

# Brandon Shores RMR Alternative

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# Background

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- April 2023 - Talen notifies PJM of its intent to retire the 1,270 MW Brandon Shores coal unit by June 2025
- June 2023 - PJM notifies Talen of reliability impacts of retiring Brandon Shores
  - Identifies nearly \$800 million in system upgrades to be completed by December 31, 2028
  - Requests that Talen agree to RMR arrangement in the meantime
- October 2023 - Talen notifies PJM of its intent to deactivate all units at H.A. Wagner

# PJM System Upgrades

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- \$780 million RTEP package
  - Two new high-voltage (500 kV and 230 kV) transmission lines
  - Three new high voltage substations and two substation expansions
  - Several voltage support devices (statcoms and capacitors)
- Initially approved by PJM Board as an immediate needs reliability project; later incorporated into 2022 RTEP W3 competitive solicitation window

**Is an RMR the only option to  
support reliability?**

# Brandon Shores RMR Alternative

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- Telos Energy and GridLab identified an alternative solution that avoids the need for a Brandon Shores RMR
- The alternative combines:
  - A new 800 MW 4-hour battery
  - Fast-tracked select transmission reinforcements that PJM has already approved (voltage support)
  - Reconducting a few 115 kV and 138 kV circuits
  - Retaining Wagner Units 3 and 4

[\*GridLab and Telos Energy February 2024 Analysis\*](#)

# Cost of RMR Alternative

- Leveraging Investment Tax Credit and wholesale market revenues, the Telos/GridLab alternative has an estimated net total cost of \$135-203 million

Item	Estimated Cost
Targeted Reconductoring	\$31 million
Battery (Capex – Tax Credits)	\$452 - \$603 million
20-Year Net Revenues (O&M cost - Revenue)	(-) \$348 – \$431 million
Total	\$135 - \$203 million

- Talen is seeking FERC approval of over \$600 million in RMR payments for Brandon Shores; could be significantly more if transmission upgrades are delayed beyond December 31, 2028

# Recent developments

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On May 3, PJM published its own [analysis](#) of the GridLab/Telos solution, finding deficiencies in the solution under two 2028 scenarios: with and without Wagner online.

[GridLab/Telos reaction](#) to PJM response:

- RMR alternative never intended to replace Wagner
- Inputs to PJM's 2028 model show remaining BG&E zone generating units offline, without explanation
- PJM overlooked parts of Telos analysis
- GridLab and Telos have requested that PJM test the Brandon Shores alternative fully utilizing Wagner and other BG&E zone generating assets

# How could RMR alternatives be developed?

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- Competitive process can be used to identify least-cost, least-risk, solution to address short-term reliability needs.
  - Requires PJM to define reliability need as transparently as possible, in technology-neutral terms.
  - Requires sufficient lead time for alternatives to be explored and developed (deactivation notice timing)
  - Must be open to all resource types, and combinations thereof
- States could take the lead on competitive solicitation, but there is precedent for an RTO acting in this role (e.g., NYISO).
- Illinois CUB and Maryland OPC propose expanding the scope of DESTF to explore solutions along these lines.



# Thank you!

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