

## Interconnection is key to achieving climate goals

PJM operates the United States' largest high-voltage electricity grid, spanning 13 states and the District of Columbia. PJM has a significant impact on energy policy in its member states, despite not being a policymaking authority itself. This is due to its purview over the transmission system and wholesale markets that determine the mix of energy sources powering homes and businesses throughout its territory.

PJM states have set some of the nation's strongest clean energy and emissions reduction targets, but PJM policies and operating rules can sometimes stand in the way of these ambitions. For states to achieve their crucial climate goals, the PJM process for assessing new electricity generation needs urgent reform.

### Stuck in the queue

All proposed new sources of electricity generation, such as wind, solar, or a natural gas plant, engage in a rigorous and complex interconnection process at PJM – designed to assess grid reliability and any infrastructure upgrades needed to connect renewable energy and ensure the lights stay on. In PJM, this is a lengthy and expensive endeavor, which often drags on so long that project proposals are withdrawn.

*There are currently 2,700 projects in the PJM interconnection queue, 95% of which are wind, solar, storage, or hybrid resources that are essential to meeting state climate targets. A recent analysis from Lawrence Berkeley National Laboratory found this backlog has grown 240% since 2019, while projected costs for projects in the queue are now eight times higher.<sup>1</sup>*

In December 2022, the Federal Energy Regulatory Commission (FERC) approved PJM-proposed reforms to its interconnection process, aimed at addressing these long wait times and high costs. The first phase is expected to begin in Spring 2023, with a goal to clear the 2,700 stalled projects within three years. During that time, PJM will not be accepting new interconnection requests, making it unlikely any new projects could be built in PJM before 2030. Uncertainty over PJM's ability to meet its new processing targets has resulted in some developers diversifying into other markets while the PJM queue is cleared.

While PJM's efforts are an important first step, additional reform is needed to bring clean energy resources online in a timely manner and ensure member states can access reliable, affordable, zero-carbon electricity.

<sup>1</sup>Lawrence Berkeley National Laboratory, "PJM Data Show Substantial Increases in Interconnection Costs," January 2023, <https://emp.lbl.gov/news/pjm-data-show-substantial-increases>



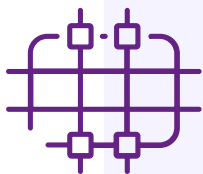
## States can drive critical reform

PJM member states can take an active role in driving necessary improvements to the outdated interconnection process through three key actions:



### ***Urge FERC to finalize proposed reforms***

The agency has proposed a set of interconnection reforms that would apply to all providers, including PJM. These would establish study deadlines, improve coordination between regions, and allow for the consideration of grid-enhancing technologies. States should encourage FERC to finalize these rules as soon as possible.



### ***Encourage FERC to go a step further***

Several other key reforms are required to repair the broken interconnection process and bring more clean energy resources online. These include standardizing the interconnection study process and increasing study transparency and predictability. The agency should also revisit its practice of requiring prospective new generators to bear the full cost of network upgrades, recognizing those upgrades often bring broader grid benefits.



### ***Work directly with PJM***

Member states can engage directly with PJM and advocate for an expedited review of the existing interconnection backlog, along with assurance that FERC-approved interconnection reforms are implemented. States can also support PJM staffing and resource needs that would speed the interconnection process and implementation of reforms.

For more information on Advanced Energy United's work on interconnection and engagement with Regional Transmission Organizations, **please contact Caitlin Marquis, Managing Director: [cmarquis@advancedenergyunited.org](mailto:cmarquis@advancedenergyunited.org)**



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