



Thursday, March 3, 2022

Commissioner David Reynolds
City of Chicago
Department of Assets, Information and Services

RE: City of Chicago Franchise for Electricity Delivery RFI

Dear Mr. Reynolds,

The American Clean Power Association (ACP) appreciates the opportunity to comment on the City of Chicago Franchise for Electricity Delivery RFI.

ACP works to champion policies that will transform the U.S. power grid to a low-cost, reliable, and clean power system. By uniting the power of wind, solar, transmission, and storage companies, along with manufacturers and construction companies, developers and owners/operators, utilities, financial firms and corporate purchasers, ACP seeks to make clean power the dominant energy source in the United States.

Clean energy is already operating at scale and ACP is working towards full decarbonization by 2035. Renewables, storage, and transmission will provide cost-effective solutions to sustainability goals while creating jobs, spurring massive investment in the American economy and driving high-tech innovation across the United States.

ACP's member companies have experience navigating the Illinois and PJM energy markets. ACP's members are working diligently in Chicago and PJM to meet the public's growing demand for cleaner electricity. Major corporations are focused on location decisions with access to advanced energy resources to power new factories, data centers and distribution facilities, driving significant clean energy development in Illinois.

However, ACP members have growing concerns over the obstacles inhibiting new energy resources from connecting to the transmission grid. **To facilitate Chicago and Illinois' commitments to build more clean energy, strengthen our energy infrastructure, and drive our modern economies, we urge you to support reforms of PJM's and Commonwealth Edison's interconnection processes.** As a regional and national leader in clean energy, with a goal of 100% renewables by 2035, Chicago should recognize the urgent imperative to improve the interconnection process – **because meeting the city's goals will not be possible under the current framework.** Delays caused by an ineffective interconnection process threaten reliability and compromise consumer benefits via increased rates, as low-cost renewable and storage projects await action. In many cases, the interconnection process must proactively identify and develop transmission infrastructure to maintain and improve reliability and strengthen benefits for customers. ACP is committed to working with cities, states, regulators, utilities, and grid operators like PJM to modernize and expedite interconnection.

PJM has adopted a strategic plan that prioritizes "facilitating decarbonization" as an overriding pillar to all PJM activities.¹ Unfortunately, the growing logjam of the PJM interconnection process, with approximately 179 GW of solar, wind, storage and hybrid projects currently in the queue, threatens many cities' and states' ability to meet their commitments to clean energy and carbon reduction. PJM has recently noted in a report to FERC regarding completion rates for facilities studies -, an essential element of the interconnection process – that only 1% of such studies are completed on time, while the studies for over 400 projects are late or delayed.² This logjam is, in part, a result of the process that PJM employs to study the impacts of these new generation facilities on the existing transmission system. At

¹ PJM Strategy Refresh, February 24, 2021: <https://www.pjm.com/-/media/committees-groups/committees/mc/2021/20210224/20210224-item-02-strategy-refresh-presentation.ashx>

² PJM, Informational Report on Interconnection Study Performance Metrics, Docket No. ER19-1958-003 at Table 5 (Feb. 16, 2021), <https://pjm.com/-/media/documents/ferc/filings/2021/20210216-er19-1958-003.ashx>

the current rate, it will be much too long before PJM clears the existing backlog of wind, solar, storage, and hybrid interconnection requests created under the current process, and applications for additional projects continue to materialize.

ACP understands that reforms will not be simple and will take dedicated time and resources by PJM and stakeholders. ACP appreciates that PJM has initiated a stakeholder process to examine reforms to the interconnection process. PJM must conduct this stakeholder process expeditiously. Stakeholders – including the city of Chicago - should ensure that these reforms significantly reduce the time, resources and uncertainty of the current interconnection process, in furtherance of the city’s clean energy ambitions.

As PJM has established a clear objective of “facilitat[ing] decarbonization,” ACP strongly encourages the city of Chicago to work with PJM to enable states and cities to meet their clean energy goals through participation in PJM markets, including through the timely, predictable, and cost-effective interconnection of clean energy. Time is short for our pressing energy and climate challenges, and ACP respectfully urges Chicago to dedicate serious attention and resources to this critical issue.

In addition to PJM, ComEd has its own lengthy internal approval process for interconnection requests. This creates unnecessary delays and provides no benefit to customers. These delays often occur after studies have already been performed by PJM. Further, ComEd does not actually pay the cost of transmission upgrades (instead, individual generators do so). Thus, these delays add little value for electricity customers while driving up costs for interconnecting resources. It is not uncommon for ComEd’s internal process to take six months. ComEd’s costs to build upgrades – which, again, ACP’s members pay - are also higher than the internal costs of capital for developers. When coupled with a cumbersome and unresponsive dispute process, ComEd’s interconnection process is severely out of step with the City of Chicago’s clear policy.

Addressing climate change and ensuring a reliable, cost-effective grid requires all stakeholders to take on this important task. The clean energy industry looks forward to collaborating with the City of Chicago, and is and are prepared to work with states, utilities, others on reforming the interconnection process - which will further the goals of Chicago *and* ACP’s member companies.

ACP appreciates the opportunity to provide input on the pressing issues of interconnection, and remains ready to answer any questions.

Respectfully submitted,

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