CIRs for ELCC Resources:
Design Components & Solution Options

PJM

PC Special Session

June 22, 2021

- Summary of topics to explore next
  - Key Work Activity #4: Enhancements to CIR request and retention policies
  - Key Work Activity #5: Application of CIRs to the ELCC analyses
  - Key Work Activity #6: Application of new CIR policies to existing and planned resources

- Finalize Design Components & Review Status Quo
  - DC #1: CIR request policies
  - DC #2: CIR test, verification & retention policies
  - DC #3: CIRs in ELCC Methodology and Accredited UCAP Calculation
  - DC #4: Applicability & Implementation
  - DC #5: Effective Date & Transition Mechanism
  - Other?
- Review Solution Option A & develop additional solution options

- **Design Component #1: CIR Request Policies**

    – CIRs should continue to represent a right to input generation as a Capacity Resource into the transmission system at a POI.

    – CIRs for new intermittent resources should not be restricted by PJM to average expected summer output levels but rather be selected by the generation developer up to the resource's maximum expected net summer output which is the maximum value that is be expected to be output during the summer period.

- **Design Component #2: CIR Test, Verification & Retention Policies**
  - CIR testing/retention policies should be the same for <u>all</u> resources
  - CIR testing/retention policies should be different from ICAP/UCAP testing/retention policies, which can continue to use the status quo CIR testing/retention policies and but should probably be explored as part of a future issue charge
  - CIR testing/retention policies should consider a broad set of summer hours such as 10AM to 10PM

- **Design Component #3: CIRs in ELCC Methodology and Accredited UCAP Calculation**
  - Incorporate CIRs upfront into the ELCC Portfolio UCAP and ELCC Class UCAP calculations
  - Consider CIRs when allocating ELCC Class UCAP to individual ELCC Resources
  - CIRs continue to provide an upper limit to UCAP/AUCAP
- **Design Component #4: Implementation/Effective Date**
  - To be determined if solution is selected. Will vary for different processes, but it is expected that minimal implementation time would be required.

- **Design Component #5: Transition Mechanism**
    - CIR request policy changes will apply to first queue that opens after approval of policy changes
    - Testing/retention policy changes are more lenient that existing policies and will have no transition mechanism
    - Incorporating CIRs into the ELCC studies will result in lower AUCAP than status quo. However, implementation of ELCC will by itself have a substantial impact on AUCAP values and demonstrated the difficulty of trying to develop a transition mechanism to buffer AUCAP reductions

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