

SCHEDULE 6 OF THE PJM OPERATING AGREEMENT

**** *Note to PJM Stakeholders: This is a proposed new section to the PJM Operating Agreement that does not currently exist. The entire section is new. Redline comments indicate updates made in response to stakeholder feedback at the January 2017 Planning Committee. Comments? RTEP@pjm.com* ****

Section 1.5.8(o) Thermal Reliability Violations on Transmission Substation Equipment

Pursuant to the expansion planning process set forth in Sections 1.5.1 through 1.5.6 of Schedule 6, the Office of the Interconnection shall identify thermal reliability violations on existing transmission substation equipment. The Office of the Interconnection shall not post such a thermal violation pursuant to Section 1.5.8(b) of this Schedule 6 for inclusion in a proposal window pursuant to Section 1.5.8(c) if the Office of the Interconnection determines that the reliability violation would be more efficiently addressed by an upgrade to replace in kind transmission substation equipment with higher rated equipment, excluding power transmission transformers, but including station service transformers and instrument transformers.

If the Office of the Interconnection determines that the reliability violation does not meet the exception stated above, the Office of the Interconnection shall post on the PJM website the reliability violations to be included in a proposal window consistent with Section 1.5.8(c) of Schedule 6. If the Office of the Interconnection determines that the identified thermal reliability violations satisfy the exception above to the proposal window process, the Office of the Interconnection shall post on the PJM website for review and comment by the Transmission Expansion Advisory Committee and other stakeholders descriptions of the transmission substation equipment thermal violations that will not be included in a proposal window pursuant to Section 1.5.8(c). The descriptions shall include an explanation of the decision to not include the transmission substation equipment thermal reliability violation(s) in a Section 1.5.8(c) proposal window, a description of the facility on which the thermal violation(s) is found, the Zone in which the facility is located, and notice that such construction responsibility for and ownership of the project that resolves such transmission substation equipment thermal violations will be designated to the incumbent Transmission Owner. After the descriptions are posted on the PJM website, stakeholders shall have reasonable opportunity to provide comments for consideration by the Office of the Interconnection. All written comments received by the Office of the Interconnection shall be publicly available on the PJM website.