



# **How CIR transfer efficiency can support state policy goals**

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**Delegate Lorig Charkoudian  
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# PJM processes around generation retirements and additions must account for state policy

States have a variety of policy goals within the PJM footprint, some of which directly influence the location and timeline for generator retirements and additions.

In Maryland, for example:

- POWER Act set 8.5 GW offshore wind target by 2031
- RPS of 50% by 2030 (14.5% solar carve-out)
- Emissions reduction goals of 60% by 2031, net zero by 2045



# An enhanced process for CIR transfers would support states in realizing their varied policy goals –

**Faster interconnection of new resources**

PJM's current pace of interconnection may be too slow to facilitate the achievement of state RPS goals in the region<sup>1</sup>; efforts to accelerate the process are needed

On-site replacement of a retiring plant with new generation helps ensure sustained jobs and investment in energy communities

**Alignment with economic development priorities**

CIR transfer efficiency in PJM

**Achievement of emissions reduction targets**

This process can help enable generator retirements to proceed on schedule to meet state goals

Reuse of existing interconnection rights and infrastructure can help keep energy costs affordable for ratepayers

**Protecting ratepayers**

**– as well as their shared goal of ensuring reliability**

1. <https://www.nrdc.org/press-releases/pjm-interconnection-delays-threaten-state-renewable-goals>

# Case study: Brandon Shores plant highlights need for alternative options in retirement decisions

- Brandon Shores coal plant located outside of Baltimore, MD had plans to deactivate mid-2025
- PJM has identified nearly \$800 million in transmission upgrades needed to address grid issues created by retirement, which would take 5+ years to build
- 260 MW of storage projects in development at Brandon Shores are waiting in the queue until ~2026
- Likely will require a reliability must run (RMR) agreement until 2028, delaying the plant's retirement
- This is a suboptimal outcome



# What states would like to see emerge from CIR transfer efficiency discussions in PJM



Streamlined interconnection process for replacement resource



Transparency and fairness in administration of new process



Inclusion of state input in this and other processes that affect state energy policy

**For more information please contact:**

Delegate Lorig Charkoudian, [lorig.charkoudian@house.state.md.us](mailto:lorig.charkoudian@house.state.md.us)  
1-800-492-7122, Ext 3423