UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

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PJM Interconnection, L.L.C.

Docket No. ER25-712-000

MOTION TO INTERVENE AND COMMENTS IN SUPPORT OF THE MARYLAND LABOR GROUP

The Maryland Labor Group¹ hereby moves to intervene and express its support for PJM Interconnection, L.L.C.'s (PJM) "Tariff Revisions for Reliability Resource Initiative" (the RRI Filing) submitted to the Federal Energy Regulatory Commission (Commission) on December 13, 2024, in the above-captioned docket. The Commission should accept the RRI Filing as just, reasonable and not unduly discriminatory by February 11, 2025, as requested by PJM.

I. BACKGROUND

After more than a decade of relatively flat demand growth for electricity and sufficient supply resources, PJM is experiencing increasing resource adequacy concerns as a result of numerous factors including that load in PJM is expected to grow at a time of increasing retirements of highly reliable thermal resources. PJM's queue for interconnecting new generators is overwhelmed with requests and largely comprised of intermittent resources. PJM has engaged in numerous efforts aimed at responding to these concerns. For example, to reduce the delays in studying and connecting new generation projects as result of the overwhelmed queue, PJM recently

¹ The Maryland Labor Group is comprised of the Mid Atlantic Pipe Trades Association (of the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada), the International Brotherhood of Electrical Workers Local 26, and the Iron Workers District Council of the Mid Atlantic States.

moved from a "first come/first served" paradigm to a "first ready/first served" paradigm² and is working under this new paradigm to process projects waiting in the queue as quickly as possible.

That change alone, however, is not enough to ensure that new reliable resources and upgrades to existing resources are developed and in operation in time to respond to the load growth, retirements and other concerns. Specifically, approximately 94 percent of the projects in PJM's current interconnection queue are intermittent resources, and according to PJM, such resources have "lower reliability values (as reflected in their Effective [sic] Load Carrying Capability values) based on their operating characteristics."³ PJM also notes that these resources operate with less certainty compared to thermal resources and have a historical completion rate of approximately 5 percent.⁴ As a result of the "combined effect of thermal generation retirements, their replacement by intermittent renewable resources with low completion rates, and greatly increased load growth," PJM has become increasingly concerned that it may not have sufficient new generation to ensure a reliable system as early as 2026.⁵

Thus, PJM developed the Reliability Resource Initiative (RRI) proposal as a means to expeditiously address resource adequacy concerns by allowing a small number of highly reliable, viable and available projects through its interconnection queue in time to meet PJM's growing needs. Specifically, the RRI proposal would include an additional 50 projects in PJM's next interconnection queue processing cycle, Transition Cycle #2, to facilitate additional entry as soon as 2028. PJM proposes an objectively-determined scoring system to select the 50 projects most likely to address PJM's resources adequacy concerns as quickly as possible. The RRI proposal

² RRI Filing at 2.

³ RRI Filing at 2.

⁴ RRI Filing at 8.

⁵ RRI Filing at 9.

would be open to all resources. PJM carefully tailored this one-time solution to expedite interconnection of "generation resources with significant Capacity and high reliability attributes that can help alleviate resource adequacy" *without* delaying projects already slated for study.⁶

As explained below, the Maryland Labor Group believes the RRI Filing will result in the timely development of highly reliable new resources and upgrades to existing resources in PJM, ensuring resource adequacy can be maintained to support economic development and the load growth that comes with it. Accordingly, we respectfully ask the Commission to accept PJM's RRI Filing as just, reasonable and not unduly discriminatory or preferential.

II. MOTION TO INTERVENE

The Maryland Labor Group is an ad hoc association of various skilled local construction trade labor organizations. Members of the Maryland Labor Group are highly trained professionals who fabricate, install, and service various energy and technology-related equipment and systems. These activities include constructing, servicing, and operating a wide range of facilities, including power plants, factories, data centers, public buildings, and other facilities throughout the footprint of PJM. The Maryland Labor Group will be directly affected by the outcome of this proceeding, and its interests cannot be represented adequately by any other party. Accordingly, the Maryland Labor Group respectfully moves to intervene in the above-captioned proceeding.

III. COMMENTS IN SUPPORT

PJM has recently changed its queue processing paradigm to a more efficient "first ready/first served" clustered approach and is working to process its backlog of interconnection requests submitted prior to October 2021. However, applications for new and upgraded resource interconnections submitted after October 2021 will not be studied until PJM completes those prior

⁶ RRI Filing at 10.

submissions. Thus, these more recent interconnection requests are not expected to "have effective interconnection-related service agreements until approximately mid-2028 at the earliest and therefore likely will not be constructed and in commercial operation until 2031."⁷ This delay is despite the fact that some of the projects that are awaiting processing and study are among the most reliable resources available to address PJM's resource adequacy concerns and are also highly likely to be developed quickly (i.e., they are "shovel-ready") once they are through PJM's interconnection request process.

PJM's RRI proposal will ensure that shovel-ready projects that are most likely to respond quickly to PJM's resource adequacy concerns can be quickly developed and put into operation. The objective criteria included in the RRI proposal will ensure that the focus is on projects expected to provide meaningful reliability "bang for the buck" by allocating points based on each projects' Unforced Capacity ratings and effective load carrying capability. The RRI proposal also seeks to focus on projects that are most viable (or "shovel ready") and likely to achieve commercial operation sooner than other projects, including awarding points for projects that: have near-term commercial operation dates, are uprates of existing resources, have more suitable locations (i.e., projects located in areas of greatest needs), or satisfy other factors indicating their viability.⁸ Collectively, these criteria will enable PJM to objectively determine the resources most likely to timely address its resource adequacy concerns and do so on a resources neutral, non-discriminatory basis.

In addition, in developing the RRI proposal, PJM has taken care to ensure that it will have little, if any, impact on its existing queue processing by carefully balancing the need to

⁷ RRI Filing, Affidavit of Donald Bielak at P 17.

⁸ RRI Filing at 30-33.

expeditiously process its current queue backlog against the need to address immediate resource adequacy concerns such as by limiting the number of projects that can be selected under RRI to 50 projects. The RRI proposal provides a process for PJM to study a limited number of shovel-ready projects in the near-term, while ensuring that the benefits of legacy projects in the queue are not displaced or delayed as a result of the RRI projects.⁹

Importantly, PJM has indicated that the RRI proposal could provide "at least 10 GW of reliable resources for the PJM Region."¹⁰ This significant level of shovel-ready projects expected through the RRI process would provide significant construction job opportunities during the development phase and long-term job opportunities to support ongoing facility operations and maintenance. Further, quickly developing these projects and having them available to deliver energy to the grid would support load growth and the economic opportunities – including new jobs – that come with that new energy production. Thus, PJM's targeted RRI proposal would support both grid reliability and economic development in the region. As such, the Commission should approve the RRI proposal within the timeframe PJM requested.

IV. CONCLUSION

The Maryland Labor Group respectfully requests that the Commission accept PJM's RRI Filing by February 11, 2025, as requested by PJM.

Respectfully submitted,

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⁹ RRI Filing at 10.

¹⁰ RRI Filing at 22 (footnote omitted).

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Dated: January 8, 2025

Counsel for the Maryland Labor Group

CERTIFICATE OF SERVICE

I hereby certify that I have on this 8th day of January, 2025, caused to be served a copy of the foregoing upon all parties on the service list in this proceeding in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure, 18 C.F.R.

§ 385.2010.

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