-hour/acreage requirements. As it relates to the CIRs that may be requested for limited duration resources such as battery storage, please reference Manual 21B (PDF) on how many CIRs can be requested for limited duration resources.

NextGen

Note: For information on the use of NextGen, please reference the User Guide found on the Applications & Forms page. For any technical issues, please email NextGenSupportTeam@pjm.com and copy the appropriate PJM project manager.

Q56 **Where do I submit my DP2 materials?**

A56 Project Developers must submit all materials via NextGen and **not** Queue Point. **Any materials submitted in Queue Point will not be considered or reviewed.** This applies to both legacy TC2 and RRI projects.

Q57 **How will I know when TC2 DP2 opens and closes?**

A57 Refer to the Cycle Management page in NextGen as well as the timeline posted on the PJM Planning page.

Additional Resources

For general questions related to the Interconnection Process, please refer to PJM Tariff, Part VII (Transition Cycles) and PJM Manual 14H (PDF).

Additional resources are available for commonly requested information:

- **Interconnection Cycle Timeline:** Planning Landing Page on PJM.com
- **Transition Cycle 2 Decision Point II Requirements:** IPS Presentation materials (PDF) from April 2026
- **Dynamic Model Application Requirements:** IPS Presentation materials (PDF) from February 2026
- **Latest Cycle Schedule Update:** IPS Presentation materials (PDF) from May 2026
- **Interconnection Analysis and Modeling Information:** FAQ links (for TC2 Phase I [PDF], TC2 Model [PDF]) on the Cycle Service Request Status page
- **NextGen Information:** User Guide (PDF) on the Applications and Forms page on PJM.com, and NextGen Tasks Training for Project Developers [video]