

New Service Request Study Methods

Problem / Opportunity Statement

The New Services Queue is currently processed in a manner to coordinate the impacts of all resources, and all required reinforcements, in a single queue so that the planning of reinforcements is efficient and reduces the amount of “over-build” which would occur on the system. However, under the current Tariff the rules, some small generation resources may be delayed as a result of unintended consequences related to multiple rules in the study process. In order to complete the evaluation of projects, and determine the projects ability to be included in the Alternate Queue Process, PJM must wait for the queue to close which may delay certain small generation projects. Additionally, as a result of cost allocation rules associated with New Service Requests which require that all queue projects in an individual queue support the funding of upgrades for facilities to which they contribute load when the upgrade costs are less than \$5 million, PJM must wait for the queue to close to determine cost allocation.

Another issue has been identified in that all projects in the New Services Queue, with the exception of Upgrade Requests (requests to obtain Incremental Auction Revenue Rights) and Long Term Firm Transmission Service customers, are provided multiple studies to review the specification and cost of upgrades prior to the need to commit to a Facilities Study. When these types of projects are provided their Facilities Study Agreements, PJM and the affected Transmission Owners, have not had an opportunity to refine or attempt to optimize the reinforcements specified which results in the need to perform a review of the upgrades during the Facilities Study which may delay this process.

Key Work Activities

The following are some key work activities that should be undertaken to address the above stated problem.

1. Provide education about the current processes to conduct Alternate Queue Studies to determine if the delays in study processing can be alleviated.
2. Provide education about the cost allocation rules associated with upgrades of less than \$5 million to determine the ability to restructure process in order to reduce potential delays in providing studies to small generation customers.
3. Provide education about processes associated with the study of Upgrade Requests to determine if the addition of a phase in the study of these types of projects can be included in the New Services Queue processes.
4. Provide education about processes associated with the study of Transmission Service Requests to determine if the addition/modification of a phase in the study of these types of projects can be included in the New Services Queue processes.
5. Develop changes to the PJM Tariff and Manuals or response to the Planning Committee as required based on the determination made in each activity above. These items may be split up for approvals.



Problem Statement / Issue Charge

Stakeholder Group Assignment

Sub-group of the Planning Committee

Expected Deliverables

Tariff and Manual language to define the new cost allocation requirements or discussion to be presented to the Planning Committee for the reason why the current cost allocation rules should be maintained in their current form.

Expected Overall Duration of Work

The goal is to complete a review of the issue and propose new Tariff and Manual language to the PC in 3-4 Months.

Decision-Making Method

Tier 1, consensus (unanimity) on a single proposal