



Transmission Costs Sub-Team Update

TRPSTF Meeting
November 18, 2016

1. Administrative, Attendance, Anti-Trust and Code of Conduct
2. Recap from Last Sub-Team Meeting
3. Ground Rules
4. Strawman: Transmission Cost Information Center (TCIC) Framework
5. Other Factors/Potential Issues Affecting the TCIC
6. Review of PJM's Cost Allocation Webpage
7. Discussion Items - Q&A
8. Discussion about paths forward

- TOs will:
 - Proceed on a best efforts basis
 - Provide education from SMEs as needed
 - Use only publicly available data
 - Support PJM, as appropriate, in developing the Transmission Cost Information Center
- TOs will not:
 - Provide rate forecasts/projections
 - Accept new reporting requirements
 - Accept requests that are unduly burdensome
 - Agree to or provide information for a prudency/regulatory review

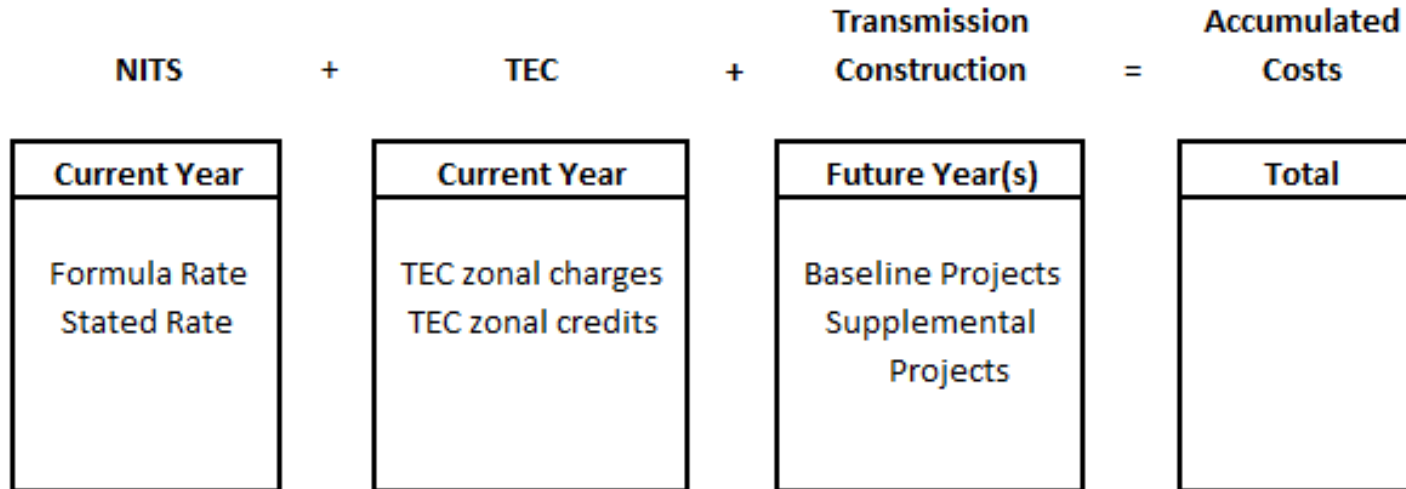
- Transmission Cost Components and Data Sources:
 - Attachment H: Network Integration Transmission Service (NITS)
 - Transmission Enhancement Charge (TEC)
 - Schedule 12 – Appendices
 - Transmission Construction Status
 - PJM TEAC Meetings and Meeting Materials
 - PJM Cost Allocation Filings

DRAFT - WORK IN PROGRESS						
PJM Transmission Cost Information Center						
Transmission Cost Components and Data Sources						
<i>(Source: Public data available through PJM)</i>						
	Attachment H Network Integration Transmission Service (NITS)	Transmission Enhancement Charge (TEC)	Schedule 12 - Appendix	Transmission Construction Status	PJM TEAC Meetings and Meeting Materials	PJM Cost Allocation Filings
Source	http://www.pjm.com/markets-and-operations/billing-settlements-and-credit/formula-rates.aspx	http://www.pjm.com/markets-and-operations/billing-settlements-and-credit.aspx	http://www.pjm.com/documents/~media/documents/agreements/tariff.ashx	http://www.pjm.com/planning/rtep-upgrades-status/construct-status.aspx	http://www.pjm.com/committees-and-groups/committees/teac.aspx	http://www.pjm.com/documents/ferc-manuals/ferc-filings.aspx
Timing	Jan to Dec Rate Year June to May Rate Year July to June Rate Year	Jan to Dec Rate Year June to May Rate Year July to June Rate Year Ad Hoc	Jan to Dec Rate Year June to May Rate Year July to June Rate Year	Updated for New RTEP reports; Updated for ongoing TO updates	Monthly	Updated for New RTEP reports
Other Considerations	Valid for current rate year of company only	Outcomes of cost allocation proceedings	Limited use - cost allocation percentages only (no \$\$)	Includes both baseline and supplemental projects	n/a	Subject to challenge and FERC approval

PJM Transmission Cost Information Center

Transmission Cost Component Process

(Source: Public data available through PJM)



Note: Zonal updates of NITS and TEC costs are done in accordance with the timing of the annual update for each TO.

Definitions

- **Network Integration Transmission Service (NITS)** - Network customers pay daily demand charges to PJM transmission owners using the applicable zonal or non-zone Network Integration Transmission Service rates. All network customers in the AP zone receive rebates to hold them harmless from the network rate conversion upon PJM integration. For transmission owners (except those in ATSI, PPL, ComEd, Dayton, and Duquesne zones), the charges for their own transmission facilities are not actually paid (i.e., exempted with an equal amount credits) and are shown only to identify their cost responsibility as ordered by FERC. (OATT Section 34, Attachments H-1 through H-17, Attachment H-A, and TOA Section 7.8 Manual 27, Section 5)
- **Charges:** Daily demand charges calculated as network customers' daily network service peak load contribution times 1/365th of the applicable zonal rate(s) for the zone(s) in which the network load is located. Monthly negative offset charges are rebated to AP zone network customers based on the applicable rates in PJM tariff Attachment H-11, section 4. Non-zone network service peak load contributions are coincident with the PJM Region peak.
- **Credits:** PJM zonal network transmission service revenues allocated to the applicable zone's transmission owners on a transmission revenue requirement basis. PJM non-zone network revenues allocated to transmission owners based on transmission revenue requirement ratio shares, with the ComEd, AEP, and Dominion shares further allocated to their respective zonal network customers based on demand charge ratios.

Definitions

- **Transmission Enhancement Charges (TEC)** - All network customers and merchant transmission owners pay transmission owners for required transmission enhancement projects in accordance with the zonal cost responsibility allocations in the appendix to Schedule 12. All transmission projects collecting these payments are on PJM's website under Transmission Services/Formula Rates.
(OATT Schedule 12)
- **Charges:** All network customers serving load in a responsible zone pay for that zone's applicable projects' revenue requirements in proportion to their network service peak load share in that zone, and responsible merchant transmission owners also pay their share of applicable revenue requirements. Note that several EDCs bear these charges for the default suppliers in their territory.
- **Credits:** Total revenues allocated to the applicable transmission enhancement project owners, or the applicable transmission zone network customers for zonal TOs that include these project costs in their network rates.

Definitions (In progress)

- **Transmission Construction**
 - Baseline RTEP
 - Supplemental Projects
- **Accumulated Costs**

- FERC Proceedings
 - 7th Circuit Remand Implementation (EL05-121)
 - Specific Project Litigation (Sewaren, Artificial Island, etc.)
 - ConEd Wheel Protocol Expiration
- PJM Processes
 - Board Approvals

- Provided as a convenience for stakeholders to supplement to the Schedule 12 Appendix and Appendix A tables
- Updated annually at a minimum and often biannually after significant PJM Board approvals
- Updates are currently done manually but discussions are being held to link the website with our internal planning databases
 - Promote consistency with other RTEP upgrade information sources and eliminates a source of errors
 - Enable daily updates
 - Include additional information fields such as upgrade status
- Currently cross-checking website allocations with Schedule 12 Appendices
- Next update to be performed before end of year

- Generation Interconnection
- Merchant Transmission
- Long-Term Firm TSR Customers
- Generation Deactivation
- ARR Analyses
- RTEP Upgrades & Status
- Backbone Projects
- Transmission Construction Status
- Queues Under Construction / In Service
- Cost Allocation
- RTEP Development
- Resource Adequacy Planning
- Planning Criteria
- Design, Engineering & Construction
- Interregional Planning

Home > Planning > RTEP Upgrades & Status > Cost Allocation



Cost Allocation

The cost allocation data below is provided as a supplement to the [Open Access Transmission Tariff \(PDF\)](#), schedule 12 - appendix. The cost allocations on this page are updated periodically and in a similar timeframe as when the cost allocations are filed with the Federal Energy Regulatory Commission.

Transmission zone short names are consistent with attachment J of the tariff.



Export: [XLS](#) [XML](#)

Upgrade ID: Transmission Owner:

[Reset](#)

Showing 1 - 50 of 2929

Upgrade ID	Description	TO	Cost Estimate (millions)	Cost Allocation (%)	PJM Required Date
b0025	Convert the Bergen-Leonia 138 kV circuit to 230 kV circuit	PSEG	\$25.00	PSEG: 100%	6.1.2008
b0074	Rebuild 12 miles of S. Akron - Berks 230 kV to double circuit, looping Met Ed's S. Lebanon - S. Reading line into Berks; replacement of S. Reading 230 kV breaker 107252	PPL	\$48.27	PPL: 100%	6.1.2008
b0090	Add 150 MVAR capacitor at Camden 230 kV	PSEG	\$1.25	PSEG: 100%	6.1.2005
b0121	Add 150 MVAR capacitor at Aldene 230 kV	PSEG	\$1.25	PSEG: 100%	6.1.2005
b0122	Bypass the Essex 138 kV series reactors	PSEG	\$0.50	PSEG: 100%	6.1.2005
b0123	Add 180 MVAR of distributed capacitors. 65 MVAR in northern JCPL and 115 MVAR in southern JCPL	JCPL	\$2.70	JCPL: 100%	6.1.2005
b0124.1	Add a 72 MVAR capacitor at Kittatinny 230 kV	JCPL	\$0.80	JCPL: 100%	6.1.2005

- Timing of transmission projects being reflected in rates
- Timing of carrying costs of projects with multi-zonal allocation being reflected in the various zones' rates
- Formula Rates versus Stated Rates
- Different types of Formula Rates
- Baseline RTEP projects and Supplemental TO projects
- What projects are included on FERC Form 715



Formula and Stated Rates

Formula Rates

American Electric Power
 Atlantic City Electric Co.
 American Transmission Systems, Incorporated (ATSI)
 Baltimore Gas & Electric Company
 Commonwealth Edison Company
 Delmarva Power & Light Company
 Virginia Electric & Power Company (Dominion)
 Duke Energy Ohio, Inc. and Duke Energy Kentucky, Inc.
 Duquesne Light Company
 East Kentucky Power Cooperative, Inc. (EKPC)
 Old Dominion Electric Cooperative (ODEC)
 Potomac -Appalachian Transmission Highline (PATH)
 Potomac Electric Power Company
 PPL Electric Utilities Corporation
 Public Service Electric & Gas Company
 Rochelle Municipal Utilities (RMU)
 Trans Allegheny Interstate Line Company (TrailCo)
 Transource West Virginia, LLC
 UGI

Rate Period

July - June
 June - May
 January - December
 June - May
 June - May
 June - May
 January - December
 June - May
 June - May
 June - May
 June - May
 January - December
 June - May
 June - May
 January - December
 June - May
 June - May
 January - December
 June - May

Stated Rates

Allegheny Power
 Dayton Power and Light
 JCPL/MetEd/Penelec (FirstEnergy)
 PECO Energy
 Rockland Electric

- Discussion
 - Initial requirements for PJM Information Technology Team
 - Additional desired capability
 - Other?

- Wrap up
- Action Items
 - Socialize the educational material to the TRPSTF
- Next Steps
 - Additional educational discussions from the TOs as needed
 - Support PJM's development of Cost Allocation Website

- Transmission cost Components and Data Sources in TCIC Strawman

- Source:
 - <http://www.pjm.com/markets-and-operations/billing-settlements-and-credit/formula-rates.aspx>
- Timing:
 - Jan to Dec Rate Year
 - June to May Rate Year
 - July to June Rate Year
- Other considerations:
 - Valid for current rate year of company only

- Source:
 - <http://www.pjm.com/markets-and-operations/billing-settlements-and-credit.aspx>
- Timing:
 - Jan to Dec Rate Year
 - June to May Rate Year
 - July to June Rate Year
 - Ad Hoc
- Other considerations:
 - Outcomes of cost allocation proceedings

- Source:
 - <http://www.pjm.com/media/documents/merged-tariffs/oatt.pdf>
- Timing:
 - Jan to Dec Rate Year
 - June to May Rate Year
 - July to June Rate Year
- Other considerations:
 - Limited use - cost allocation percentages only (no \$\$)

- Source:
 - <http://www.pjm.com/planning/rtep-upgrades-status/construct-status.aspx>
- Timing:
 - Updated for New RTEP reports
 - Updated for ongoing TO updates
- Other considerations:
 - Includes both baseline and supplemental projects

- Source:
 - <http://www.pjm.com/committees-and-groups/committees/teac.aspx>
- Timing:
 - Monthly

- Source:
 - <http://www.pjm.com/documents/ferc-manuals/ferc-filings.aspx>
- Timing:
 - Updated for New RTEP reports
- Other Considerations:
 - Subject to challenge and FERC approval