

## ATTACHMENT M-4

### SPECIAL PROCEDURES SOLELY APPLICABLE TO PLANNING OF CIP-014 MITIGATION SUPPLEMENTAL PROJECTS

- 1. Purpose, Limited Scope, Sunset, and Definitions.** Under NERC Reliability Standard CIP-014-2 (“CIP-014”), as it may be redesignated from time to time, Transmission Owners are required to develop and implement physical security plans to protect certain critical transmission ~~facilities, stations and substations.~~ The purpose of this Attachment M-4 is to ~~provide Transmission Owners with an alternative mechanism to planning~~ identify the most efficient and cost-effective process for the elimination of such stations and substations as CIP-014 facilities through Supplemental Projects without public disclosure of the existence, location, exact number, and vulnerabilities associated with the CIP-014 facilities that fall within the subset of would otherwise be required pursuant to Attachment M-3. The Supplemental Projects that are to be planned for the elimination of CIP-014 stations and substations in accordance with this Attachment M-4, defined below as CIP-014 mitigation projects (“CMP”) as defined in Step 1 of this Attachment M-4. This alternative mechanism is necessary, must be removed from the Attachment M-3 public planning process in order to ensure that security is maintained relative to CMPs needed to remove specific transmission stations or substations from the list of CIP-014 facilities while also providing reasonable transparency into the planning process for CMPs and justification for CMPs. This Attachment M-4 mechanism is a limited alternative to the Attachment M-3 process both in scope and duration, is narrowly tailored to meet security needs, and provides for vital roles by both PJM Interconnection, L.L.C. (“PJM”) and State Commissions in all CMP Process Steps, as set forth below. Notwithstanding the procedures provided for in Attachment M-3 or other planning requirements with respect to all other Supplemental Projects, including proposed project reviews by the Transmission Expansion Advisory Committee or Subregional RTEP Committees and inclusion in the Local Plan, this Attachment M-4 provides special targeted procedures that the Transmission Owners and the ~~Transmission Provider~~ may unaffiliated verifying entity as defined in NERC CIP-014 (currently, PJM), shall follow in connection with CMPs, which have the specific purpose of removing transmission stations or substations from the list of CIP-014 facilities, ~~for~~ within the limited period for which this Attachment M-4 shall be in effect pursuant to the Sunset provision and Step 1 of this Attachment M-4. Other than to the extent that CMP information is included in ~~PJM~~ models maintained by the Transmission Provider, this information shall ~~not~~ be made available to the public ~~under the confidentiality provisions of the Operating Agreement or under Critical Energy Infrastructure Information protection procedures~~ during the planning and construction of the CMP as only under the confidentiality provisions described in Steps 3 through 8 and 10 below. Provisions for confidential consultations with State Commissions during this process are also included herein.
- 2. CMP Process Steps.** The ~~M-4~~ process under this Attachment M-4 consists of the following steps:

1. Definition of CMPs. For purposes of this Attachment M-4, a CMP shall mean a “Supplemental Project”, as defined in the Operating Agreement, ~~Schedule 6~~, Section 1.42A.02, that is (a) designed specifically to remove a transmission station or substation from the list of CIP-014 facilities identified as of September 30, 2018 as requiring a documented physical security plan; (“CIP-014 List”); and (b) ~~submitted to~~ reviewed by PJM for verification and review in accordance with Step 4 of this Attachment M-4. The intent is to complete CMPs no later than five (5) years after the date that the Commission issues an Order accepting this Attachment M-4 ~~takes effect in accordance with an order of the Commission.~~
  
2. Limitation on the Number of CMPs. The number of stations and substations throughout the PJM region eligible for CMPs will not exceed 20, the maximum allowable under the finite list referred to in Step 1 of this Attachment M-4. The process set forth in this Attachment M-4 shall be in effect and available only as to CMPs designed specifically to remove a transmission station or substation from the list of CIP-014 facilities as it exists on September 30, 2018. ~~and will cease to apply to any transmission station or substation if it is removed or eliminated from that list immediately upon such removal or elimination.~~
  
- 2.3. Transmission Owner Deliberative Process. A Transmission Owner will submit to PJM:
  - 1) **Potential Solutions.** The potential ~~alternate~~ alternative means of eliminating a transmission station or substation from the ~~list of CIP-014 facilities~~ List; and **Proposed**
  - 2) **Preferred Solution.** Identification from among ~~those possibilities~~ the Potential Solutions the solution that in the view of the Transmission Owner constitutes the ~~most~~ more efficient or cost-effective solution to ~~mitigate~~ enable the transmission station or substation to be removed from the list of CIP-014 facilities along with an explanation of its Preferred Solution that addresses the following:
    - i. The customer impact that would result from the loss of the transmission station or substation on the CIP-014 List, taking into account any plans for recovering from the loss of the transmission station or substation that could help to restore all or some of the load that was lost, the amount of time that it would take for such risks—load to be restored and the nature of the load to be recovered or not able to be recovered;
    - ii. Whether there exists distribution system-level solutions to eliminate the transmission station or substation from the CIP-014 List; and
    - iii. Whether the Preferred Solution requires new or expanded right-of-way.

#### 4. PJM Review and Assessment.

- 1) PJM Review. Upon receiving the ~~request~~ Preferred Solution and Potential Solutions from a Transmission Owner pursuant to Step ~~33~~ above, PJM (or consultants selected by PJM) shall ~~verify~~ evaluate those solutions. PJM shall report its findings to the Transmission Owner in writing ~~before the CMP can proceed any further that the CMP;~~ and either: (i) advise that the Preferred Solution is the more efficient or cost effective solution from among the Preferred Solutions and Potential Solutions; (ii) suggest modifications to any of the Preferred Solution or Potential Solutions that will permit PJM to advise that one of them is the more efficient or cost effective solution; or (iii) advise that a CMP solution not be pursued. PJM's report of its findings shall include an explanation of the basis for its advice.
- 2) PJM Assessment and Verification. For any CMP project ultimately selected for construction by the Transmission Owner ("Proposed CMP"), PJM shall assess and verify that the project:
  - a. Will result in removal of one ~~or~~ more transmission stations or transmission substations from the ~~finite list of facilities described in Step 1 above and identified under CIP-014; CIP-014 List;~~
  - b. Does not also provide a solution to address a reliability, operational performance, ~~economic criteria violation~~ market efficiency or public policy need already being addressed ~~elsewhere; or that a~~ through the Regional Transmission Expansion ~~Plan (Planning Process under the Operating Agreement, Schedule 6 ("RTEP) project~~ Process such that it can be approved under a PJM tariff planning process other than Attachment M-3);
  - ~~b.c.~~ Does not ~~exist that will result in the removal of the subject~~ remove transmission station(s) or substation(s) from the CIP-014 List that would otherwise be removed from the list through the RTEP Process; and
  - ~~e.d.~~ Does not result in reliability or operational performance criteria violations under the RTEP ~~process~~ Process.

PJM shall report its assessment of these factors to the Transmission Owner in writing. No CMP solution shall proceed to another step in the Attachment M-4 process until this Step 4 has been completed. Once PJM and the Transmission Owner have agreed that the report is final, PJM's report will be provided to the affected State Commission, at that agency's option.

5. Consultation with State Commissions. The Transmission Owner shall ensure that all consultations with a State Commission as set forth in this Step 5, are subject to appropriate confidential safeguards.

- 1) Any Transmission Owner having recommended a CMP that is verified by PJM shall submitted to PJM a Preferred Solution and Potential Solutions to eliminate a transmission station or substation from the CIP-014 List pursuant to Step 3 above shall seek to meet and confer with any State Commission(s) where CMPs are to be constructed, and invite PJM's participation, to provide an overview of the a CMP is proposed to be located. PJM shall be invited to participate in any such meeting. Topics for discussion shall include, but not be limited to the considerations specified in CIP-014, including the need for a CMP, the alternatives considered, the recommended CMP, and PJM's review findings. Such Transmission Owner shall take necessary safeguards to observe the strictest non public classification allowable by law when conducting such outreach communications. Potential Solutions submitted to PJM, and the Transmission Owner's Preferred Solution.
- 2) Upon PJM's completion of the review specified in Step 4 above, the Transmission Owner shall again seek to meet with any State Commission(s) where a CMP is proposed to be located. PJM shall be invited to participate in any such meeting. Topics for discussion shall include, but not be limited to PJM's review and findings, including the efficiency and cost-effectiveness of any and all of PJM's recommendations.
- 3) After identifying and selecting its proposed CMP pursuant to completion of Step 4(2) above, but before construction is initiated, the Transmission Owner shall further seek to meet with any State Commission(s) where a CMP is proposed to be constructed. PJM shall be invited to participate in any such meeting. Topics for discussion shall include, but not be limited to PJM's assessment of the factors in Step 4(2) a, b, c, and d above, the rationale for, location of, and specifications of the proposed CMP and potential siting issues, particularly those that could affect the estimated project cost. To facilitate the discussion and enable an understanding of the benefits of costs assessed, the Transmission Owner shall be prepared to present an explanation of the reasons and rationale for its intention to proceed to construct its proposed CMP and the reasonableness of that proposal. The Transmission Owner shall be prepared to address the following:
  - i. The customer impact that would result from the loss of the transmission station or substation on the CIP-014 List, taking into account any plans for recovering from the loss of the transmission station or substation that could help to restore all or some of the load that was lost, the amount of time that it would take for such load to be restored and the nature of the load to be recovered or not able to be recovered, as compared to these same factors as they relate to that station or substation assuming that the proposed CMP is constructed;

- ii. Whether there exist distribution system-level solutions, or changes in operating procedures, or some combination, to eliminate the transmission station or substation from the CIP-014 List;
- iii. Whether the proposed CMP requires new or expanded right-of-way;
- iv. Whether the proposed CMP will displace costs associated with maintaining physical security for stations/substations on the CIP-014 List; and
- v. The estimated cost of the proposed CMP.

3.6. PJM Interim/Periodic Review- and Interim Consultation with State Commissions.

Nothing in this Attachment M-4 precludes PJM, at its sole discretion, from conducting additional periodic examinations to verify the continuing validity of its verification and review findings under Step 4, above findings and assessment under Step 4, above. Similarly, nothing in this Attachment M-4 precludes PJM from consulting with State Commissions in addition to those consultations specified in Step 5 above, with or without the participation of the relevant Transmission Owner.

7. Project Notification and Compliance.

- 1) Transmission Owner Notification to PJM. Upon satisfaction of all parts of Step 5, the Transmission Owner ~~notifies~~ shall notify PJM in writing that a CMP will be constructed- and identify the location and specifications of the CMP selected. The Transmission Owner shall make a reasonable effort to seek alternative funding to offset project costs, including but not limited to U.S. Department of Energy grants associated with addressing national security, critical infrastructure or resilience.
- 2) Compliance. The Transmission Owner will comply with all applicable licensing, permitting, siting, or certification requirements as well as all applicable proceedings for eminent domain authority.

4.8. CMP Construction. Any Transmission Owner undertaking construction of a CMP shall continue to ~~adhere to the obligation to maintain and provide for take safeguards to ensure necessary confidentiality to the maximum extent provided by law in communications with the State Commissions, other licensing/permitting authorities, and PJM~~ until the CMP is placed in service.

5.9. CMP In-Service Placement. A Transmission Owner shall have complied with all of the CMP Process Steps 3 through 88 above before the CMP may be placed in-service.

6.10. ~~Lifting of~~ Confidentiality. ~~As soon as~~ If at any step in the need for Attachment M-4 process, the level of needed confidentiality has been alleviated, and diminishes or

is eliminated with respect to elements of CMP information, such confidentiality shall be reduced or lifted. As a precondition to any Transmission Owner being eligible for recovery of the costs of the CMP, the Transmission Owner ~~will~~shall provide public notice of the existence of the CMP.

7.11. Public Review of CMP. At no time prior to the existence of the CMP being made known to the public by adherence to Step 10 of this Attachment M-4 shall the costs of any CMP be eligible for inclusion in rates filed by any Transmission Owner. After notice of the existence of a CMP has been provided by adherence to Step 10 of this Attachment M-4, the Transmission Owner may propose to recover its investment in the CMP and the associated costs from Responsible Customers in its Zone through a rate, including a formula rate, in effect under the applicable Tariff, Attachment H of this Tariff, similar to the cost recovery process it follows for other Supplemental Projects. Any such proposal shall be subject to discovery as to the Transmission Owner's reasons and rationale for the CMP along with all procedures applicable under the applicable Attachment H, the Federal Power Act, and the Commission's regulations, including any applicable procedures for the protection against disclosure of commercially sensitive information and Critical Energy Infrastructure Information.

- 3. Modifications.** This Attachment M-4 may ~~only~~ be modified under Section 205 of the Federal Power Act only if the proposed modification has been authorized by the PJM Transmission Owners Agreement-Administrative Committee in accordance with Section 8.5 of the Consolidated Transmission Owners Agreement: ("CTOA").
- 4. Sunset.** This Attachment M-4 terminates five years after the issuance date of an Order from the Federal Energy Regulatory Commission approving this Attachment M-4 for inclusion in the PJM Tariff; however, CMPs already ~~underway as of that date of termination shall be completed under construction as of that date of termination may proceed and the conditions in Steps 8, 9, 10, and 11 shall remain in force.~~ For any CMP proceeding after the sunset date, quarterly status briefings shall be provided to any State Commission previously consulted under Step 5 until the CMP is placed in service pursuant to Step 9.