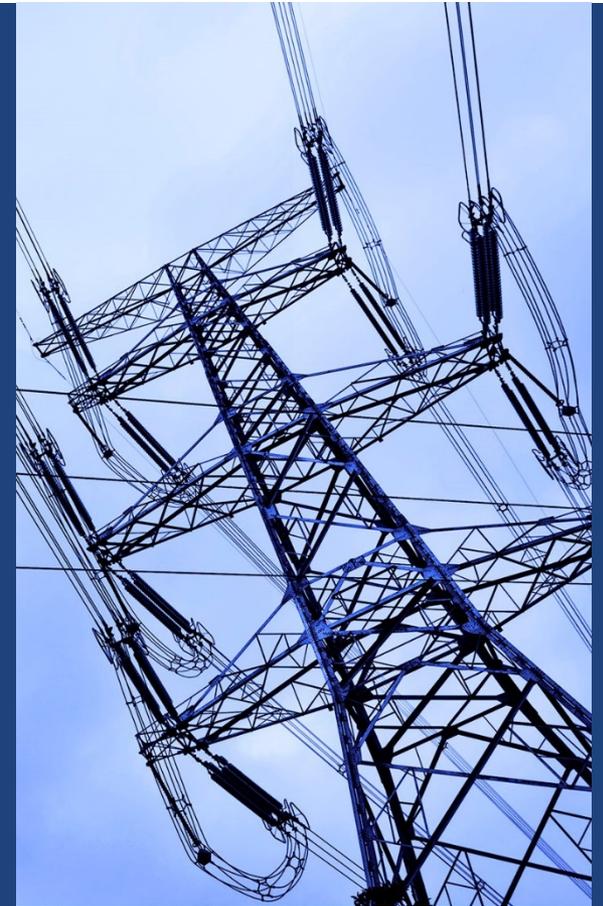


PJM Transmission Owners Transparency & End-of-Life

Providing Stakeholders 30-day Notice of
Proposed Amendments to Attachment M-3

PJM MRC Special-Session Meeting
May 15, 2020



Introduction

- PJM and the PJM Transmission Owners share an important joint responsibility for planning and maintaining a reliable bulk electric system that serves 65 million customers across 13 states and the District of Columbia.
- PJM as directed by its Board of Managers, is seeking additional information to enhance their ability to plan the PJM Transmission 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 Solution Package include:
 - Mandatory requirement for Transmission Owners to document end-of-life determination methodology
 - Transmission Owners to provide a confidential non-binding 5 Year forecast of end-of-life candidates to PJM only
 - Where a projected EOL need overlaps with a PJM Planning Criteria violation that qualifies for inclusion in a proposal window, PJM will post information about that projected EOL need as part of the proposal window process

PJM TO Attachment M-3 Amendments

- The Transmission Owners support enhanced transparency and improved planning coordination, and are proposing modifications to Attachment M-3 of the PJM Tariff that will:
 - expand the scope of Attachment M-3 to provide for increased stakeholder transparency with respect to certain asset management projects, including EOL projects
 - require that each Transmission Owner document and annually present to stakeholders its EOL Criteria
 - address PJM’s request for additional information regarding Transmission Owners EOL Needs by annually providing to PJM, on a confidential basis, non-binding five-year projections of EOL Needs
 - promote additional coordination of certain EOL Needs and RTEP project planning by addressing overlaps between RTEP projects and EOL Needs
 - articulate the planning responsibilities that have been transferred to PJM and those retained by the Transmission Owners

Stakeholder Process

- AMP and ODEC presented a Problem Statement and Issue Charge, which was approved by the Markets & Reliability Committee (MRC), initiating the stakeholder process
- January – April 2020: Solution Packages developed through a formal, PJM-facilitated stakeholder process in the MRC Special Sessions
 - PJM Transmission Owners actively participated throughout the CBIR process
 - Currently 3 solution packages: (1) AMP/ODEC Package A; (2) LS Power Package B; and (3) PJM Package C
- May 28, 2020 at the MRC meeting, stakeholders will be voting on their preferred EOL Solution Package for submittal to the Members Committee (MC) for approval at the June 18 meeting

30-day Notification

- 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

- Increases transparency of end-of-life planning
- 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 when end-of-life candidates overlap with PJM Planning Criteria violations
- Aligns with PJM roles and responsibilities