

PJM Sub-Regional RTEP Process

May 17, 2017



PJM's Planning Process is Best in Class!

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
- Transmission providers to establish a process that allows for a reasonable and meaningful opportunity to meet or interact meaningfully; and for the timely and meaningful input and participation of customers in the development of transmission plans “at the early stages
- Co-planning is not allowed.

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 & TOs Have a Strong Commitment to Transparency

Transparency makes good business sense:


- Helps to ensure that all projects are coordinated across PJM in an efficient and cost-effective manner and avoids conflicts in transmission outage schedules. A lack of coordination can cause delays, increase costs, jeopardize reliability and affect our ability to recover costs
- **Transparency improvements Implemented in 2016**
 - Sub-regional RTEP meetings – review assumptions, methodology, project drivers, proposed solutions and alternatives considered
 - Consistent project presentation template
 - Detailed project information and one line diagrams as needed
 - Provide TO SME's to answer stakeholder questions
 - Provide follow up written responses 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
 - Schedule more meetings as needed
 - Establish a timeline/schedule for submitting supplemental projects
 - Coordination with RTEP and Order No 1000 competitive process

Attachment M3: TOs Propose Additional Improvements

- **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 PJM 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 CEII Protections**
- **No Limitation on Additional Meetings and Communications**

More Improvements: Transmission Cost Information Center

- TCIC is a tool to provide information to stakeholders regarding the direction and magnitude of future transmission costs
- Gathers all transmission project information in the RTEP (Baseline & Supplemental)
- Aggregates publicly available data into a user-friendly spreadsheet format
 - e.g. In Service Dates, Cost Estimates, Carrying charges
- User may filter information by project type, TO zone or project year(s) to understand prospective costs
- Downloadable exports allow user-developed scenarios and analyses

 Transmission Cost Information Center Tool								
Current Billing Date ==> <small>(Updates automatically - do not change)</small>		3/1/2017	RESPONSIBLE ZONES					
Future Billing Date ==> <small>(Must be between 03/01/2017-12/01/2027)</small>		5/1/2017	AEC	AEP	APS	ATSI	BGE	...
Current Monthly Zonal Charges*								
Transmission Costs (\$)			\$1,297,367	\$9,989,405	\$3,220,095	\$5,056,021	\$4,290,320	####
Transmission Costs (\$/MW)			\$485	\$444	\$369	\$396	\$650	####
Future Monthly Zonal Charges*								
Transmission Costs (\$)			\$1,305,064	\$10,017,951	\$3,231,110	\$5,073,820	\$4,309,858	####
Transmission Costs (\$/MW)			\$488	\$446	\$371	\$398	\$653	####
Incremental Monthly Zonal Charges*								
Transmission Costs (\$)			\$7,697	\$28,546	\$11,015	\$17,799	\$19,538	####
Transmission Costs (\$/MW)			\$3	\$1	\$1	\$1	\$3	####

* Estimated charges related to RTEP and Supplemental upgrades only

Attachment M3 – Transparency Improvements in 2017

2017 Improvements

- PJM developed a list of information to support subregional RTEP meetings that comply with Order 890 and the FERC show Cause order

Transparency improvements currently being implemented in 2017

- Bi monthly, four hour subregional RTEP meeting schedule
- 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
- FERC
- Stakeholders

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 all the issues driving the project.	X	X
Alternatives Considered	List alternative solutions considered and their associated costs	X	
Selected Solution	Present the solution that is selected for construction		X
Estimated Project Cost	Project cost estimate		X
Projected IS Date	Expected/projected in-service date of the selected project		X
Project Status	State the status of the proposed project - Conceptual/ Engineering & Construction/In-Service	X	X
Maps	Include sufficient detail to see impacted facilities	X	X