



# Public Policy and Transmission Planning

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ISAC  
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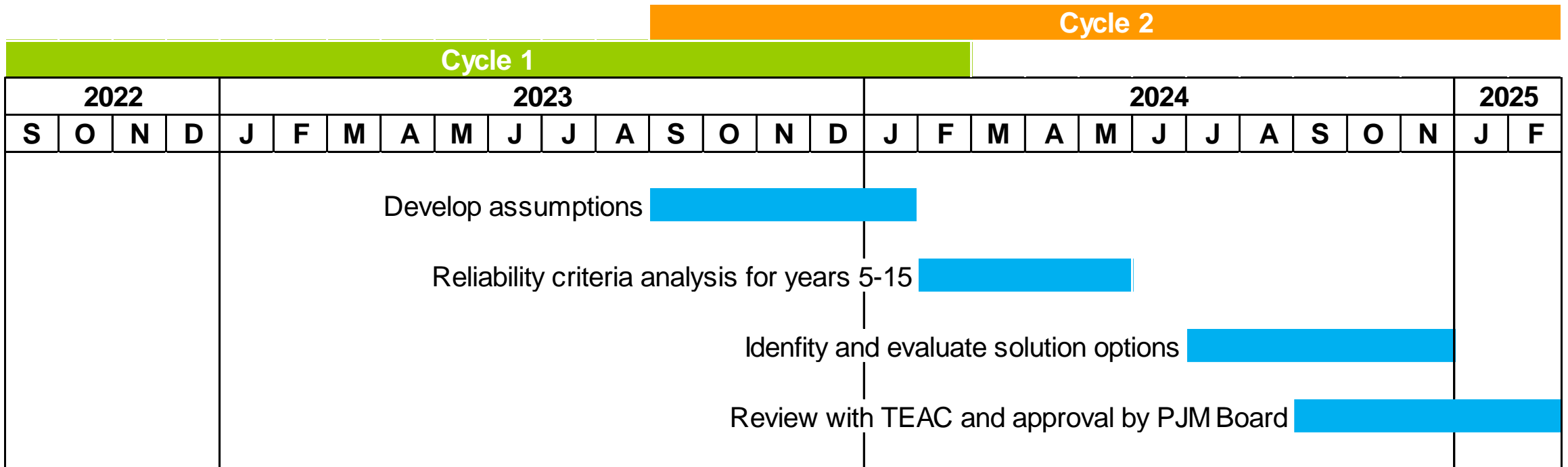
- Hot issues
  - Brandon Shores deactivations
  - Data Center Alley
- PJM is reviewing the proposals from the recent competitive window to identify the best solutions to resolve issues.
- All solutions will be identified and approved by the PJM Board prior to the start of 2024 planning analysis

- **Baseline projects**
  - Baseline changes (load growth, deactivations, etc)
  - Market efficiency
  - Operational performance
  - State Agreement Approach public policy requests
- **Network upgrades**
  - New services queue
- **Supplemental projects**
  - Local transmission needs (new load customers, etc)

Timeframe	Driver	Type	Who Pays
Near term planning (years 1-5)	Generator deactivation	Baseline	Zonal cost allocation
	New generation	Network	Generator developer
	State Agreement Approach	Baseline	Requesting state
	Public policy requests	Information only	No upgrades
Long term planning (5-15 years)	Long term reliability trends	Baseline	Zonal cost allocation
	Public policy trends*	Baseline	Zonal cost allocation or other as agreed to by states

Note: Creation of Baseline projects from long term planning considering public policy trends is being discussed at the Long-Term Reliability Transmission Planning workshop

- Overview of the current 18 month planning cycle presented at the April 24, 2023 ISAC meeting



[Link to April 2023 presentation](#)

- ISAC is the forum to bring public policy requests to PJM to evaluate in planning studies
- Scenario studies can provide information on the impacts of policies on the transmission system (extent of issues, estimate for solutions)
  - Scenario studies are currently for informational purposes only
- State Agreement Approach requests can use the competitive solicitation process to identify solutions to solve the impacts of public policy needs

- The RTEP looks 15 years out to address upcoming baseline needs (load growth, generation changes, etc.)
  - Actionable outcomes – new transmission projects
- The new Long-Term Regional Transmission Planning (LTRTP) will focus on the future needs and may include additional assumptions (expected generation changes, public policies, etc)
  - Will provide perspectives on what may transpire in the long term
  - Benefit analysis can inform new transmission projects

[Link to July 21 Long-Term Reliability  
Transmission Planning Workshop](#)

- The analysis measures the impact of the deactivation on the transmission system reliability
- Assumptions include load forecast and interconnection queues expected to be in-service and having Interconnection Service Agreement
- New generation is not building at the pace needed to replace the deactivating generators
- Not all generation is equal for reliability

[Link to the July 2023 deactivation update](#)



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## Public Policy and Transmission Planning



### Member Hotline

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# Operating Agreement References

**“Public Policy Objectives”** shall refer to Public Policy Requirements, as well as public policy initiatives of state or federal entities that have not been codified into law or regulation but which nonetheless may have important impacts on long term planning considerations.

**“Public Policy Requirements”** shall refer to policies pursued by: (a) state or federal entities, where such policies are reflected in duly enacted statutes or regulations, including but not limited to, state renewable portfolio standards and requirements under Environmental Protection Agency regulations; and (b) local governmental entities such as a municipal or county government, where such policies are reflected in duly enacted laws or regulations passed by the local governmental entity.

## *Section 1 Definitions*

In addition, the Office of the Interconnection **shall** facilitate periodic meetings with the Independent State Agencies Committee to discuss... alternative sensitivity studies, modeling assumptions and scenario analyses proposed by Independent State Agencies Committee.

Schedule 6 Section 1.5.8 (e)(iv) (emphasis added)

Prior to the initial assumptions meeting, the Transmission Expansion Advisory Committee and Subregional RTEP Committees participants will be afforded the opportunity to provide input and submit suggestions regarding the information identified in

- (i). the assumptions to be used in performing the evaluation and analysis of the potential enhancements and expansions to the Transmission Facilities;
- (ii). **Public Policy Requirements identified by the states for consideration in the Office of the Interconnection's transmission planning analyses;**
- (iii). Public Policy Objectives identified by stakeholders for consideration in the Office of the Interconnection's transmission planning analyses;
- (iv). the impacts of regulatory actions, projected changes in load growth, demand response resources, energy efficiency programs, price responsive demand, generating additions and retirements, market efficiency and other trends in the industry; and alternative sensitivity studies, modeling assumptions and scenario analyses proposed by the Committee participants.

Schedule 6 Section 1.5.8 (e)(iv) (emphasis added)

**Following the assumptions meeting and prior to performing the evaluation and analyses of transmission needs, the Office of the Interconnection shall determine the range of assumptions to be used in the studies and scenario analyses, based on the advice and recommendations of the Transmission Expansion Advisory Committee and Subregional RTEP Committees and, through the Independent State Agencies, the statement of Public Policy Requirements provided individually by the states and any state member's assessment or prioritization of Public Policy Objectives proposed by other stakeholders.**

Schedule 6 Section 1.5.8 (e)(iv) (emphasis added)

The Office of the Interconnection shall inform the Transmission Expansion Advisory Committee and the Subregional RTEP Committees, as appropriate, of the input of the Independent State Agencies Committee and shall **consider** such input in developing the range of assumptions to be used in the studies and scenario analyses described in section (b), above.

emphasis added



The Office of the Interconnection shall document and publicly post its determination for review.

Such posting shall include an explanation of those Public Policy Requirements and Public Policy Objectives adopted at the assumptions stage to be used in performing the evaluation and analysis of transmission needs.

Following identification of transmission needs and prior to evaluating potential enhancements and expansions to the Transmission System the Office of the Interconnection shall publicly post all transmission need information identified as described further in the Operating Agreement, Schedule 6, section 1.5.8(b) herein to support the role of the Subregional RTEP Committees in the development of the Local Plan and support the role of Transmission Expansion Advisory Committee in the development of the Regional Transmission Expansion Plan. **The Office of the Interconnection shall also post an explanation of why other Public Policy Requirements and Public Policy Objectives introduced by stakeholders at the assumptions stage were not adopted.**

Schedule 6 Section 1.5.8 et seq. (emphasis added)