

Request for Amendment to PJM Transition Proposal

PJM Interconnection Customers Coalition

Supported by: Scout Clean Energy, Tri Global Energy, Hecate Energy, Leeward Renewable Energy, D. E. Shaw Renewable Investments, Northern Virginia Electric Cooperative, Competitive Power Ventures, BQ Energy, Copenhagen Infrastructure Partners, Acciona

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Objectives & Background

- Unlock additional viable generation resources within the context of PJM's Fast Lane without delaying or otherwise harming other Fast Lane entrants
- Reduce speculation by enhancing readiness milestones
- Minimize impact to the overall process, while at the same time enabling later-stage projects that have made significant financial investments, local community commitments, and power off-take arrangements to achieve commercialization
- Enable expeditious processing of interconnection requests by utilizing the large percentage of AE1-AG1 original facility studies that will have been completed by the transition date
- Allow ICs to remain in the Fast Lane that otherwise would be kicked out due to speculative generation and transmission projects that are causing sizeable overloads ahead of them
- Stakeholders of ten companies, representing over 17,000 MW of generation interconnection requests sponsored this amendment

Proposed Amendment

Adopt PJM Transition Proposal with the following amendment:

- A. Add an incremental readiness milestone to the 60-day readiness window that requires projects which are first to cause a network upgrade or have cost allocation eligibility to a network upgrade for load flow and short circuit violations that is **more than \$5M** to post financial security at risk, covering their portion of the cost allocation.
 - Cost allocations predicated on most recent retool results (ongoing), pre-tariff adoption
 - Continue to follow existing cost allocation rules for upgrades less than \$5M for AE1-AG1
 - Continue to follow existing cost allocation rules for upgrades greater than \$5M for AE1-AG1
- B. Add a financial security true-up mechanism following the post-readiness retool as PJM “*works projects*” in the fast lane.
 - True-ups to occur within an abbreviated window of a few weeks
 - If a project’s cost allocation increases by less than or equal to 25%, the project is required to increase its security in kind or forfeit 100% of its security and be withdrawn from the fast-lane
 - If a project’s cost allocation decreases, the project will be refunded its security in kind