

Cost Containment Status and Next Steps

Mark Sims

Manager, Infrastructure Coordination

August 9, 2018

May 24, 2017:

- PC - Cost Containment special sessions started

January 25, 2018:

- MRC - main motion (PJM) fails vote. Alternate motion (LS Power) moved and seconded.

May 3, 2018:

- PC - informational votes on PJM packages and a recommendation to the MRC to defer for more time to allow additional consideration.

May 24, 2018:

- MRC - LS Power proposal with AMP friendly amendment endorsed

June 7, 2018

- PC - status update including a review of the proposal templates with implementation planned for the 2018 window.

June 18, 2018:

- Initial Comparative Framework kickoff meeting with IMM and PJM Planning.

June 21, 2018:

- MC - Proposed OA revisions endorsed

July 12, 2018:

PC

- Provide update to the PC on the IMM/PJM comparative framework effort
- Timeline update
- Status update
- First read of Manual 14F language for the PJM project proposal submittal template

July 26, 2018

MRC

- First read of Manual 14F language for the PJM project proposal submittal template

August 9, 2018:

PC

- Provide a timeline and status update to the PC.
- Request endorsement of Manual 14F language for the PJM project proposal submittal template

August 23, 2018

MRC

- Endorsement of Manual 14F language for the PJM project proposal submittal template

September 1, 2018

IMM/PJM

- Collaboratively develop the initial Comparative Framework

December 6, 2018:

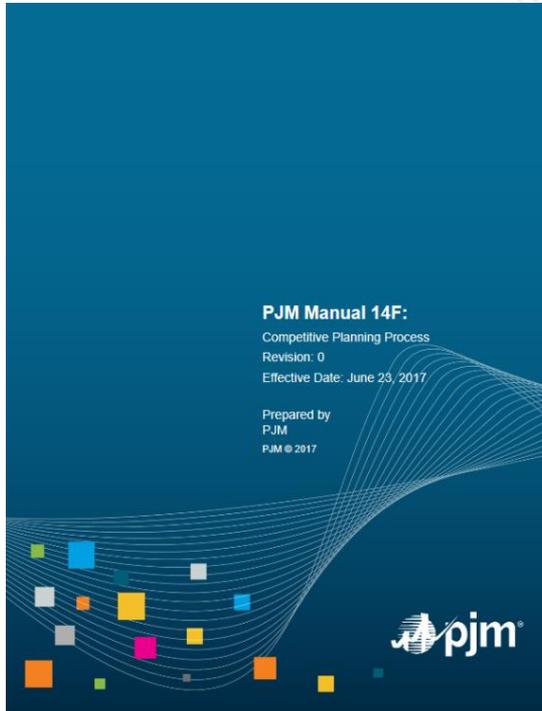
MRC

- Present Comparative Framework for vote by December 6, 2018

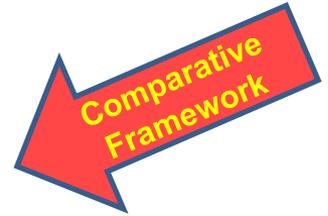
2019 Initiatives

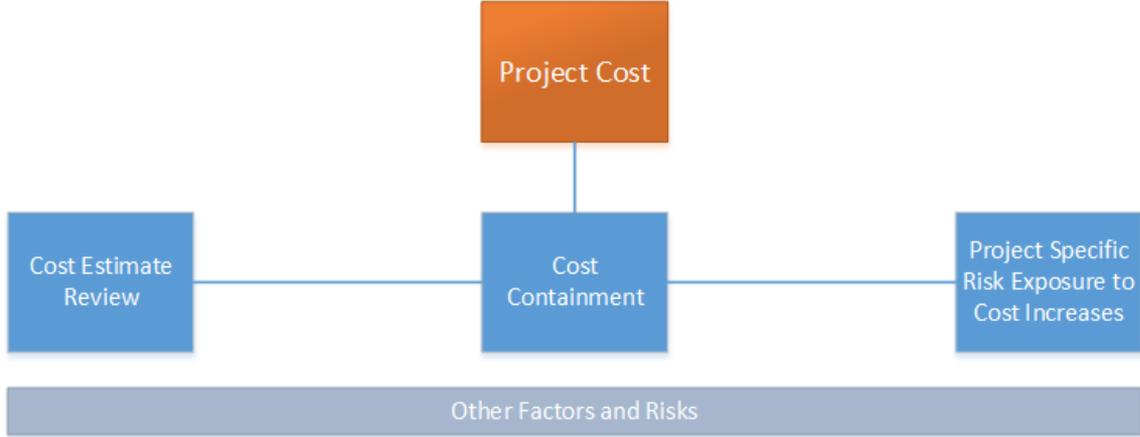
- Continue framework development with an ROE Comparative Framework that includes analysis of ROE and/or capital structure components

[PJM Manual 14F: Competitive Planning Process](#)



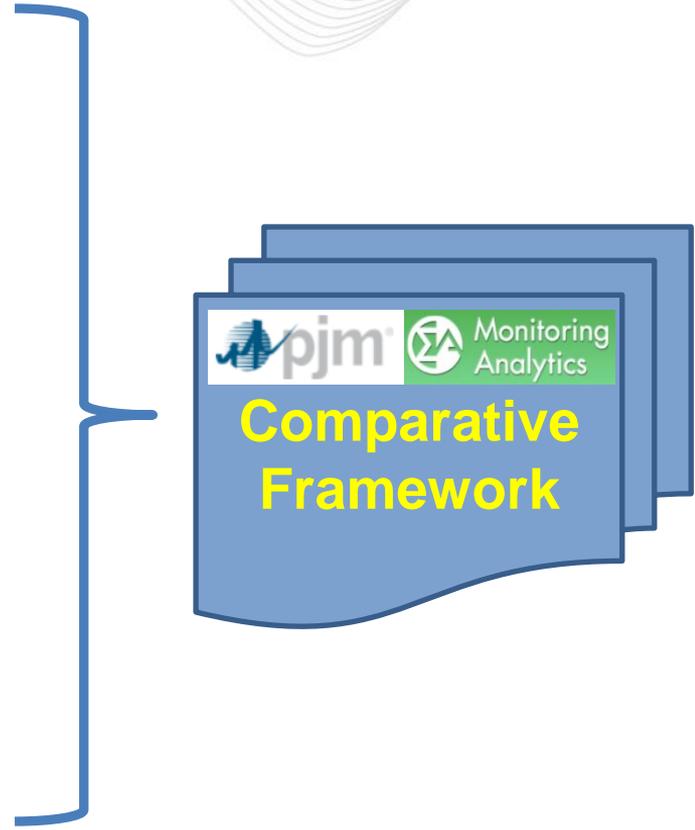
- Performance
- Cost
- Feasibility





Qualitative and Quantitative Data

- Scope covered
- Legal language
- Financial
- Capital Expenditures
- Cap in Current and Future Year \$'s
- Cap components (engineering, permitting, taxes, etc.)
- Risk



Proposal Template Data

- Constructability data
- Financial data
- Cost containment data

Data Analysis

- Making sense of the numbers
- Compare data
- Volume of data

Comparative Analysis

Evaluation of Project Risk Factors

- Ranges
- Considerations

Bigger Picture

- Consider other proposals aspects
- Evaluate and compare

- IMM and PJM staff coordination
 - Education
 - Information exchange
 - Comparative Framework development

- Continue comparative framework development coordination between IMM and PJM staff
- Anticipate monthly PC updates
- Move forward with Manual 14F reviews