

ELCC-CIRS Proposal

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LS POWER

LS Power Group Overview

LS Power is a development, investment and operating company focused on the North American power and energy infrastructure sector

- **Founded in 1990, LS Power has over 250 employees** in NY, NJ, MO, TX and CA, beyond which its projects and businesses have **provided thousands of construction and operations jobs**
- **LS Power has raised over \$47 billion in debt and equity** (including over \$10 billion through its investment partnerships) **to finance and support energy infrastructure investments in the U.S.**
- LS Power actively invests in competitive power markets and
 - **Manages over 14,000 MW of generation capacity and over 4,000 MW of demand response and energy efficiency, for a total of over 18,000 MW throughout the US**
 - **Makes fuel neutral investments**, including solar, wind, battery energy storage, natural gas, hydro (both run-of-river and pumped storage), demand response and energy efficiency
 - **Leaders in distributed energy through EVgo** (the nation's largest fast charging platform for electric vehicles), **Endurant Energy** (provider of on-site energy and microgrid solutions in North America), **CPower Energy Management** (leading demand-side energy management company that helps commercial, industrial and government organizations save on energy costs, earn revenue through energy curtailment, enhance sustainability efforts, and contribute to a balanced, reliable grid)
 - **Invests over \$2 billion in high voltage transmission to support U.S. renewables and grid reliability**



Package D is Fundamentally Flawed- Concerns Raised

11/18/21

- Unduly Discriminatory and Preferential treatment of certain resources
- End-Run Around Commission rejection of grandfathering for existing ELCC projects
- Violates the Tariff and Interconnection Procedures

SPECIFICALLY:

- Socializes \$100MM costs of unit specific interconnection upgrades and rights
- Contemplates allowing these resources to “jump the queue” to get quick resolution
- FERC denied special treatment to grandfather existing resources impacted by the implementation of ELCC
- The ELCC is a capacity accreditation rule that did not amend the Tariff provisions regarding the interconnection process for generation units

PROPOSED NEW PACKAGE E (SIMILAR TO OLD PACKAGE A)

Elements of the Proposal

- Define CIRMW == SummerDelivMW (clarification of status quo)
 - PJM will reflect the modified capacity credits based on deliverability in the BRA assumptions and parameters
- Parties can designate CIRs/DELIVERABILITY up to the [P₇₀] or [P₈₀]
 - This is a maximum to be negotiated –
 - “X” to be determined by PJM
 - P(X) is the output level below which X% of the delivery occurs
 - The logic in capping is to prevent a type of hoarding as delivery level must increase in greater increments to capture lower and lower energy
 - The level could be set by technology type, region and technology or even unit (e.g. off-shore wind north of zzz)
- To confirm Deliverability –
 - “Y%” of the time production during peak periods equals or exceeds the designated deliverability/CIR level
 - Y value needs to be discussed, this is not an average, but indication of reasonable use of transmission. Complements notion of P(x)above

PACKAGE E, continued

- Resources that have cleared the BRA may bump to front of queue for the purposes of requesting more CIRs to keep AUCAP
- Resources that have not cleared the BRA but have executed an ISA may request more CIRs to keep AUCAP but are not bumped to front of queue
 - Effected Resources will have one time opportunity to designate higher CIR/Deliverability Level
 - They will follow all relevant interconnection queue processes in terms of required demonstrations, deposits and cost responsibility
- Energy above CIRs/Deliverability level will not be recognized for ELCC/AUCAP purposes
 - Summer and winter periods to be discussed with PJM
- Accreditation limited to the CIR/Deliverability level will start immediately (with or without ELCC)
 - The level of confirmed CIRs/Deliverability will NOT be adjusted downward until the new upgrades are in