



**PJM Transmission Owners Agreement
Administrative Committee (TOA-AC)**

**Wednesday January 13, 2016
Meeting Minutes**

1. Administrative Items

Chip Richardson conducted a roll call and confirmed a quorum. Minutes for the November 2015 meeting were approved.

2. PJM Updates

a. 2015 RTEP Process

PJM stated that the 2015 RTEP process is essentially complete from a reliability prospective. A few issues related to generation interconnections remain in the Dominion area; however, PJM is waiting until they work out the generation interconnection situation before moving forward. PJM may open a new proposal window but there are also electrical issues and end-of-life issues that could affect the ultimate solution. PJM will discuss the issues at the next TEAC.

Regarding the 2015 market efficiency RTEP, the TEAC discussed several capacitor projects that PJM intends to take to the PJM Board in February for approval. The projects will be effective in reducing congestion at AP South. PJM is also continuing to evaluate a number of market efficiency projects involving transmission lines. PJM plans to make recommendations regarding those projects later in 2016.

PJM has gotten an early start in developing the base case for the 2016 RTEP. The analysis is progressing well. PJM Staff has reviewed contingency files and is checking for errors. PJM will update the case with the latest info on interchange and 2016 load forecasts. PJM believes it will be done with the power flow case development by the end of January and it will be able to begin exercising the case in February. If no issues arise, PJM will start the RTEP analyses in late February or early March.

b. Status of Order 1000 Lessons Learned work items

PJM has received feedback from stakeholders and is in the process of collating the various suggestions. A lot of the feedback relates to transparency issues. PJM is trying to identify ways to help people develop a better understanding of the process. One example is that a number of stakeholders indicated that materials going into TEAC slides are not providing enough information. PJM plans to take a look at the entire list of suggestions and identify three or four

high priority items. PHI raised concerns that materials are not posted for TEAC meetings in time to review and develop comments/feedback. PJM stated that this is not on the list of priorities but acknowledged that it is something that PJM needs to improve.

PSEG asked if the transmission owners could collectively provide a list of issues and PJM agreed that it would be acceptable. AEP asked if PJM would provide more information regarding how cost caps are considered as part of the process and that those building outside of their zone would need to sign the DEA. PJM stated that this would be part of the lessons learned items. PJM is still in the process of trying to identify the specifics regarding costs caps and how they will be used in the process.

AEP raised a question regarding who needs to sign the Designated Entity Agreement. Do all builders need to sign the agreement or just new non-TO entities. PJM indicated that it is not planning to change the process. If the TO letters do not impose the same obligations as the Designated Entity Agreement, PJM would prefer to change the letters and not the agreement.

c. Designated Entity Design Standards work group

PJM provided an update on the working group. The group was formed during the past summer to identify gaps in design standards and determine whether the current standards are sufficient for new Designated Entities. The group has met twice. A group charter was endorsed by the relevant committee in January. The first two meetings were spent bringing folks up to speed on how the PJM process works and exploring how other RTOs have addressed designated entity standards. The group reviewed existing documents and technical standards in the PJM Manuals and other documents.

The group is now at the point where everyone has a common understanding about the mission of the group and is now looking to identify gaps in the existing materials. PJM encourages the transmission owners to speak with the people in their organizations regarding the standards. PJM reminded the group that it is a technical working group. PJM believes that it is important to identify the areas where the standards need to be improved to eliminate any concerns about new entities connecting to the system.

PHI asked whether the group could use the existing transmission owner standards until other standards are developed. PJM stated that it cannot require an entity to build to another entity's standards. PJM stated that at the point of interconnection, the new entity's standards would govern. PSEG did not agree and the TOA-AC asked the LIT to look into the issue.

The group discussed how to handle disputes over what standards would apply at the point of interconnection. PJM indicated that it is important to provide new entities with the specific standards that they need to design to and this will allow the entities to properly price their proposals. PPL stated that the group needs to identify those things that are typically standard practice and make sure they are included in the standards.

3. 2016 RTEP Administration

- a. Identification of Supplemental projects, Operational Performance issues and changes to TO planning criteria to support the 2016 RTEP process.

Supplemental Projects:

PJM noted that stakeholders complained because they were not aware of supplemental projects that were eventually factored into the evaluation of different proposal for a given RTEP violation. In some cases the supplemental projects influenced the RTEP violation. PJM would like the transmission owners to identify their supplemental projects at the beginning of the year so they can be included in the base case. If a transmission owner expects PJM to consider a supplemental project to address an issue, it should be submitted to PJM well in advance of PJM opening a particular window. PJM is planning to set a timeline for supplemental projects.

AEP stated that it is important to recognize that the need for a supplemental project could arise at any point during the year. The transmission owners must have some flexibility in this area. PJM stated that they are not trying to penalize the transmission owners but PJM cannot open a window and then indicate it is no longer necessary due to a supplemental project.

Operational Performance:

PJM stated that it is critical that if operational performance is going to be a driver for a project it must be identified before the window is opened. Operational performance will need to be identified and presented at the TEAC meetings as a driver. If operational performance is compounding the need for a reliability project, it must be identified as part of the initial project so that it can be evaluated as part of the proposal process. PJM would like to identify a specific period in the next few months where operational performance issues are identified and presented at TEAC meetings.

PPL asked for guidance on the timing. PJM stated that they believed they should wait until after the winter period because the spring could be a good period to identify the operational issues which could then be placed into later windows. PJM stated that for local planning criteria, the transmission owners should aim for an April/May time period and that operational performance issues should be identified after the winter months. Supplemental projects should be identified at the beginning of the year.

4. New TOA-AC NDA

Chip Richardson updated the group on the NDA. Chip explained that he needed signatures from each transmission owner. Signatures have been received from: UGI, AEP, Duquesne, Dominion, Exelon, PPL, Duke, and Rockland. Chip will coordinate with PJM and send an e-mail request to the TOA-AC for a review and update of the NDA certificates.

Chip also asked companies to review the current list on the PJM website and remove people no longer with their respective companies. Companies should also make sure that active members are on the list.

5. Selection of TOA-AC Vice Chair for 2016/17

Chip stated that Duke is next in line to be Vice Chair. Duke has indicated that it will accept the position.

6. LIT Update

The LIT Chair provided an update. The LIT will hold a conference call later in the month to discuss guidelines for hiring outside counsel and consultants.