

# Capacity Interconnection Rights for Effective Load Carrying Capability Resources Issue

Special PC Meeting

August 23, 2022

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## WHERE DID WE START?

- Effective Load Carrying Capability (ELCC) proposal was developed by the Capacity Capability Senior Task Force (CCSTF) and endorsed by the Markets & Reliability Committee and Members Committee on September 17, 2020.
- Stakeholders, with FERC concurrence, agreed to defer the impact of adoption of ELCC relative to the appropriate amount of Capacity Interconnection Rights (CIRs).
- On July 30, 2021, PJM received FERC approval to recognize the intermittent nature of renewable resources in our capacity market through adoption of an ELCC analysis.
- Starting April 20, 2021, the CCSTF transferred the assignment to determine the appropriate application of CIRs to ELCC Resources as part of Special Planning Committee CIR for ELCC sessions.

## WHERE ARE WE NOW?

**We've held 18 Special PC Sessions on this issue starting in April 2021.**

Current solution packages align on the rules around the long-term solution to evaluate intermittent resource deliverability on the injection level necessary to support the ELCC value.

**Differences still remain on how to transition from existing rules to the new CIR for ELCC Resources rules.**

- The various transition packages:
  - Result in different answers to the question of who is required to pay for transmission upgrades associated with higher CIRs – generation or load
  - Impact the level of accreditation that existing renewable resources receive
- Some packages can delay availability of higher accreditation, which causes increased capacity costs borne by load.

## WHERE ARE WE GOING?

**During and after the June 24 Special PC meeting, we heard feedback on:**

- Lack of clarity on various PJM cost analyses
- Concerns about the PJM transition package
- Legitimacy of ISA holders' claim to receive higher CIRs

Since the June meeting, PJM took time to:

- **Clarify its cost analyses** – posted today as informational but open for feedback and further discussion
- **Develop additional solution proposals** based on stakeholder feedback
- **Develop a draft “considerations” document** – posted today as informational but open for feedback and further discussion
- **Schedule additional meetings** to ensure adequate time for additional input and feedback

PJM has posted the additional solution proposals as well as the informational documents to provide factual information that stakeholders can use in deciding which proposal to move forward with.

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