

INTRODUCTION

Five design components have been identified for solutions options proposed to address the CIRs for ELCC Resource's Issue Charge should consider.

- Design Component #1: CIR request policy
- Design Component #2: CIR verification, testing, and retention policy
- Design Component #3: CIRs in ELCC methodology and Accredited UCAP calculation
- Design Component #4: Implementation/effective date
- Design Component #5: Transition mechanism

SOLUTION OPTIONS

Three solution options have been proposed so far as part of the CIRs for ELCC Resources Issue Charge.

- PJM's Solution Option A
- Clearway's Solution Option B
- EDF's Solution Option C

PJM's Solution Option A is a comprehensive solution that addresses each design component and has the following primary considerations.

- Design Component #1: CIR requests should be initially set at a level that ensures any resource's UCAP is fully deliverable over a broad range of summer hours. While this level should be set high enough to ensure the UCAP is fully deliverable, it should not so high that the CIRs are not expected to be used periodically. The purpose of this change is address concerns that the status quo approach does not adequately ensure the UCAP for Variable Resources is deliverable and does not account for new duration rules for storage. Interconnection Customers that do not want full deliverability can request a reduction to the unit's CIRs according to existing tariff rules.
- Design Component #2: CIR retention policies should be set over a broad range of summer hours and ensure that the CIRs are used at least once during a rolling three year period. This will demonstrate that the CIRs are not underutilized. The general principle under this retention policy is that CIRs should be reduced if they are not being used.
- Design Component #3: CIRs should be applied to cap hourly outputs in the ELCC calculations and set an upper limit on AUCAP. This approach will ensure that only certified deliverable MW are counted toward resource adequacy and UCAP accreditation.
- Design Component #4: PJM expects that minimal implementation time will be required to implement Solution Option A, but the time will vary for different processes impacted by the changes.
- Design Component #5: CIRs will be established as an upper limit for the 24/25 Delivery Year if the current stakeholder process can be wrapped up and necessary approvals of manual and governing document changes to implement Solution Option A can be made in a timely manner. Any developer that would like additional CIRs will need to reenter the queue.

Clearway's Solution Option B accepts certain design components from PJM's Solution Option A and proposes changes to several of the design components.

- Design Component #1: Similar to PJM's Solution Option A except that Clearway proposes that a lower limit to CIR requests be established based on the "ELCC equivalent of desired UCAP level".
- Design Component #2: Same as PJM' Solution Option A.
- Design Component #3: Actual hourly resource output will be used in all calculations
- Design Component #4: Same as PJM's Solution Option A.
- Design Component #5: Additional CIRs can be requested through the PJM queue process immediately upon approval of the solution package developed in this stakeholder process. CIRs will become binding for ELCC and UCAP purposes (Design Component 3) for the future Delivery Year when a resource requesting additional CIRs through the PJM queue process within 90 days of approval of the solution package developed in this stakeholder process can reasonably expect to receive its CIR awards.

EDF's Solution Option C accepts certain design components from PJM's Solution Option A and proposes changes to several of the design components.

- Design Component #1: Same as PJM' Solution Option A.
- Design Component #2: Similar to PJM' Solution Option A with the following exception. If a resource's maximum output occurs during hours where PJM curtailed the resource by dispatching it below its maximum output, PJM will allow the resource to schedule a test to demonstrate its unmitigated potential. For example, a resource with a high CIR value in an area where over time additional resources with fewer CIRs are added, the resource may not be able to demonstrate its maximum production due to market curtailment.
- Design Component #3: A resource's UCAP value should be based on the lesser of the Class ELCC% * resource performance adjustment or the CIR value. The resource performance adjustment will be calculated as currently described in RAA, Schedule 9.1 (F)(2)(a) and will not consider the CIR value of the resource.
- Design Component #4: Same as PJM's Solution Option A.
- Design Component #5:
 - Allow for a one time expedited process for current queue projects to adjust CIR level. Expedited queue proposal 1: allow projects in the queue to reduce Maximum Facility Output down to CIR value without corresponding percentage reduction in CIRs (e.g. do not multiply lower MFO by capacity factor % to adjust CIRs).
 - Allow for a one time expedited process for operational or current queue projects to adjust CIR level. Expedited queue proposal 2 (can be additive): using the latest queue, give a deadline for projects to request additional CIRs; then study max CIRs increases possible without additional upgrades; some POI could absorb more CIRs without additional upgrades; they could be granted if no impact/ requiring no additional upgrades. This outcome could help operational projects too.

