

August 11, 2021

VIA ELECTRONIC DELIVERY

The PJM Board of Managers
c/o Mr. Mark Takahashi, Chairman
Mr. Manu Asthana, President and CEO
2750 Monroe Boulevard
Audubon, Pennsylvania, 19403

RE: PJM Generation Interconnection Reform Process

Dear Mr. Takahashi, Mr. Asthana, and Board Members:

Our undersigned organizations along with many of our member companies, are currently engaged in the PJM stakeholder process to improve the interconnection queue. We write to support immediate action to finalize PJM's interconnection queue reforms and file changes with the Commission as soon as possible. As PJM noted with the Commission in February: "PJM has been experiencing an increase in the number of New Service Requests received each year leading to a record-high volume of projects under study."¹

We applaud the important progress achieved thus far in developing solutions, and support PJM's timely efforts to continue along this path to split this conversation between what can be achieved immediately and what requires much more extensive discussion, including with FERC and the other RTOs to evaluate broader policy changes.

We are very encouraged by the proposals that PJM is exploring in the Interconnection Process Reform Task Force ("Task Force"). PJM held the first of four interconnection reform workshops on October 30, 2020, attended by 300 participants.² PJM appropriately recognized the challenges on the queue and changes to the grid. PJM staff highlighted that a broad range of possible reforms could come through PJM or FERC-led efforts, "alone or in combination."

Since that first workshop in October, PJM heard from over 25 stakeholders through presentations and written comments, and held seven half- or full-day meetings, leading to the milestones now achieved in developing a coherent queue reform package focused on immediate, solvable issues.³ These conversations resulted in PJM's June 29 straw proposal, which would use a cluster study design and require enhanced project readiness milestones to get into the queue and move forward — concepts that stakeholders from across sectors proposed in earlier workshops. PJM's straw proposal was the result of significant input and efforts to focus action on immediate solutions

¹ PJM Interconnection, L.L.C., Docket No. ER19-1958-003, "Informational Report on Interconnection Study Performance Metrics", February 16, 2021. Available:

<https://elibrary.ferc.gov/eLibrary/filedownload?fileid=15718354>

² "PJM Kicks off Workshops to Study Interconnection Process", *PJM Inside Lines*, November 3, 2020. Available:

<https://insidelines.pjm.com/pjm-kicks-off-workshops-to-study-interconnection-process/>

³ In particular, see Stakeholder Presentations and Comments, December 11, 2020 and January 29, 2021. Available:

<https://www.pjm.com/committees-and-groups/committees/pc>

and we appreciate the significant accomplishments by PJM staff and stakeholders in putting forward practical concepts.

Last spring, PJM set January of 2022 as a deadline to file queue reforms with the Commission. Though there are several additional reforms needed, this timeline is still a reasonable target.

PJM faces a daunting task in clearing the backlog and processing the more than 1,000 queue requests stuck in the old serial regime. As one immediate next step, PJM should hold the current queue window open until the timely completion of the current backlog. Delaying the close of the next queue allows PJM and transmission owner staff to devote their limited resources to clearing the existing projects currently under study. While the details need to be ironed out with stakeholders, we highlight this as a difficult but important step that underscores the gravity of our current situation.

Finally, we note that on July 15, 2021, the Commission released an Advanced Notice of Proposed Rulemaking (“ANOPR”) that explores important, broader questions beyond the scope of the Task Force. PJM wisely foresaw the Commission’s interest in opening a larger discussion that may or may not ultimately affect interconnection reforms currently being contemplated here. Given the extended rulemaking and compliance process at the Commission and likelihood for extensions and litigation, pausing the work of PJM’s Task Force would cause even more queue delays and exacerbate the issue PJM and its stakeholders seek to address now. There is no reason to wait for the uncertainty and thus we recommend moving forward with what we can fix now.

We respectfully urge PJM to continue its work in the Task Force and file the resulting interconnection process reforms with the Commission by January as originally contemplated. While some stakeholders have suggested PJM wait to clear the queue for resolution of the ANOPR docket, this is unnecessary. Fixing the queue now will be beneficial in any future scenario.

We continue to collaborate towards a long-term, sustainable solution to bring more resources to market in a timely fashion. Thank you for the important work that PJM is doing to resolve the immediate challenges in the interconnection queue and continuing to work with stakeholders as reforms are proposed.

Sincerely,

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