



New Service Request Cost Allocation

Problem / Opportunity Statement

The New Services Queue is currently processed in a manner to coordinate the impacts of all resources, and all required reinforcements, in a single queue so that the planning of reinforcements is efficient and reduces the amount of “over-build” which would occur on the system. However, under the current Tariff the rules, when the studies are completed, the costs for the upgrades may not be shared between all the resources under study. Current Tariff language calls for all transmission service customers to be excluded from cost allocation rules which would allow sharing costs with other resources under study, but continue pay for one hundred percent of the impact of their requested service. This results in the need to define upgrades specific to the transmission service resources separate from the remainder of the resources in the queue.

This inability to allocate costs to all resources in the queue studies can be detrimental to both the transmission service resources as well as other resources under study due to the need for PJM to specify separate reinforcements for the transmission service customers separate from the reinforcements for the remainder of the resources in the queue. Additionally, specifying separate upgrades for transmission service customers

Key Work Activities

The following are some key work activities that should be undertaken to address the above stated problem.

1. Provide education about the current processes to allocate costs amongst all resources under study in the New Services Queue.
2. Determine ability to modify cost allocation rules to allocate costs to all resources under study in the New Services Queue in a manner which is efficient and cost effective under the problem specified above.
3. Develop changes to the PJM Tariff and Manuals or response to the Planning Committee as required based on the determination made in activity #2 above.

Stakeholder Group Assignment

Sub-group of the Planning Committee

Expected Deliverables

Tariff and Manual language to define the new cost allocation requirements or discussion to be presented to the Planning Committee for the reason why the current cost allocation rules should be maintained in their current form.

Expected Overall Duration of Work

The goal is to complete a review of the issue and propose new Tariff and Manual language to the PC in 1-2 Months.

Decision-Making Method

Tier 1, consensus (unanimity) on a single proposal