



STATE JURISDICTIONAL
RESOURCE PROPOSAL

PJM IPRTF

Sept 20, 2021

Current Challenges

PJM's proposal would block grid integration and/or wholesale market access for an important class of state-jurisdictional projects

PJM proposal regarding state jurisdictional projects

- "Non jurisdictional projects must use the state's process to receive a two-party interconnection agreement with the TO/DP prior to entering an interconnection application. WMPA to be incorporated into the PJM Tariff."

Challenges with PJM proposal

- **Projects proposed on the distribution or sub-transmission system (interconnecting to 69kV or lower), for which no state jurisdictional process or queue exists, will have no place where they can be studied**
 - Some EDCs and TOs currently direct applicants with state jurisdictional infrastructure to utilize the PJM process to study projects when there is no other available path. Ex: in PA only net metered projects < 5 MWac are eligible for consideration under the state jurisdictional queue. Thus projects connected to the distribution or sub-transmission system between 5 and 20 MWac in size do not have an interconnection pathway through that state process and are referred to PJM.
- **Even when there is a state jurisdictional process, some of those processes lack clear timelines or study parameters, there could be a misalignment of payment and contractual obligations, and that process followed by the PJM process could be 4+ years of time for relatively small infrastructure**
 - If projects are required to sign an IA with a TO/DP prior to entering the PJM queue, they would be required to make payment or commit to contractual obligations that could be undermined by the PJM queue timeline or study outcomes.
- **Some larger state jurisdictional projects initially would not be visible and reflected in PJM studies**

Status Quo State Jurisdictional Projects in PJM

State jurisdictional projects are driving small share of MW applications and imposing a small network impact

- 36% of the current active PJM generator interconnection queue is comprised of projects 20MWac or smaller
- But these projects represent **only 5% of total MWac in the queue**
- About 70% of these projects 20MW and smaller are in PA, VA, and OH
- About 50% of projects 20MW or less already have SIS results
- Initial sample (PA, >100 projects) of 20MW and lower SIS reports revealed that **over 70% had \$0 network upgrades**

An Alternative Approach to State Jurisdictional Projects

State jurisdictional resources should have the option to access the new queue cluster, especially those that have no other pathway or who are seeking wholesale market revenue

State jurisdictional resources would participate in the PJM queue process as established under queue reform, with TO/DP review occurring concurrently with PJM studies, with greater transparency.

- **Minimum Applicability:**
 - 1) projects without access to a functional state jurisdictional queue
 - 2) projects seeking to sell into the wholesale market regardless of jurisdiction (e.g., via Order 2222)
 - 3) projects that are FERC jurisdictional (ie, State Jurisdictional projects interconnecting to FERC jurisdictional line)
- **Process:** Concurrent TO/DP and PJM cluster studies
- **Benefit:** Provides avenue for projects to be studied that are not eligible for state jurisdictional interconnection or that face significant uncertainty and delay with state jurisdictional interconnection processes. Make PJM – TO/DP interconnection process more transparent, capture larger state jurisdictional projects on 46 or 69kv state jurisdictional circuits, e.g. 20MW+ projects in VA that PJM presumably wants to be aware of when assessing cluster impacts

In the future:

PJM works to establish a clear, efficient process for coordination of the established state jurisdictional processes with the transmission system and affected system impacts, and to further streamline the study process for state jurisdictional interconnections above.

Thank you.

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