

RPPTF - Multi-Driver Approach (MDA) First Read

March 27, 2014 MRC Meeting, Wilmington, DE Fran Barrett

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Multi-Driver Project Definition (OA)

Multi-Driver Project Definition (OATT)

New MDA Section 1.5.10 (Schedule 6, OA)



Proposed language:

- Leverages existing planning processes
 - Need-based Reliability solutions (R)
 - Benefit/Cost-based Market Efficiency solutions (ME)
 - Public Policy-based elements via State Agreement (PP)
- Allows for cohesive combinations to augment current R+ME and standalone PP methods



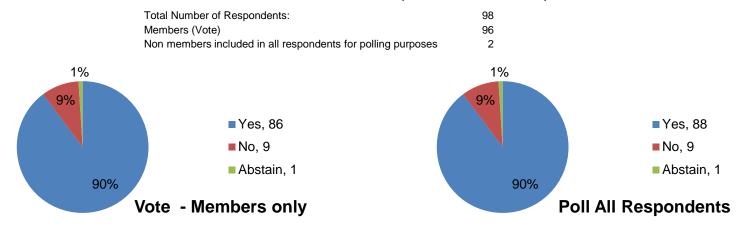
Key Considerations

- MDA principles provide PJM planning methods to develop multi-driver project combinations as part of annual RTEP
 - Parallel (combining standalone projects)
 - Incremental (adding ME or PP project "on top" of a R project)
- Office of the Interconnection to apportion respective value of combination(s)
- NOTE: Cost Allocation determined by Transmission Owners (TOs) via Section 205 Filing



Q1 - RPPTF Polling/Voting Results

Q1: Per the Draft Definitions new tariff Section 1.18.H, and new section 1.25A of Schedule 6 of the OA, and proposed new MDA Section 1.5.10 of Schedule 6 of the OA, do you support the ability (but not the obligation) to combine for planning and cost allocation purposes R&ME&PP, ME & PP, And or R&PP within PJM RTEP Process? (Yes, No, Abstain)

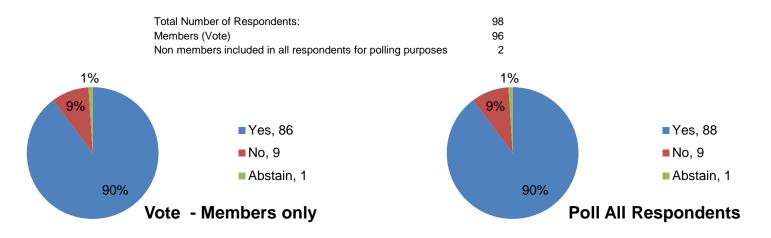


RPPTF Multi-Driver Approach Survey Conducted March 13 - 20, 2014



Q2 - RPPTF Polling/Voting Results

Q2: Should we have RTEP processes that allow the development of projects on an "incremental" planning basis? (Yes, No, Abstain)



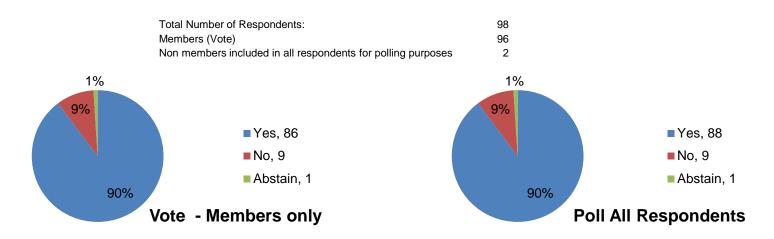
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Q3 - RPPTF Polling/Voting Results

Q3: Should we have RTEP processes that allow the development of projects on a "parallel" planning basis? (Yes, No, Abstain)



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- TOs to develop and share proposed cost allocation tariff language, illustrative examples and consult with PJM and PJM MC per Section 7.3.2 of CTOA
- Cost Allocation Principles provided by TOs
 - October 17, 2013 principles produced
 - March 25, 2014 revised principles discussed with RPPTF
- MRC/MC consideration and vote on RPPTF language with understanding of proposed, revised Cost Allocation formula for Multi-Driver projects
 - Procedural effort to align and sequence RPPTF and TO work products