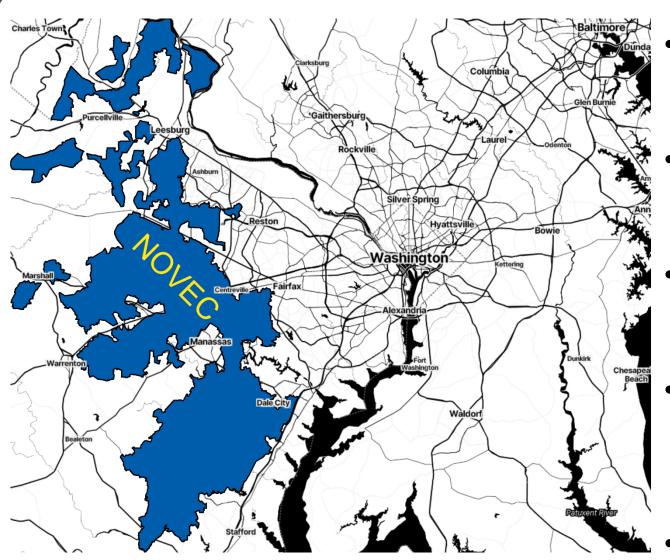


Proposals for Order 1920 compliance

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About NOVEC



- NOVEC: Northern Virginia Electric Cooperative
- Largest US Cooperative in terms of revenue
- Service Territory: 651 square miles of primarily suburban/exurban
- Customer Mix: residential, small commercial, critical government facilities, data centers
- Meters: Approx. 180,000 (~275 per square mile)



Order 1920 implementation interests

- Long-term planning to minimize rushed, last-minute, emergency analyses and (often suboptimal) decisions
- Proactive, comprehensive planning to avoid reactionary or piecemeal evaluations that tend to be less efficient and cost more overall
- Sufficient time to accurately identify "least regrets" and determine actual needs
- Avoid socializing to ratepayers any costs that appropriately belong to specific cost-causers
- Retain ability to address regional conditions and preferences to the extent possible
- Maintain focus on optimizing reliability and affordability
- Identify and respect jurisdictional limits and/or preemptions, particularly where superseding laws and regulations conflict or otherwise limit PJM authority



Scenario development

- "Tag" all factors/inputs to scenario development that PJM determines are likely to trigger inappropriate cost shifts or otherwise obscure the true cost created by cost-causer(s)
 - Transfer the "tag" as inputs trigger needs for which solutions are chosen such that the
 potential cost-shifting remains transparent and, in fact, becomes clearer as the process
 executes
 - Develop procedures to: ensure clear indication throughout processes; consider the characteristic, as appropriate, in evaluation of proposed solutions; if chosen through any process that employs regional cost-allocation, produce satisfactory justification
- Of the 7 factors that require consideration in scenario development (detailed in Order1920's Part III.B.3), base weighting of the 4 non-mandatory factors on plausibility
 - Commitments (pledges/goals/etc.) not validated by conclusive evidence (submitted by the originating entity) of satisfactory progress to acquire indicated generation receive no weight



"Driver" categorization

- Create a new category of RTEP driver on par with the existing four:
 Reliability, Market Efficiency, TO Criteria and Public Policy
 - Compile into this "Specific Interest" category all assumptions used in scenario development or needs included later (such as interconnection-related needs as detailed in O1920's Part IV.) that aren't already included in the existing categories
- Create category-specific evaluation process as currently done for the Market Efficiency (i.e., 1.25 B/C selection threshold) that includes the ability to accept and confirm voluntary-funding commitments (in compliance with O1920's Part III.E.5)
 - Solution solicitation and selection emanating from those evaluations must use longlead proposal-window type unless voluntary funding has been verified
- Create category-specific cost-allocation methodology and/or mechanism as currently done for the Public Policy (i.e, State Agreement Approach)



Forecast-related inputs

- Modify procedures (Load Analysis Subcommittee and elsewhere as necessary) to: require LSEs to provide three scenarios for forecastadjustment requests; specify how PJM evaluates such submissions and, from them, determines what inputs to include in scenario development (per Order 1920's Part III.3)
 - Baseline forecast based on best-available data
 - High and low forecasts within reasonable and disclosed ranges of uncertainty
- Modify procedures (LAS and elsewhere as necessary) to: require LSEs
 requesting forecast adjustments to provide bus-level forecasts for each
 scenario and specify how PJM uses bus-level data (such as direct
 incorporation into downstream modeling, as appropriate)
- Additive to existing submission requirements and other revisions that PJM demonstrates are needed to validate adjustment requests



How it might look

Attachment C: Decisional Process

