



PJM oversees the interconnection to the grid of new and upgraded generation resources, performing planning analyses and coordinating with Transmission Owners to ensure system reliability and generation deliverability to all PJM customers.

All projects are treated equally, regardless of size, location or fuel.

As renewable generation development has soared, the type of new projects has shifted from a limited number of large resources to thousands of requests for smaller, dispersed renewable energy projects.

As a result, the number of projects entering PJM’s New Services Queue has ballooned, and PJM worked with stakeholders to find ways to improve the interconnection process.

### Interconnection Process Reform

After a yearlong extensive engagement of stakeholders, PJM filed and received approval in 2022 from the Federal Energy Regulatory Commission to implement new rules for a more efficient and timely process of handling New Service Requests.

The reforms transition PJM from a “first-come, first-served” serial queue approach to a “first-ready, first-served” cycle approach.

PJM began transitioning to the new process in July 2023. The transition is designed to study approximately 260,000 MW in projects before the new rules are fully implemented in 2026.

### The Steps of the Process

The interconnection process begins when a party proposing a new generating resource – or an increase in the capability of an existing generating facility – submits an interconnection request to PJM.

The process continues:

- **Proposal** – New project proposals are entered into a cycle by the deadline announced six months in advance.
- **System Impact Study** – PJM conducts multiple impact studies to perform detailed analyses and develop planning estimates for system upgrade costs and timing.
- **Interconnection Facilities Study** – Detailed design work is performed for all required network transmission upgrades and attachment facilities.
- **Generation Interconnection Agreement** – A Generation Interconnection Agreement is executed among the generation developer, the Transmission Owner to which the generator will be connected, and PJM. The agreement establishes the terms and conditions that will govern the interconnection and the rights that accrue to the generation developer.

### Key Facts

- PJM administers the interconnection of new and upgraded generation resources.
- PJM performs planning analyses to ensure system reliability and generation deliverability to all PJM load.
- In July 2023, PJM began transitioning to a more efficient and timely process of handling New Service Requests.
- PJM does not approve projects. It studies a project’s impact on the grid and the costs to interconnect.
- The project developer pays for the studies.
- New projects are reviewed in PJM’s long-range Regional Transmission Expansion Planning process.





### ***How Costs Are Assigned***

PJM does not approve projects. It studies a project's impact on the grid and the costs to interconnect it while meeting reliability standards. The project developer pays for these studies.

PJM's studies determine any required upgrades that would not otherwise be necessary but for the interconnection of the new generator.

New generators are responsible for paying the cost of the facilities needed to interconnect the generator to the grid, as well as the cost of any transmission upgrades needed to deal with the impact to the system of the generator's interconnection.

The interconnection process places increasing financial obligations on the developer, and it is up to the developer to evaluate these costs in terms of the project's viability. Developers may withdraw a project at each decision point.

### ***The Regional Transmission Expansion Planning Process***

PJM plans the expansion and enhancement of the grid on a regional basis.

The long-range Regional Transmission Expansion Planning (RTEP) process uses a 15-year planning horizon to determine what changes and additions to the system are needed to maintain and enhance reliability.

Because the planned interconnection of new generating units and proposed increases in the output capability of existing generating units affect the overall operation of the grid and its reliability, they are reviewed as part of the RTEP process.

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