Clearway Energy Group
100 California St, Suite 650
San Francisco, CA 94111

To: PJM Stakeholder Affairs Team

November 27, 2024

Via E-mail (StakeholderAffairsTeam@pjm.com)

Re: PJM's Nov. 21, 2024 Proposed Tariff Revisions for the Reliability Resource Initiative

Dear PJM Stakeholder Affairs Team:

Clearway Energy Group (Clearway)[1] appreciates the opportunity to provide feedback on PJM's proposed Reliability Resource Initiative (RRI). Clearway is a clean energy IPP that develops, owns, and operates utility-scale onshore wind, solar, and battery storage. Clearway owns & operates a 568 MW (nameplate) fleet of wind projects in WV, MD & PA. We also have active queue positions in PJM that would be impacted by queue-jumping facilitated by RRI.

Clearway shares the concerns of the Clean Energy Associations, as articulated in their November 22nd letter to Mark Takahashi and Manu Asthana. We are also glad to see PJM's commitment to advancing reforms to Surplus Interconnection Service and establishing a fast-track study process for replacement generation resources (through the CIR Transfer Efficiency reforms)—both of which remove important barriers to accelerated entry of accredited capacity that can contribute to near-term RA needs. We urge PJM to think creatively about actions it can take to unlock accredited capacity in the near-term while avoiding harmful impacts from queue-jumping.[2]

---

[1] Clearway Energy Group is leading the transition to a world powered by clean energy. Along with our public affiliate Clearway Energy, Inc., our portfolio comprises approximately 11.4 GW of gross generating capacity in 26 states, including 9 GW of wind, solar, and energy storage assets, and over 2.4 GW of conventional dispatchable power generation providing critical grid reliability services. As we develop a nationwide pipeline of new energy projects for the future, Clearway's fleet of emissions-free assets generates enough reliable electricity to power more than 2 million homes today. Clearway Energy Group is headquartered in San Francisco with offices in Denver, Houston, Phoenix, Princeton, and San Diego.

[2] For example, PJM could serve an important role in resolving delays impacting the 40+ GW of projects with signed GIAs. While many of the causes of these delays do not fall within PJM's direct authority, as Transmission Provider and administrator of the queue, PJM is uniquely situated with the information and

However, if PJM proceeds with filing its RRI proposal at FERC, PJM should consider targeted revisions to its proposal to:

- Tailor eligibility requirements to ensure projects selected are materially contributing to the RA need while limiting harm to existing TC2 and later-queued projects (section 1); and
- Refine its scoring methodology to ensure that RRI is selecting the most "shovel-ready" projects (section 2).

1. PJM should tailor eligibility requirements to ensure projects selected are materially contributing to the RA need while limiting harm to existing TC2 and later-queued projects.

Clearway is concerned that the proposed eligibility requirements are insufficiently tailored, which risks inflicting undue harm on existing TC2 projects without appreciable benefit to achieving near-term RA objectives. We recommend the following changes to strike a more reasonable balance between these interests:

- Size of RRI Cohort (redlined tariff § 306(E).3): PJM's proposal to limit RRI to 50 projects is relatively unbounded, because it neither limits entry to a predefined amount of accredited capacity PJM nor requires entry in-service by a firm date. PJM should link the size of the RRI cohort to the MW shortfall of accredited capacity predicted by 2029/30. If PJM wishes to exceed that shortfall by a certain amount to account for uncertainty in load growth, resource retirements, and possible attrition of RRI projects, it should pick a reasonable percentage of that minimum need by which to overshoot. Establishing a clear limit on the size of the RRI cohort would, in turn, mitigate possible harms to other queued customers (in TC2 and later cycles) as compared to an unbounded RRI cohort.

- Minimum Project Size (redlined tariff § 306(E).4.a.i): PJM should increase the requirement for RRI projects to provide a minimum of 10 MW of accredited capacity to a minimum of 25 MW. This would ensure that projects accessing this disruptive queue-jump opportunity are providing material contributions to RA as opposed to *de minimis* accredited capacity.
- Allocation of Withdrawal Penalties (unaddressed in redlined tariff): Where an RRI project withdraws, PJM should allocate the proceeds of any withdrawal penalties (after paying for actual study costs) to reduce shared upgrade costs for "legacy" TC2 projects. Other

---

relationships to convene important and timely discussions focused on how to address supply chain issues affecting both interconnection customers and TOs, siting and permitting delays, etc.

RRI projects should not benefit from these proceeds, given the substantial advantage they have already been afforded in being allowed to queue-jump.

- Capacity Market Must-Offer Obligation (redlined tariff § 306(E).6): The proposed tariff language does not address the scenario where an RRI project executes a GIA and then terminates the agreement. PJM should add provisions that impose a credible obligation on RRI projects upon executing a GIA to deliver the promised capacity (whether from the RRI project or through capacity to be procured bilaterally) or face substantial penalties. As with penalties for withdrawing from the queue, PJM should allocate the proceeds of any such penalties to reduce shared upgrade costs for "legacy" TC2 projects.

2. PJM should refine its scoring methodology to ensure that RRI is selecting the most "shovel-ready" projects.

Clearway is also concerned that the proposed scoring methodology may not, in practice, select the most "shovel-ready" projects. Given the inherent harms to TC2 and later-queued projects of allowing a one-time queue jump, the scoring details matter. We recommend the following changes to increase the likelihood of selecting projects most capable of delivering accredited capacity to avoid near-term RA shortfalls:

- Scoring for Headroom (redlined tariff § 306(E).4.b.iii): PJM should assign a greater weighting to headroom. The need for network upgrades is likely to be a determining factor for an RRI project's ability to COD by the need-by date of 2029+. Allocating only 10 points to this factor unreasonably discounts the risks associated with an RRI project triggering substantial network upgrades, which could be hamstrung by the same delays that today are affecting other generation projects with signed GIAs.
- Scoring for Critical Path Construction Schedule (redlined tariff § 306(E).4.b.i):
    - Interaction with Headroom Scoring: RRI projects that require additional headroom (as determined through the Headroom subcategory) should not be eligible for a base score of more than 0.6 in the Critical Path Construction Schedule subcategory, to reflect the realities of network upgrade timelines.
    - Adder for Documentation:
        - Clarity of Rules: PJM proposes an adder of 0.2 base points for submitting documentation that substantiates the proposed critical path construction schedule. The proposed tariff language is too subjective, leaving substantial discretion to PJM in awarding this adder. PJM should instead clarify the language to indicate the minimum acceptable documentation standards to secure this adder. For example, would PJM accept even a single document (e.g., agreement, lease, contract, permit)? The adder

should instead be limited to very clear, "bright line" tests such as documentation of *all* discretionary permits required for the project, an executed purchase order for the major equipment, or documentation of existing interconnection infrastructure (see RRI Uprate comment below).

  - Site Control: Site control is already a minimum standard for queue entry; documentation of site control should not be associated with adders, but remain a minimum requirement.

- Scoring for RRI Uprates (redlined tariff § 306(E).4.b.ii): Because the proposed tariff does not define the terms "Base Project," "New Project," and "RRI Uprate," the language in this section is ambiguous as to whether it would accommodate "expansions." Clearway considers an "expansion" a scenario wherein accredited capacity can be added behind the same point of interconnection as an existing operating project to expand total CIRs. Notably, this scenario would involve exceeding the CIR envelope of the existing project, making it distinct from opportunities available through Surplus Interconnection Service.

  For example, an existing operating project may have unused land and available interconnection facilities to support deployment of standalone energy storage. That existing infrastructure indicates a higher level of project viability and should be viewed equally to more traditional uprate opportunities. PJM should thus revise this section to define an RRI Uprate to include such "expansions."

3. Conclusion

Thank you for the opportunity to provide this feedback. Please do not hesitate to contact me if you have any questions.

Sincerely,

John Miller
Director, Market Policy
Clearway Energy Group
john.miller@clearwayenergy.com
240-630-2201 cell