



MEPETF Phase 2 Non-Binding Poll (February 2019)

February 28, 2019

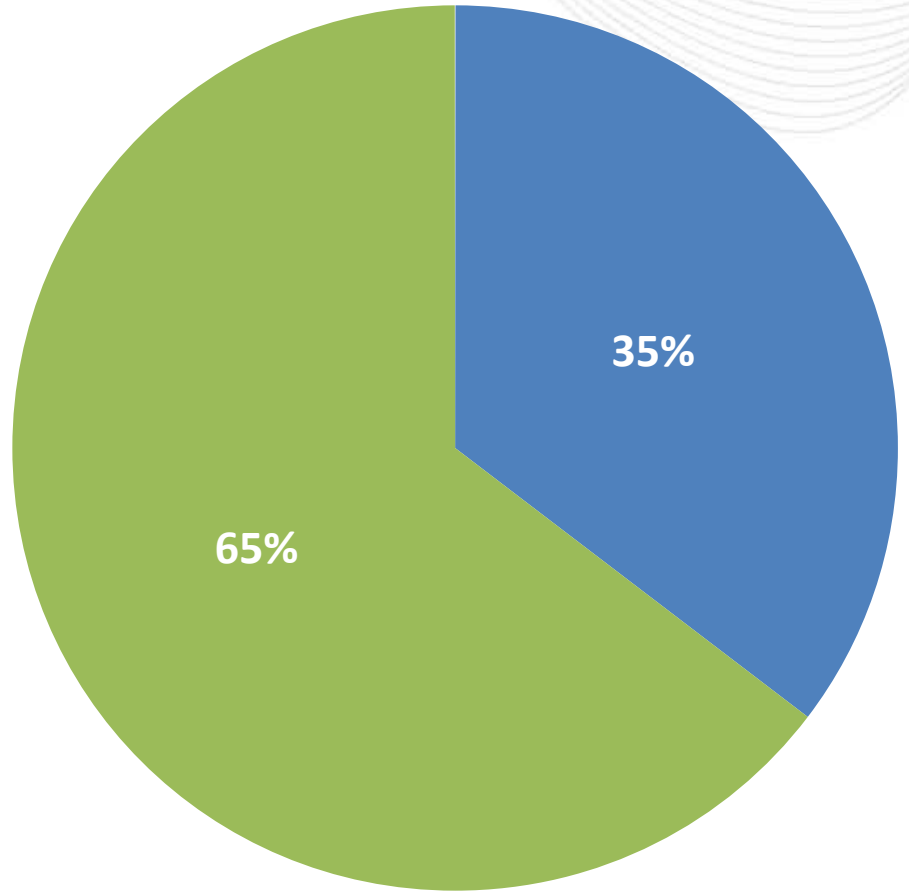
- Poll responses are non-binding and intended to solicit feedback on potential support for key design components
- Total Unique Responders – 26
- Total Companies – 164

- Given the changes in both the energy and capacity market, we believe further discussions on market efficiency projects should wait until greater clarity is provided by FERC.
- It is important for the stakeholders to review any proposed OA changes.

Design Component	Status Quo	Modification	Justification
<p>Project Reevaluation Criteria</p>	<p>Costs and benefits of new economic-based enhancements or expansions to be evaluated annually to ensure these projects continue to be economical</p>	<p>1. As applicable, PJM will not reevaluate any project once the Certificate of Public Convenience and Necessity CPCN or equivalent state approval is received (approved). If no CPCN or equivalent state approval is required PJM will not reevaluate any project once the project has completed 26% of its construction phase as described on PJM transmission construction status page.</p> <p>2. For approved Market Efficiency projects with a capital cost under \$20M: if the updated costs causes the B/C ratio to fall below 1.25, given the original benefits, PJM will reevaluate the need for the project. Projects with a capital cost under \$20M will not be reevaluated if the updated costs do not cause the B/C ratio to fall below 1.25, given the original benefits</p>	<p>Due to the increasing number of projects PJM must reevaluate and the ambiguity involved with how and under what assumptions projects are studied, PJM recommends added structure to enhance transparency and efficiency of the reevaluation process</p>



Can you support the Reevaluation component of Package A (PJM proposal)?

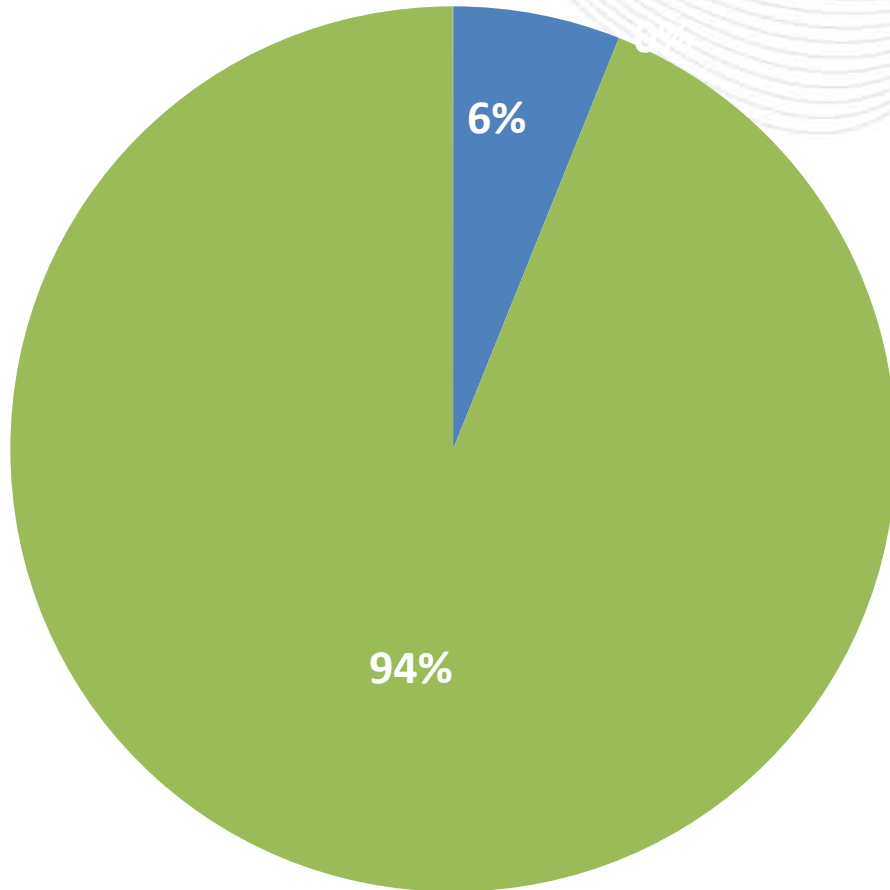


- May Be Able to Support 58
- Cannot Support 0
- Can Support 106

Design Component	Status Quo	Modification	Justification
Long-term Window	November-February	January-April	Shifted long-term window back two months will better align with MISO processes, where both RTOs will post economic drivers in the January timeframe



Can you support the Long-term Window Timing component of Package A (PJM proposal)?

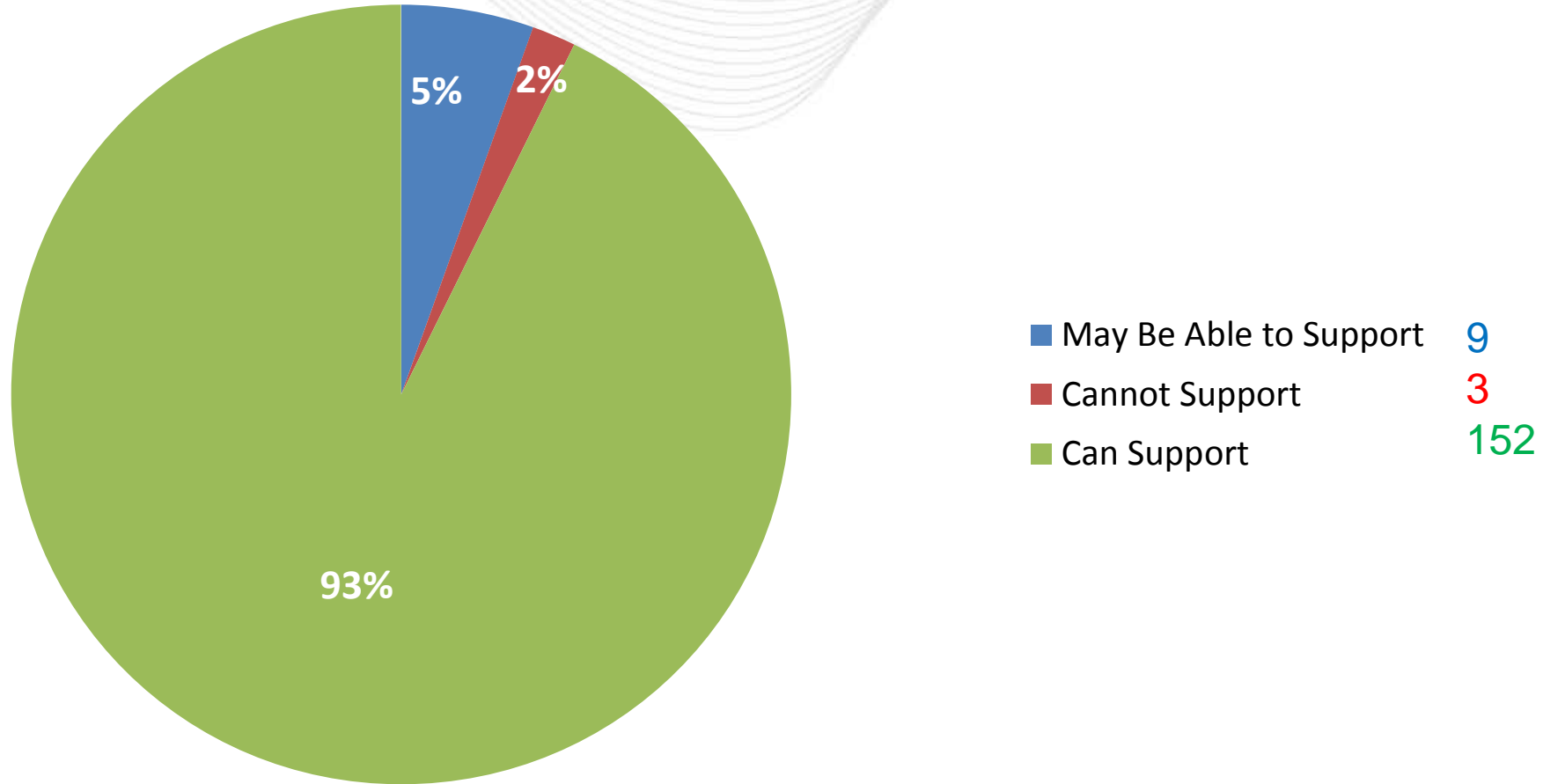


■ May Be Able to Support	10
■ Cannot Support	0
■ Can Support	154

Design Component	Status Quo	Modification	Justification
Mid-cycle Update	Post-window mid-cycle base case updates prior to the evaluation of Market Efficiency window proposals	Mid- and post-window (based on a Jan-Apr window timing) to reduce the impacts of annual mid-cycle update	Shift into the end of April will allow project proposers extra time to analyze their projects on a retooled case, complete with some aspects of the mid-cycle update, prior to a final submission

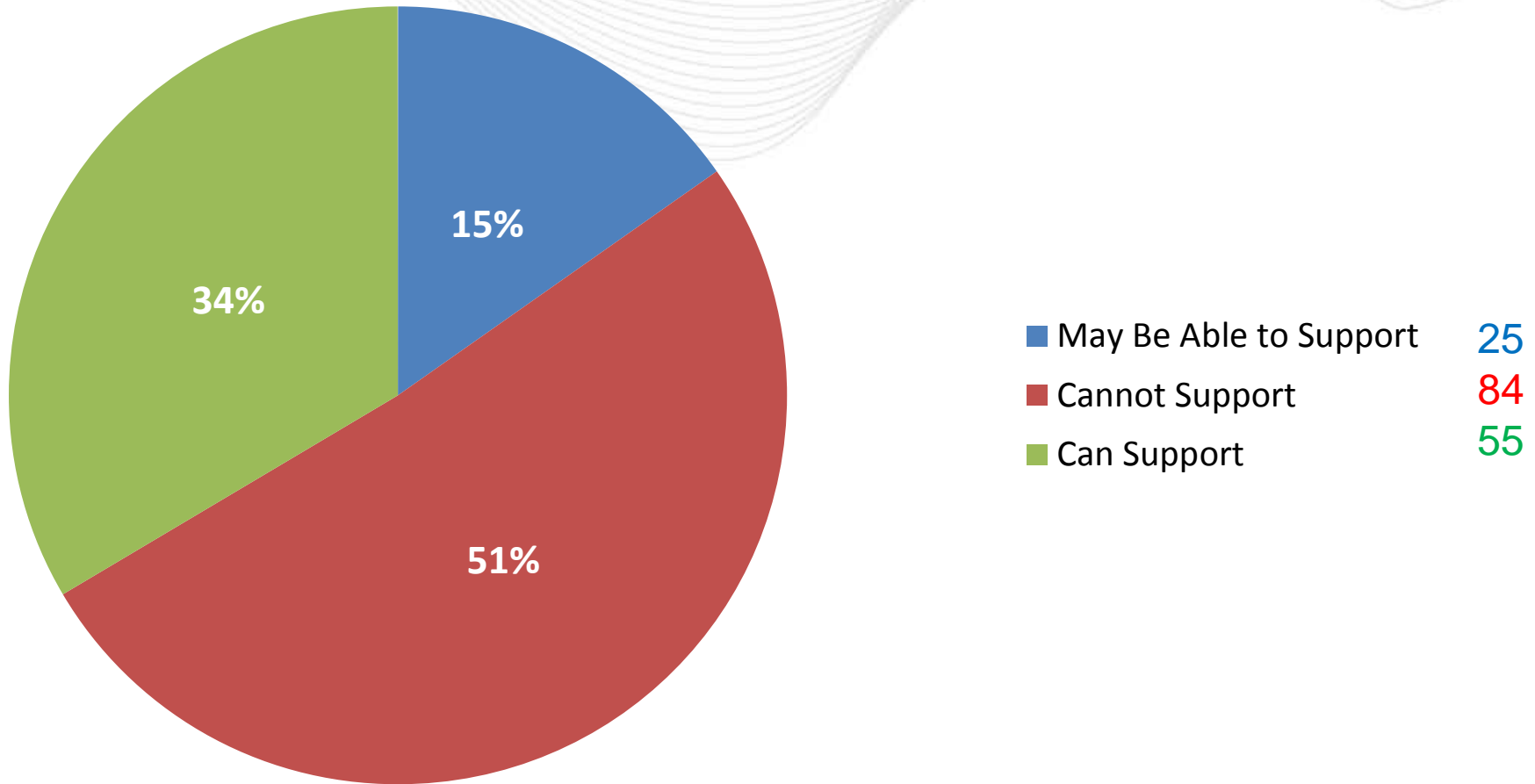


Can you support the Market Efficiency Mid-Cycle Assumption and Model Update components of Package A (PJM proposal)?



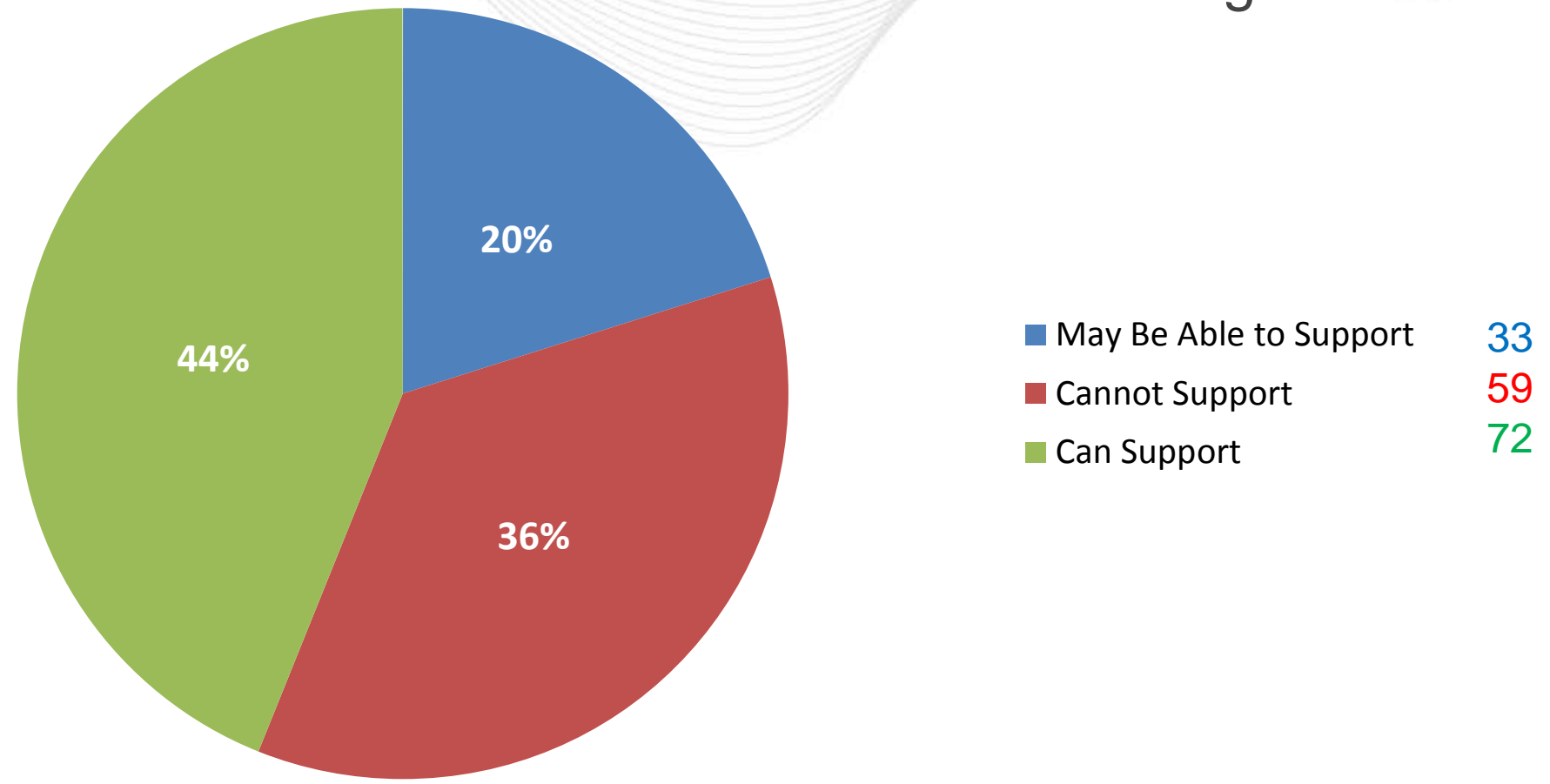
Design Component	Status Quo	Modification
B/C Ratio Passing Threshold	1.25	1.25 B/C threshold (separately) on either energy benefits (for a targeted energy congestion driver) or capacity benefits (for a targeted capacity congestion driver) Projects that address both can be given preference in the selection process, similar to other desired attributes (resiliency, etc.)

Can you support Package B (Exelon proposal)?





Can you support addressing Historical Congestion through a new annual process that uses the same criteria and approach used in the current Interregional TMEP process?





The MEPETF intends to continue with this single scope item beyond the task force sunset date of March 1, 2019; therefore, what is your preferred timeline:

