

M14B Changes to Incorporate M-3 Process

Special MRC
November 16, 2018

- Open transparent process associated with development of Supplemental Projects
 - Provides opportunity for stakeholder feedback and comment

§1.1, M14B – “The PJM planning process activities, culminating in PJM’s annual Regional Transmission Expansion Plan, constitute PJM’s single, Order No. 890 compliant, transmission planning process.” – *Existing*

§1.1, M14B – “There are four planning paths that ultimately culminate in the PJM RTEP...(iv) Supplemental Projects.”

- Not based upon criteria specified for baseline upgrades
 - Included in models as appropriate for the model in a similar manner as baseline upgrades

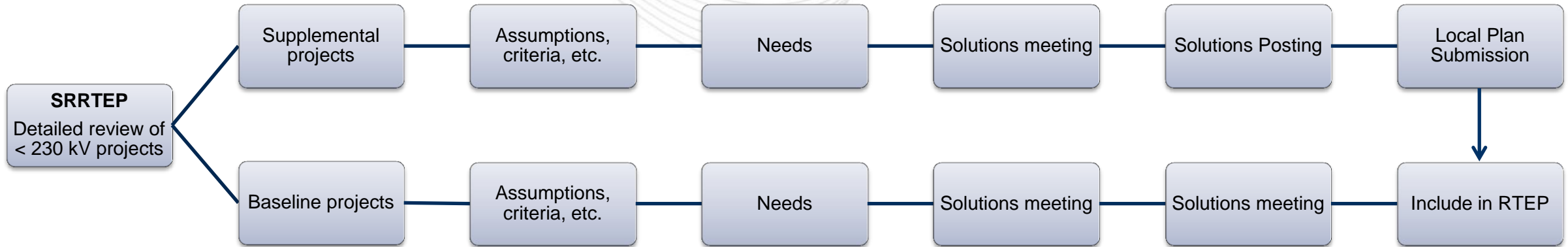
§1.1, M14B – “Supplemental Projects are defined in the Operating Agreement as a transmission expansion or enhancement not needed to comply with PJM reliability, operational performance, FERC Form No. 715 or economic criteria and is not a State Agreement Approach project.”...

§1.1, M14B – “Changes to the Transmission Owners’ systems due to a Supplemental Project are included in both PJM and Transmission Owners planning models for the applicable reliability studies...”

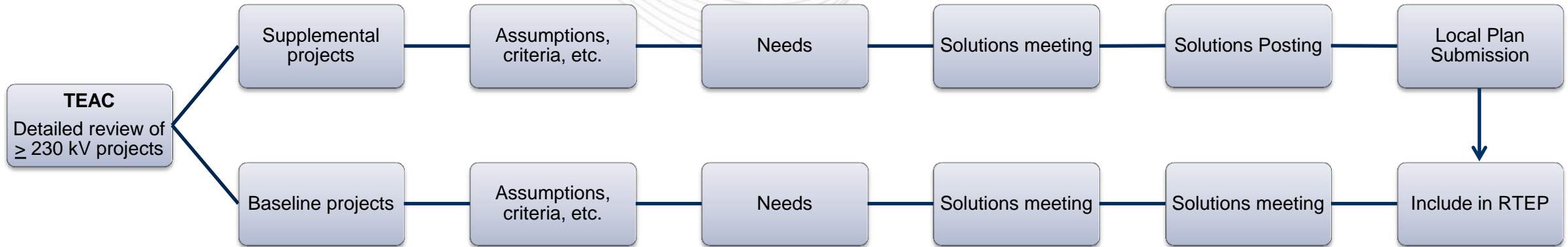
- TEAC
 - 230kV and above
- SRRTEP
 - below 230kV

§1.2, M14B – “Regional RTEP Projects and Supplemental Projects (230 kV and above) will be reviewed at the TEAC. Subregional RTEP Projects and Supplemental Projects (below 230 kV) will be reviewed at the applicable Subregional RTEP Committee.”

§1.1, M14B – “Pursuant to the Attachment M-3 Process, Supplemental Projects are presented through the TEAC (230 kV and above facilities) or the Subregional RTEP Committees (below 230 kV facilities).”



- Similar number of review steps for supplemental and baseline projects
- Subregional RTEP Project
 - “Subregional RTEP Project” shall mean a transmission expansion or enhancement rated below 230 kV which is required for compliance with the following PJM criteria: system reliability, operational performance or economic criteria, pursuant to a determination by the Office of the Interconnection.



- Similar number of review steps for supplemental and baseline projects
- Regional RTEP Project
 - “Regional RTEP Project” shall mean a transmission expansion or enhancement rated at 230 kV or above which is required for compliance with the following PJM criteria: system reliability, operational performance or economic criteria, pursuant to a determination by the Office of the Interconnection.

- PJM perform “Do No Harm” studies associated with Supplemental Projects
- Compare supplemental and baseline projects

§1.1, M14B – “...prior to integrating a Supplemental Project into the RTEP base case PJM performs a “do no harm study” to evaluate whether a proposed Supplemental Project will not adversely impact the reliability of the Transmission System...”

§1.1, M14B – “...PJM will determine if the Supplemental Projects might eliminate a baseline violation identified in the RTEP processes which may be in progress. PJM will also apprise the relevant Transmission Owner if an RTEP Project is identified which might alleviate the need for a Supplemental Project.”

- Assumptions, Needs, Solutions, Local Plan
 - Transmission Owners complete cycle for Supplemental Projects and provide to PJM in July timeframe
 - Prepares for the September commencement of case building activities associated with subsequent RTEP year activities

§1.1, M14B – “...Supplemental Projects included in the Local Plans submitted for incorporation into the PJM planning model in the July timeframe.”...

§1.1, M14B – “Changes to the Transmission Owners’ systems due to a Supplemental Project are included in both PJM and Transmission Owners planning models for the applicable reliability studies...”

§1.1, M14B – “However, additional Supplemental Projects for unforeseen needs that a PJM Transmission Owner identifies later in the year will follow OATT, Attachment M-3 Process for inclusion in the RTEP.”

- Transmission Owners may identify the need for equipment replacement in their applicable criteria

§1.5.3, M14B – “The Transmission Owner’s local planning criteria...may include information specific to a Transmission Owner’s asset management activities.”

§2.7, M14B – “Transmission Owner planning criteria addressing the end of useful life of an existing facility, each Transmission Owner should provide information, to the extent available, that supports the need for the project consistent with the Transmission Owner’s planning criteria in accordance with the RTEP process or Attachment M-3 Process, as applicable.”

- Various changes to address existing issues
 - Ensure proper references
 - Ensure alignment to existing processes
 - Ensure consistent verbiage

- Continue meeting schedules beginning with Assumptions meetings in December 2018
- Periodic (Quarterly) discussions with stakeholders to take feedback on process