

Package	Details	CIR + Accreditation Wind Example*	Transitional Cost to Load	Considerations
<p><b>Original PJM Package A</b> (Last seen 9/21/2021 in the matrix)</p>	<ul style="list-style-type: none"> <li>Requires all generators, including those with an ISA, to get back into the queue if they would like higher CIRs</li> <li>Load does not have to pay for transmission baseline upgrades associated with higher CIRs.</li> <li>No transmission headroom capability study prior to BRAs during the transition period</li> <li>A 2023/2024 BRA sensitivity simulation showed incremental cost to load of replacing this UCAP would be on the order of \$139 M for one year (five-year total of \$695 M during transition period).</li> </ul>	<p>ISA CIR = 13% MFO Non-ISA CIR = 13% MFO</p> <p>ISA AUCAP = 9% MFO Non-ISA AUCAP = 9% MFO</p>	<p>\$0.695 B capacity costs</p> <p>Load costs alone are inappropriate for BCA. These are just shifts of costs between supply and load or between different suppliers.</p>	<ul style="list-style-type: none"> <li>Consistent with cost causation principles</li> <li>No cost shifting from new to existing resources</li> <li>All capacity is supported by CIRs</li> <li>Would not introduce No delays in queue transition and is straightforward to implement</li> <li>Potentially viewed as not accounting for ISA-holder claims to existing headroom</li> <li>Immediate reduction in AUCAP for wind and solar resources to only capacity supported by CIRs that are deliverable and are eligible to participate in RPM for an approximate five-year period</li> <li>Non-discriminatory</li> <li>Appropriately recognizes there is no Tariff, RAA, or OA provisions articulating claims by existing resources to any headroom on transmission</li> </ul>
<p><b>E-Cubed Package G</b></p>	<ul style="list-style-type: none"> <li>Requires all generators, including those with an ISA, to get back into the queue if they would like higher CIRs</li> <li>Load does not have to pay for transmission baseline upgrades associated with higher CIRs.</li> <li>No transmission headroom capability study prior to BRAs during the transition period</li> <li>Allows Fast Track wind and solar resources to request additional CIRs, but be bumped to Transition Cycle 1</li> <li>Allows Transition Cycle 1 and 2 queue resources to request additional CIRs</li> <li>Allows for CIR Transfers from retired resources to new resources at the same POI and immediately go into the next available cycle without waiting as the CIRs will be modeled anyway</li> </ul>	<p>ISA CIR = 13% MFO Non-ISA CIR = 13% MFO</p> <p>ISA AUCAP = 9% MFO Non-ISA AUCAP = 9% MFO (AUCAP values are examples only. Actual values are likely less)</p>	<p>\$0.695 B capacity costs</p> <p>Load costs alone are inappropriate for BCA. These are just shifts of costs between supply and load or between different suppliers</p>	<ul style="list-style-type: none"> <li>Provides Fast Track wind and solar resources opportunity to increase CIRs at the start of Transition Cycle 1</li> <li>Could introduce No delays in queue process as Fast track and Transition Cycle queue resources will be studied de novo</li> <li>Potentially viewed as not accounting for ISA-holder claims to existing headroom</li> <li>Immediate reduction in AUCAP for wind and solar resources to only capacity supported by CIRs that are deliverable and are eligible to participate in RPM for an approximate five-year period</li> <li>See Original PJM Package A above for other considerations</li> </ul>

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<b>LS Power Package E</b>	<ul style="list-style-type: none"> <li>Requires all generators, including those with an ISA, to get back into the queue if they would like higher CIRs</li> <li>Load does not have to pay for transmission baseline upgrades associated with higher CIRs.</li> <li>No transmission headroom capability study prior to BRAs during the transition period</li> <li>A 2023/2024 BRA sensitivity simulation showed incremental cost to load of replacing this UCAP would be on the order of \$139 M for one year (five-year total of \$695 M during transition period).</li> </ul>	<p>ISA CIR = 13% MFO Non-ISA CIR = 13% MFO</p> <p>ISA AUCAP = 9% MFO Non-ISA AUCAP = 9% MFO</p>	<p>\$0.695 B capacity costs</p> <p>Load costs alone are inappropriate for BCA. These are just shifts of costs between supply and load or between different suppliers</p>	<ul style="list-style-type: none"> <li>Appears consistent with cost causation principles</li> <li>Would not introduce delays in queue transition and is straightforward to implement</li> <li><del>Potentially viewed as not accounting for ISA-holder claims to existing headroom</del></li> <li>Immediate reduction in AUCAP for wind and solar resources <b>to only capacity supported by CIRs that are deliverable and are eligible to participate in RPM for an approximate five-year period</b></li> <li>See Original PJM Package A above for other considerations</li> </ul>
<b>PJM Package D</b>	<ul style="list-style-type: none"> <li>Wind and solar generators with an ISA are granted higher CIRs to maintain their UCAP without having to get back into the interconnection queue.</li> <li>Load pays for transmission baseline upgrades associated with Fast Track projects (\$0.7 B) and Transition Cycle 1 projects (\$1.3 B) totaling \$2.0 B.</li> <li>A 2023/2024 BRA sensitivity simulation showed incremental cost to load of replacing this UCAP would be on the order of \$139 M for one year (five-year total of \$695 M during transition period).</li> <li>Active wind and solar queue units must get back into the queue if they would like higher CIRs.</li> <li>Eligible wind and solar queue units are allowed to use excess transmission headroom for Base Residual Auction (BRA) during transition period.</li> </ul>	<p>ISA CIR = 39% MFO Non-ISA CIR = 13% MFO</p> <p>ISA AUCAP = 13% MFO 9% ≤ Non-ISA AUCAP ≤ 13% MFO</p>	<p>\$2.0 B transmission costs</p> <p>Ignores transfers and cost shifting from existing resources to new resources</p>	<ul style="list-style-type: none"> <li><b>Inappropriately M-maintains</b> AUCAP for ISA resources <b>above ISA CIRs</b></li> <li>Potential complications with queue reform transition period if FERC delays or rejects Interconnection Queue Reform since solution is tied specifically to Fast Track (FT) and Transition Cycle 1 (TC1)</li> <li><b>Inappropriately A-addresses</b> capacity market impact (estimated five-year transition period) by conducting annual transmission headroom allocation study prior to each BRA, <b>ensuring accreditation is not artificially lowered inflated by capacity not supported by CIRs when transmission headroom is available</b></li> <li><b>Complex to implement (pseudo baseline upgrades)</b></li> </ul>

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<b>PJM Package H (NEW)</b>	<ul style="list-style-type: none"> <li>Same as Package D, but load pays only for transmission baseline upgrades associated with Fast Track projects totaling \$0.7 B.</li> </ul>	ISA CIR = 39% MFO Non-ISA CIR = 13% MFO  ISA AUCAP = 13% MFO $9\% \leq \text{Non-ISA AUCAP} \leq 13\% \text{ MFO}$	\$0.7 B transmission costs <i>Ignores transfers and cost shifting from existing resources to new resources</i>	<ul style="list-style-type: none"> <li>Same considerations as in Package D</li> <li>Achieves better balance of cost allocation between generation and load compared to Package D since changes are implemented as part of Interconnection Queue Reform TC1 instead of TC2</li> <li>Risk that FERC may not accept PJM modifying TC1 assumptions impacting queue reform</li> <li>Risk that TC1 base case will be needed before RTEP can be completed under proposal</li> <li>Challenges for PJM to create case in advance of TC1 and implement Interconnection Queue Reform and ELCC/CIR simultaneously</li> </ul>
<b>Eolian Package F</b>	<ul style="list-style-type: none"> <li>Same as Package D except limited-duration resources in the queue that requested CIRs based on the 10-hour rule will have a one-time opportunity upon implementation of the new procedures to increase their CIR request amount at their existing queue position.</li> </ul>	ISA CIR = 39% MFO Non-ISA CIR = 13% MFO  ISA AUCAP = 13% MFO $9\% \leq \text{Non-ISA AUCAP} \leq 13\% \text{ MFO}$	\$2.0 B transmission costs	<ul style="list-style-type: none"> <li>Same considerations as in Package D</li> <li>Provides batteries one-time opportunity to increase CIRs at their current queue position</li> </ul>
<b>PJM Package I (NEW)</b>	<ul style="list-style-type: none"> <li>Same as Package E but with annual transmission capability study prior to each BRA for eligible wind and solar during transition period</li> </ul>	ISA CIR = 13% MFO Non-ISA CIR = 13% MFO  $9\% \leq \text{ISA UCAP} \leq 13\% \text{ MFO}$ $9\% \leq \text{Non-ISA AUCAP} \leq 13\% \text{ MFO}$	\$0.695 B capacity costs <i>Load costs alone are inappropriate for BCA. These are just shifts of costs between supply and load or between different</i>	<ul style="list-style-type: none"> <li>Similar considerations as in Package E</li> <li>Addresses capacity market impact (estimated five-year transition period) by conducting annual transmission headroom allocation study prior to each BRA, ensuring accreditation is not artificially lowered when transmission headroom is available</li> <li><i>Headroom allocation not supported by CIRs for capacity purposes</i></li> </ul>

1. \*"ISA CIR" pertains to a resource that has an ISA as of the effective date of the proposal and "Non-ISA CIR" pertains to a resource that does not have an ISA as of the effective date of the proposal.
  2. "MFO" = Maximum Facility Output
  3. "AUCAP" = Accredited UCAP
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