November 27, 2024

PJM Stakeholder Affairs Team

Member Consultation Regarding Reliability Resource Initiative

MAREC Action (informally, "Mid-Atlantic Renewable Energy Coalition") submits these comments to PJM regarding the Reliability Resource Initiative (RRI) and Surplus Interconnection Service (SIS). MAREC Action is a coalition of over 50 utility-scale solar, wind, and battery storage developers and manufacturers dedicated to the growth and development of renewable energy across the PJM grid region.

PJM presented the latest proposal for the RRI and SIS at the MC on November 21st. Regarding the RRI, MAREC Action understands that PJM is facing reliability challenges by the end of this decade and therefore, is desiring to move forward with this initiative. We urge PJM to consider the following points below as they prepare the final proposal.

- Transition Cluster 2 already has 96 GW of projects and adding additional projects could significantly increase the size of this already large cluster.
- PJM is already likely to have challenges moving all of these projects timely through the interconnection queue studies to ISA signing, and there is no guarantee the transmission will be available by that time.
- Transition Cluster 1 received a price tab of $10 billion for network upgrades to connect. It is telling that almost half of the GWs in that cluster were withdrawn when faced with this bill.
- With the changes in the deliverability study included, network upgrade costs for the new TC 2 will likely be even more substantial. PJM's RRI proposal may therefore impose significant costs on interconnection customers already in TC2 and induce projects to withdraw from the queue.
- Transmission planning over the last decade has been conducted within a low-to-no load growth environment. Therefore, the transmission to serve the rapidly growing load of this decade is simply not there.
- In the past, network upgrades have been the sole responsibility of the interconnecting generator under the 'but for' principle. However, given the accelerated load growth, the new generation is *needed to serve load and for reliability*. This turns the old 'but for' principle on its head and implies the network upgrades would not be needed 'but for' the load growth, therefore,

the burden of paying for the needed transmission should not be solely consigned to the interconnection customers.

- Additionally, projects that have already received ISAs are often being told by the TOs that they cannot get the network upgrades completed for several years, leading to significant delays.

All of the above points support the need for PJM to consider ways to ensure that the transmission needed for the incoming GWs to reliably serve the incoming load needs to be part of the RRI package. We urge PJM to look for ways to accomplish this. One possible solution would be an early Partial Order 1920 Compliance filing to implement only "Section IV. Coordination of Regional Transmission Planning and Generator Interconnection Processes." Doing so would allow some of the major upgrades required to serve load that will show up first in the interconnection studies, to be properly moved into the next RTEP. The remainder of Order 1920 compliance could be filed on PJM's original schedule.

PJM also presented its proposal for SIS tariff changes. While the removal of the single sentence is a good first step, it is insufficient. We are concerned that the remaining language regarding "material impacts" could be too restrictively applied, given no definition for the term and PJMs past narrow view on SIS applications. SIS has the potential to unlock significant new resources. The presentation by Sarah Toth Kotwis, PhD, RMI, Miles Farmer, Miles Farmer PLLC, and Sarah Yasutake, Gabel Associates at the MC on November 21st, outlined a path forward for PJM SIS that is modeled on that in SPP. We urge PJM to adopt this approach and facilitate the untapped potential of SIS to help meet the reliability challenge. At the very least, as part of the RRI, we ask that PJM specify what might be a material impact, and to put forward a short timeline for making the appropriate manual changes.

Best regards,

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