

# Summary Update on Two FERC Orders Regarding Form 715 RTEP Projects

MRC Special Session –  
Transparency and End of Life Planning  
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- On August 30, 2019, FERC issued two orders on Form 715 criteria:
  - Order on Remand (Dkt No. ER15-1344) – rejecting the cost allocation methodology assigning 100 % of the costs for Form 715 projects to the zone of the transmission owner who filed the planning criteria
  - Order to Show Cause (Dkt No. EL19-61) – directing PJM to either revise its Operating Agreement, Schedule 6 to remove the Form 715 project proposal competitive proposal window exemption or show cause such revision is not necessary

- Order on Remand
  - Transmission Owners are responsible to revise Tariff, Schedule 12 to remove the Form 715 cost allocation methodology, effective May 25, 2015.
  - For the period May 25, 2015 – August 30, 2019, PJM refiled cost allocations in Tariff, Schedule 12-Appendix A to replace assignments for 44 of the 443 Form 715 projects allocated 100 % to the zone with allocations consistent with reliability projects. For example:
    - Regional Facilities and Necessary Lower Voltage Facilities will be allocated: 50 % load-ratio share basis and 50 % solution-based DFAX
    - Lower Voltage Facilities will be allocated: 100 % solution-based DFAX

- Order to Show Cause
  - October 7, 2019, PJM submitted a compliance filing to remove the Form 715 proposal window exemption from Schedule 6 or show cause why such revisions are not necessary:
    - PJM filed to remove the Form 715 proposal window exemption by deleting section 1.5.8(o) from Schedule 6.
    - PJM proposed to address Form 715 planning criteria as reliability projects under Schedule 6 and, therefore, all proposal window exemptions applicable to reliability projects will also be applicable to Form 715 projects.
    - PJM sought guidance on treatment of end of life criteria included in a transmission owner's Form 715.

- In requiring PJM to correct cost assignment for projects included in the RTEP solely to address Form 715 planning criteria that were allocated incorrectly for the beginning period May 25, 2015, FERC teed up the issue of refunds stating:
  - Federal Power Act, section 309 provides FERC with broad remedial authority, including in situations where FERC has made a legal error;
  - In exercising its remedial authority, FERC considers whether to require refunds in cost allocation and rate design cases based on specific facts and equities of each case.
  - FERC found based on specific facts and equities of this case it is appropriate to correct the cost assignments but was silent relative to refunds.