

PJM IPRTF

Market-based Transition Proposal

12/7/21

“Grand Compromise” In Interest of Building Consensus

CYPRESS CREEK
RENEWABLES



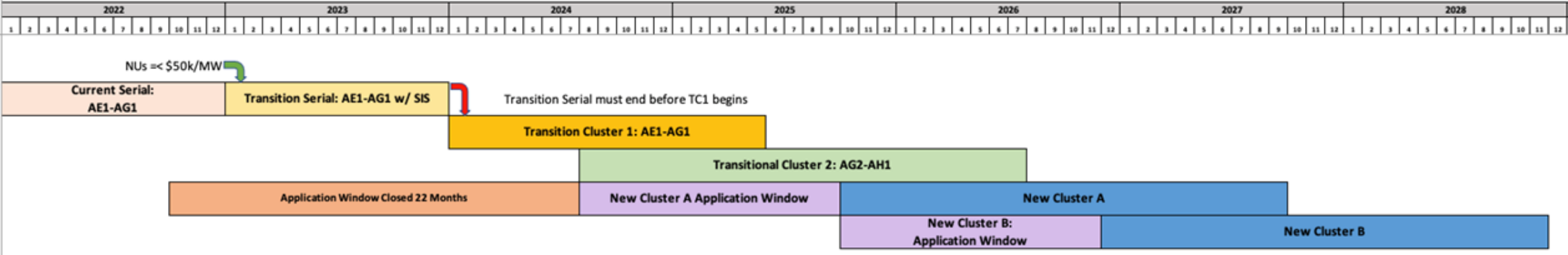
OPEN ROAD
RENEWABLES

Tentative Support for PJM 12/7 Transition Proposal

- CCR, ORR and members of the IC Choice Coalition generally support the transitional mechanism proposed by PJM in their 12/7 presentation, provided that the following provisions are included in the PJM transition package:
 1. **AG2 & AH1** are processed in a second transitional cluster after the AE1-AG1 transitional cluster
 - PJM 12/3 poll support inclusion of such a transitional cluster after the AE1-AG1 transitional cluster
 2. PJM's **site control** proposal be more responsive to the reality of how site control documents are structured, especially for existing queues
 3. That existing queues that are not part of a transitional cluster be **allowed to transfer** to the new queue process vs. being forced to reapply
- CCR & ORR retain a number of other transition provisions in our matrix for continued consideration by the task force, including:
 - State jurisdictional project

AG2-AH1 processing

Following feedback from the stakeholder community, CCR/ORR believes that AG2-AH1 processing as Transitional Cycle 2 (following Transitional Cycle 1 AE1-AG1) is reasonable and key to building consensus:



Feedback/Questions

Matthew Crosby, CCR

matthew.crosby@ccrenew.com

Mike Volpe, ORR

mike@openroadrenewables.com

Appendix

11/30: Market-based transition serial eligibility

The proposed solution is identical to PJM's 11/30/21 proposal with the exception of the Transition Serial process eligibility.

- PJM proposal: “Clean” projects with no network upgrade cost allocation
 - \$0 network upgrades allocated (per current cost allocation rules contained in Manual 14 Attachment B) based upon re-tooled SIS at FERC Order approval
- CCR/ORR Market-based
 - SIS in hand for AE1-AG1 which will be retooled at FERC Order approval for updated NU allocation
 - Gating Economic criteria: **\$50k/MWac Network Upgrade allocation** or less in re-tooled SIS (*this updated gating criteria reduces the value from \$100k/Mwac to \$50k/Mwac and removes the POI Facility cost in the calculation*)
 - RD sizing: **\$4k/MW + 50% NUs** to cull the queue and fully cover resourcing PJM and TOs with 3rd party support to complete ISAs per timeline

12/7: Grand Compromise

- PJM’s “Grand Compromise” proposal: AE1-AG1 projects that do not have contribution to network upgrades >\$5m are eligible for “Fast Lane” serial backlog processing
 - PJM has been responsive to the concern that AE1-AG1 late-stage projects that overload a very small upgrade (i.e. breaker, wave gate, etc) would not be eligible for transitional serial processing
 - This approach also addresses the concern that large \$ network upgrades could end up in the serial backlog under CCR/ORR’s proposal when the \$ allocation is small
 - CCR/ORR can support this AE1-AG1 transitional serial gating criteria
- CCR/ORR Market-based “Grand Compromise” (Conditionally withdrawn per Slide 2)
 - SIS in hand for AE1-AG1 which will be retooled at FERC Order approval for updated NU allocation
 - Gating Economic criteria: **\$25k/MWac Network Upgrade allocation** or less in re-tooled SIS (*this updated gating criteria reduces the value from \$50k/Mwac to \$25k/Mwac in the interest of the Grand Compromise*)
 - RD sizing: **\$4k/MW + 50% NUs** to cull the queue and fully cover resourcing PJM and TOs with 3rd party support to complete ISAs per timeline