

*Stakeholder Coalition Proposal for
PJM CIR Transfer Efficiency Process
Planning Committee Vote
October 8, 2024*

Summary of Stakeholder Coalition Proposal

- Stakeholder Coalition proposal creates a **new expedited process for transferring CIRs from an existing Deactivating Generating Resource to a new Replacement Resource** at the **same Point of Interconnection (Per IC/PS)** that occurs outside of the PJM Cycle (New IC Services) Process
 - CIRs can be transferred between same owner, affiliate, or unaffiliated developer
- Stakeholder Coalition Generator Replacement Process **Completed in 9 months or less**
 - Allows for the alignment of timing of de-energizing retiring generator and energizing of replacement resource
 - Expedited timing allows replacement resources to be included in reliability solutions, including but not limited to, as a resource option alternative to an RMR
- Stakeholder Coalition proposal is **Technology and Resource Agnostic/Neutral**
 - Allows all resource and technology types to be eligible to purport with State air emissions restrictions, support state clean energy goals, and provide PJM with all options to address resource adequacy challenges
- **The Stakeholder Coalition Proposal Contains Two Revisions Based on the September PC Discussion (See slide 2)**

Summary of Changes Slide

Based on feedback from the September PC and further discussion with PJM, there have been two updates to the Coalition Proposal:

1. (20.) Scope of Reliability Studies to be performed:

Coalition has removed language excluding thermal studies

~~Same scope of reliability studies as generation interconnection requests in the Cycle Process* (stability and short circuit), except that thermal study is not required for resource injection scenarios to respect the rights studied/funded/granted to the existing generator, i.e., thermal study is only required for BESS charging scenario.~~

~~*OATT Part VIII~~

***RATIONALE:** This change is consistent with CIR transfer studies in current interconnection process and allows PJM to approve accelerated generator replacements for projects that do not trigger new transmission violations.*

2. (9.) Commercial Operation Date:

Coalition reinstates the 3-Year COD language

~~In general, same Commercial Operation date requirements as new generation interconnection requests in the Cycle Process.~~ **The Commercial Operation Date of the Replacement Generating Resource may be no more than three (3) years from the date of cessation of operation of the Existing Generating Facility or signed execution of the GIA, whichever occurs last. If the requested period of time between the cessation of operation of the Existing Generating Resource and the expected Commercial Operation Date of the Replacement Generating Resource is identified to be more than three (3) years from the cessation of operation of the Existing Generating Facility, a one-time waiver for extension shall be requested and ultimately granted, regardless of cause, or the request shall be treated as a New Interconnection request for a Generating Facility. PJM may also reasonably extend any such milestone dates, in the event of delays that the Project Developer did not cause and could not have remedied through the exercise of due diligence, which protects Project Developers who experience delays for reasons beyond their control. Replacement resources with Industry-recognized elongated construction timeframes, i.e., nuclear, are eligible resources for replacement. One specific requirement would be that the Replacement Resource cannot commercially operate prior to the Actual Deactivation Date of the Deactivation Resource. Notwithstanding the above, a resource currently operating utilizing surplus interconnection service can later transition to replacement interconnection service and not be deemed a violation of the terms above. Additionally, the proposers support language indicating that the FERC filing will have language that commits to addressing in the DESTF how PJM will have authority to take necessary action to maintain reliability and the process it will follow in the event a replacement resource is designated as an alternative to an RMR to address a deactivation and that replacement resource cannot meet the above commercial operation date requirements.**

***RATIONALE:** This change addresses stakeholder requests for expedited commercial operation of replacement resources to be considered in time as alternatives to RMRs and avoid the reliability gap between de-energizing deactivating resources and energizing new resources.*