

## Capacity Interconnection Rights for Variable Resources

### Issue Source

This issue is being transferred from the Capacity Capability Senior Task Force to the Planning Committee, at the request of the CCSTF.

### Issue Content

This effort will ensure the appropriate application of CIRs to Generation Capacity Resources, with an emphasis on ELCC Resources. More specifically, this effort will address the initial assignment of CIRs, the retention of CIRs, the inclusion of CIRs in resource adequacy studies and in the role of CIRs in determining a resource's UCAP.

### Key Work Activities and Scope

- 1) Provide educational sessions on the status quo policies for CIRs for all Generation Capacity Resource types.
- 2) Develop and achieve consensus on fundamental, equitable and consistent principles that define the purpose and role of CIRs.
- 3) Develop enhancements to CIR request and retention policies for all Generation Capacity Resources. Such potential enhancements could include establishing new metrics and/or requirements in requesting and retaining CIRs.
- 4) Provide high-level education on ELCC as it relates to CIRs (detailed ELCC education was covered at the Capacity Capability Senior Task Force: <https://www.pjm.com/committees-and-groups/task-forces/ccstf.aspx>).
- 5) Determine how CIRs should be considered in resource adequacy studies and in the ELCC analyses. Potential enhancements could include incorporating CIRs upfront into the ELCC Portfolio UCAP and ELCC Class UCAP calculations and considering CIRs when allocating ELCC Class UCAP to individual ELCC Resources.
- 6) Determine how new policies will be applied to existing and planned resources.
- 7) Meet all informational needs referred to the Planning Committee in PJM's response to FERC's deficiency letter (Docket ER21-278) related to the interplay between ELCC UCAP and CIRs

### Definitions

The following definitions (which match PJM's October 30, 2020 ELCC RAA filing) will be used for the purposes of this stakeholder process unless such definitions are required to be changed based on FERC's ruling in that proceeding in which case we will use the FERC approved definitions:

**"Accredited UCAP"** means the quantity of Unforced Capacity, as denominated in Effective UCAP, that an ELCC Resource is capable of providing in a given Delivery Year.

**"ELCC Resource"** means a Generation Capacity Resource that is a Variable Resource, a Limited Duration Resource, or a Combination Resource.

**"Combination Resource"** means a Generation Capacity Resource that has a component that has the characteristics of a Limited Duration Resource combined with (i) a component that has the characteristics of an Unlimited Resource or (ii) a component that has the characteristics of a Variable Resource.

“**Limited Duration Resource**” means a Generation Capacity Resource that is not a Variable Resource, that is not a Combination Resource, and that is not capable of running continuously at Maximum Facility Output for 24 hours or longer. A Capacity Storage Resource is a Limited Duration Resource.

“**Variable Resource**” means a Generation Capacity Resource with output that can vary as a function of its energy source, such as wind, solar, run of river hydroelectric power without storage, and landfill gas units without an alternate fuel source. All Intermittent Resources are Variable Resources, with the exception of Hydropower with Non-Pumped Storage.

“**Unlimited Resource**” means a generating unit having the ability to maintain output at a stated capability continuously on a daily basis without interruption. An Unlimited Resource is a Generation Capacity Resource that is not an ELCC Resource.

### *Out of Scope*

- 1) The interconnection process is out of scope to the extent it is not relevant to answer whether to revise the eligible amount of CIRs that can be requested by ELCC Resources.
- 2) Changes to the ELCC analysis are out of scope, except as described above and as needed to accommodate the scope described above.
- 3) Winter CIRs are out of scope.
- 4) Energy market and real-time operation considerations.

### **Expected Deliverables**

- 1) Educational materials
- 2) Proposed revisions to PJM business manuals
- 3) If needed, proposed revisions to governing documents and FERC filing

### *Decision-Making Method*

Tier 1, consensus on a single proposal.

### **Stakeholder Group Assignment**

Planning Committee Special Sessions.

### **Expected Duration of Work Timeline**

In time for calendar year 2022, to be effective in time for the 2024/25 Base Residual Auction.

<b>Start Date</b>	<b>Priority Level</b>	<b>Timing</b>	<b>Meeting Frequency</b>
2/1/2021	<input type="checkbox"/> High <input checked="" type="checkbox"/> Medium <input type="checkbox"/> Low	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> Near Term <input type="checkbox"/> Far Term	<input type="checkbox"/> Weekly <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly



**Charter**

<input type="checkbox"/>	This document will serve as the Charter for a new group created by its approval.
<input checked="" type="checkbox"/>	This work will be handled in an existing group with its own Charter (and applicable amendments).

*More detail available in M34; Section 6*