

PJM Transmission Owners Transparency & End of Life

TOAAC Special-Session Webinar

June 1, 2020



Background

- PJM and Transmission Owners share an important responsibility for maintaining the reliability of the electric transmission system that keeps the lights on for 65 million customers across 13 states and the District of Columbia
- The current FERC-approved M-3 process provides significant transparency and stakeholder review of Supplemental projects
- PJM, as directed by its Board of Managers, is seeking additional information with respect to system needs that are outside of PJM's planning authority, but which may, in some instances, affect PJM planning of the bulk electric system
- The PJM Transmission Owners are proposing Amendments to Attachment M-3 of the Tariff to (1) enhance planning transparency beyond the level already approved by FERC, (2) honor their responsibility over end-of-useful life replacement projects, and (3) improve planning coordination by leveraging PJM's expertise and authority to develop the RTEP.

PJM End of Life Solution Package

- The PJM Transmission Owners support the principles set forth in the PJM End-of-Life (EOL) Solution Package

- Key elements of the PJM End of Life Solution Package include:
 - New mandatory requirement for TO's to document their respective end of life determination methodology beyond levels required by M-3 process
 - New mandatory requirement for Transmission Owners to provide a non-binding 5-year forecast of end of life candidates to PJM only
 - New process that ensures that End of Life candidates that overlap with PJM Planning Criteria violations that qualify for the competitive planning process will be posted to proposal windows to ensure efficient and cost-effective solutions in areas where there may be multiple system issues (violations and candidates)

AMP/ODEC/LSP End of Life Solution Package

- Transmission Owners believe the alternative proposal from AMP/ODEC/LSP will negatively impact customers and the performance of the transmission grid that is vital to everyday life
 - Reduce customer reliability and jeopardize safety
 - Reduce grid security
 - Increase transmission owner and PJM liability
 - Increase customer costs
- Conveys to PJM responsibilities that were not transferred to PJM by the Transmission Owners when they joined PJM, and are contrary to FERC orders concerning asset management projects

Recent PJM Transmission Owner Actions

- PJM Transmission Owners believe that what is proposed in the PJM end of life package is best codified in the tariff filed with FERC
- Under the CTOA, the PJM Transmission Owners provide stakeholders 30-days notice prior to making a FERC Filing to change the Tariff
- PJM posted the PJM Transmission Owners' Stakeholder Notice on May 7, 2020 to initiate the 30-day notice period
- The 30-day notice period provides an opportunity for stakeholders to submit questions and comments on the proposed Amendments to Attachment M-3
 - Written comments on the Attachment M-3 Amendments may be submitted for consideration by email to: (Comments_for_Transmission_Owners@pjm.com) on or before June 8, 2020
- Following the 30-day notice period a decision to file the proposed Attachment M-3 Amendments will be considered by the TOA-AC

Value Provided by Amendments to Attachment M-3

- Increase transparency for end of life decision-making
- Preserves accountability for maintaining assets with those who bear the risk and liability to keep the lights on with an obligation to serve safely and reliably
- Improves planning coordination by having PJM as the regional planning authority identify and select a more efficient and cost-effective solution to the extent an end-of-life candidate overlaps with PJM Planning Criteria violations
- Recognizes FERC orders and aligns with PJM's and TOs' contractual roles and responsibilities