

Attachment M3 and Sub-Regional RTEP Process Improvements

TRPSTF

September, 27,
2017



PJM's Sub Regional Planning Process

FERC Order No. 890 Requirements:

- Transmission providers must meet with their transmission customers and interconnected neighbors to develop a transmission plan on a nondiscriminatory basis
- Provide stakeholders with the opportunity for early and meaningful input and participation in the transmission planning process

Schedule 6 of the PJM Operating Agreement:

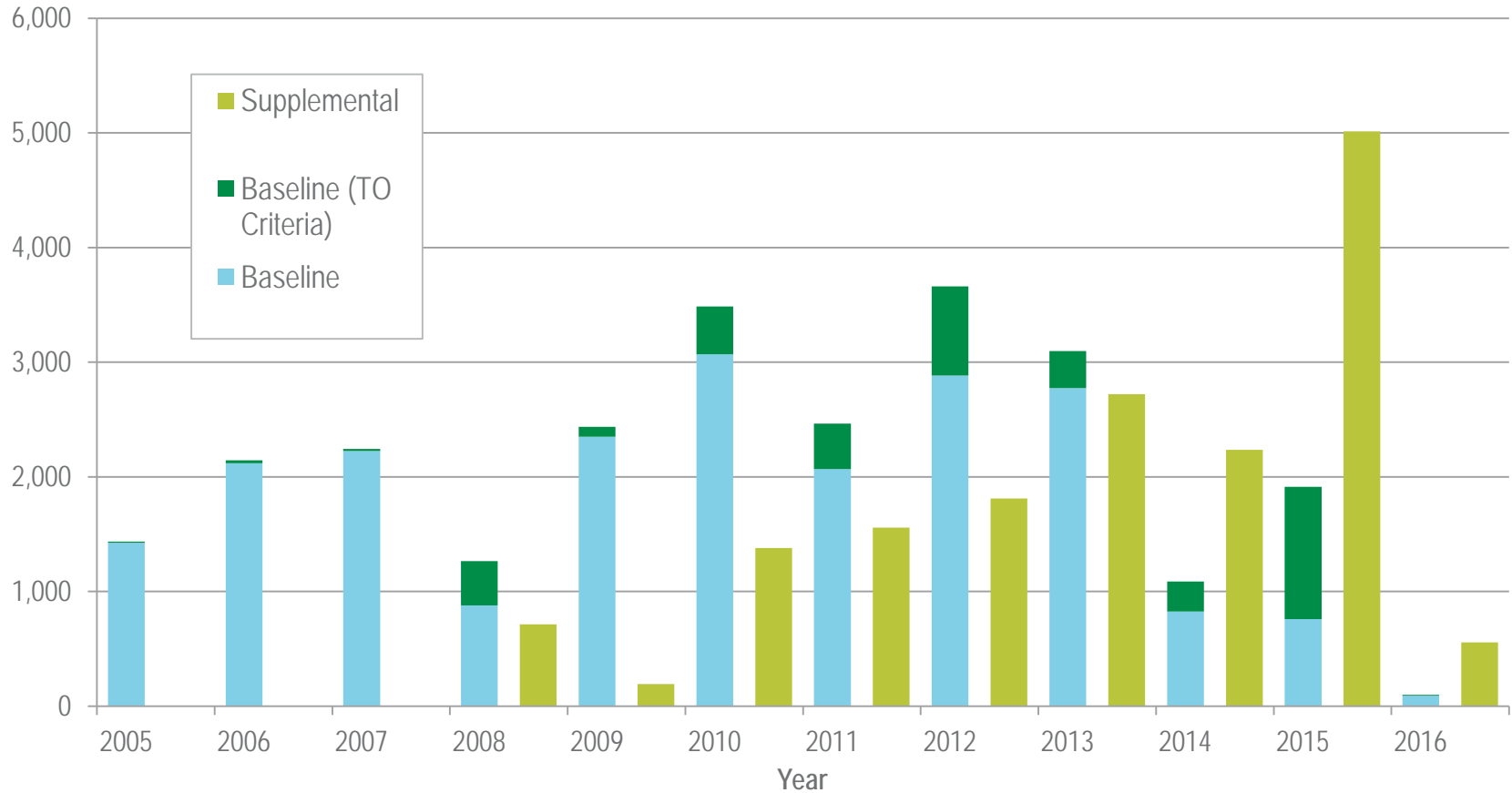
- Section 1.3(d) - subregional RTEP Committees will provide stakeholders with “sufficient opportunities to review and provide comments on the criteria, assumptions, and models used in local planning activities prior to finalizing the Local Plan.”
- Section 1.5.6(b) - subregional RTEP Committees will conduct one or more initial assumptions meetings to review this information.
- Section 1.3(d) - subregional RTEP Committees will provide for “timely review” of “proposed solutions prior to finalizing the Local Plan,” “the coordination and integration of the Local Plans into the RTEP, and addressing any stakeholder activities prior to finalizing the Local Plan”
- Subregional RTEP Committees will “provide sufficient opportunity to review and provide comments to the Transmission Owners on any Supplemental Projects included in the Local Plan,” and to review and provide written comments on the Local Plans themselves, “as integrated into the RTEP”

PJM Sub-Regional RTEP Process Implementation:

- Initial assumptions meeting
- Regional SRRTEP meetings 2- 3 times a year as needed

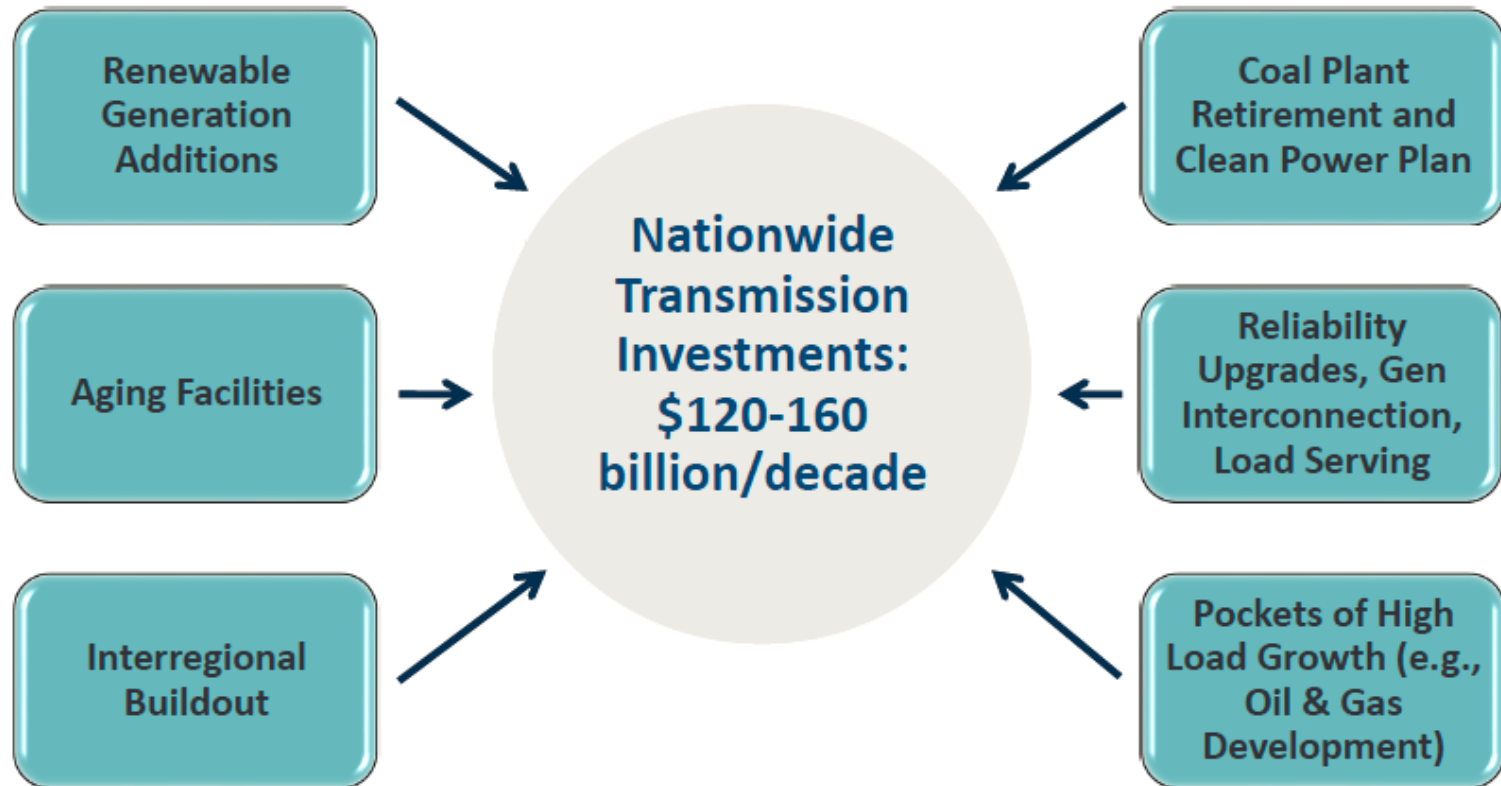
Projects Reviewed Through the RTEP Process

Cost Estimate (\$Millions)



Slide Presented to the PJM Board in May 2016

Summary of Projected Transmission Investment Opportunities Nation-Wide



Sources and Notes:

The \$120-160 billion projection per decade was originally developed in conjunction with WIRES for "Employment and Economic Benefits of Transmission Investment in the US and Canada," May 2011. This projection has since been refined and regionalized in several client-confidential analyses.

2016 Transparency Improvements

- **PJM Stakeholders**
 - Increased level of engagement
 - Request for more transparency and consistency in the review of End of Life projects
 - Cost of transmission replacement projects
- **PJM Board**
 - Appeal to TOs at the February 2016 LC meeting
 - Comments to TOs at the 2016 Annual Meeting
- **In response to PJM Board and stakeholder comments, the TOs implemented the following transparency improvements in 2016**
 - Regularly scheduled Sub-regional RTEP meetings – review assumptions, methodology, project drivers, proposed solutions and alternatives considered
 - Consistent project presentation template
 - Detailed project information and map as needed
 - Provide TO SME's to answer stakeholder questions
 - Provide follow up to stakeholder questions
 - Provide opportunities for one on one meetings as needed
- **Additional work to enhance transparency and information exchange initiated in 2016**
 - Schedule enough time for the meetings
 - Coordination with RTEP schedule and Order No 1000 competitive process timelines
- TRPSTF
- FERC Show Cause Order

FERC Show Cause Order - TOs Response

- Show Cause Order issued on August 26, 2016
- Per FERC: PJM local transmission planning process may not be providing stakeholders with the opportunity for early and meaningful input and participation as required by Order 890
 - Certain TOs appear to be identifying—and even taking steps toward developing—Supplemental Projects before providing any opportunity for stakeholders to participate in the development of those projects
- Within 60 days PJM and TOs must, either:
 - Propose revisions to PJM Operating Agreement to comply with Order 890;
 - TOs revise their portions of the PJM Tariff or revise their individual open access transmission tariffs (“OATTs”) to comply with Order No. 890; or
 - Show cause why they should not be required to do so
- On October 25, TOs submitted their response to the Show Cause Order, demonstrating that the current provisions of Schedule 6 of the Operating Agreement comply with Order No. 890.
- Also, TOs filed an amendment to the PJM Tariff, in the form of a new Attachment M-3; which offered refinements and improvements to the existing planning process to provide additional detail and transparency regarding the process for planning Supplemental Projects
 - TOs held a pre-filing stakeholder call to review and solicit input on Attachment M3
- PJM also submitted an amendment to section 1.3(d) of Schedule 6 of the PJM Operating Agreement to incorporate Attachment M-3 by reference

Attachment M3

- **Annual Review of Assumptions and Methodology**
 - Each TO will provide to PJM for posting the assumptions and methodology, including any criteria and models, it uses to plan Supplemental Projects. The TO will review those assumptions and methodology annually at the initial assumptions meeting. Stakeholders may provide comments on the assumptions and methodology to the TO for consideration
- **Review of System Needs and Potential Solutions**
 - Each TO will provide a description of the system needs, drivers and potential solutions to PJM for posting at least five (5) business days in advance of the meeting at which they will be reviewed. Stakeholders may provide comments on the identified system needs, drivers, and potential solutions to the TO for consideration within thirty (30) calendar days
- **Submission of Supplemental Projects**
 - Each TO will finalize and submit Supplemental Projects to PJM for inclusion in the Local Plan Stakeholders may provide comments on the Supplemental Projects before the Local Plan is integrated into the Regional Transmission Expansion Plan
- **Information Provided Subject to CEI Protections**
- **No Limitation on Additional Meetings and Communications**
 - TO can agree with stakeholders to additional meetings or other communications

Attachment M3 Implementation

Transparency improvements currently being implemented in 2017

- Bi monthly, four hour subregional RTEP meeting schedule
- Schedule more meetings as needed
- Information posted 1 week in advance
- Improved and consistent presentation templates
- Project maps provided by TOs
- Two cycle project review
 - Needs, potential solutions and alternatives reviewed during the first cycle
 - Needs, selected solutions and project details reviewed during the second cycle
 - Stakeholder opportunity to submit written comments after first cycle review
- Previous presentation dates listed
- TOs present Supplemental Projects and PJM presents Baseline Projects
- Timeline for submitting Supplemental projects to PJM
- “Project Status” classification

Responsive to:

- PJM Board
- PJM Stakeholders
- FERC

Supplemental Project Review Information Template

Requirement	Notes	"First cycle" Review	"Second cycle" Review
Date project was last presented			X
Problem Statement (Scope and Need/Drivers)	Include the issues driving the project.	X	X
Alternatives Considered	List alternative solutions considered and their associated costs if available	X	
Selected Solution	Present the solution that is selected for construction		X
Estimated Project Cost	Project cost estimate		X
Projected IS Date	Projected in-service date of the selected project		X
Project Status	State the status of the proposed project - Conceptual/ Engineering /Under Construction	X	X
Maps	Include sufficient detail to see impacted facilities	X	X