

Enhancing Capacity Interconnection Rights (CIR) Transfer Efficiency

Issue Source

East Kentucky Power Cooperative and Elevate Renewable Energy

Issue Content

PJM's process for deactivating resources to transfer their Capacity Interconnection Rights (CIRs) is tied to the phases of the interconnection queue study process and is unchanged by the recently FERC approved reforms to the interconnection queue study process. The potential misalignment of the current process with a resource's deactivation timeline is exacerbated by the current queue backlog that led to the FERC approved reforms creating a transition process and pushing out implementation of the new reformed interconnection process to at least 2026. Any generation resource that announces deactivation has one year post deactivation to initiate the CIR transfer process; any deactivations that are announced between now and 2025+ will not have been studied by PJM and would be placed in cycle #1 (or later cycle) of the new process. As such, resource owners are likely to experience a gap between the desired date of deactivation and the date a new resource could commence operation, resulting in cost and reliability concerns.

Additionally, the current Open Access Transmission Tariff (Tariff) provisions, and related defined terms included in the Reliability Assurance Agreement (RAA), governing the CIR transfer process should be clarified to reduce confusion as to which capacity resource types the CIR transfer process applies. The CIR transfer process rules should apply to all energy-injecting capacity resource types – thermal, renewable, and energy storage.

Key Work Activities and Scope

1. Education on PJM's process (including the reliability analysis PJM must perform and responsibility for transmission reinforcements that may be needed) for transferring CIRs from deactivating generation resources to replacement resources.
2. Develop a solution that enhances PJM's process for transferring CIRs from deactivating resources that both improves the efficiency of the process and clarifies that it applies to all energy-injecting capacity resource types.

Expected Deliverables

1. Revisions to PJM's OATT and RAA (definitions)
2. Potential conforming manual changes

Out of Scope

Changes to the current process of transferring CIRs when the replacement resource locates at a different POI from the existing deactivating resource.

Decision-Making Method

Tier 2

Stakeholder Group Assignment

PJM Interconnection Process Subcommittee

Expected Duration of Work Timeline

It is estimated this work will take 6 months. The work will begin as soon as the Issue Charge is approved.

Start Date	Priority Level	Timing	Meeting Frequency
6/26/2023	<input checked="" type="checkbox"/> High <input type="checkbox"/> Medium <input type="checkbox"/> Low	<input checked="" type="checkbox"/> Immediate <input type="checkbox"/> Near Term <input type="checkbox"/> Far Term	<input type="checkbox"/> Weekly <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly

Charter

(check one box)

<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