May 26, 2015

Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re:  **PJM Interconnection, L.L.C., Docket No. ER13-1936-000**
Order No. 1000 Interregional Compliance Filing

Dear Secretary Bose:

In compliance with the January 23, 2015 order (“PJM-SERTP Order” or Order) issued by the Federal Energy Regulatory Commission in the captioned docket,¹ PJM Interconnection, L.L.C. (“PJM”) hereby submits revisions to Schedule 6-A of the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. (“Operating Agreement”), relating to the interregional transmission coordination procedures between PJM and the Southeastern Regional Transmission Planning region (“SERTP” or “Jurisdictional SERTP Sponsors”).² This filing is made to comply with certain requirements of the PJM-SERTP Order.³

PJM has engaged in extensive outreach and coordination with the SERTP Filing Parties, and the parties have reached full agreement on all points at issue in this compliance filing. Consistent with the submission of the Order No. 1000 compliance filings submitted on July 10, 2013 in this docket,⁴ PJM and the SERTP Filing Parties have agreed upon parallel language to be included in their respective tariffs to address the compliance directives in the January 23, 2015 PJM-SERTP Order.


⁴ *PJM Interconnection, L.L.C.*, Submission of Interregional Transmission Coordination Procedures in Compliance with Order No. 1000, ER13-1936-000 (July 10, 2013).
In that regard, The SERTP Sponsors are individually submitting a common transmittal letter with the relevant revised provisions to their respective open access transmission tariff (“OATT”) contemporaneous with this filing. In addition, contemporaneous with this filing, the PJM Transmission Owners are submitting under Docket No. ER13-1927 proposed revisions to Schedule 12-B (“Schedule 12-B”) of the PJM Open Access Transmission Tariff (“PJM Tariff”) relating to the allocation of costs for interregional transmission system expansions and enhancements in compliance with the PJM-SERTP Order.  

I. Schedule 6-A Revisions to Comply with the Order

PJM and the SERTP Filing Parties have agreed upon a common approach and parallel tariff language in their respective tariffs to satisfy Order No. 1000’s interregional coordination and cost allocation requirements for their collective seam (the “PJM-SERTP Joint Proposal”).

For PJM, (i) the transmission planning process for the PJM-SERTP seam is found at Schedule 6-A of the Operating Agreement; and (ii) the interregional cost allocation provisions for the PJM-SERTP seam being filed today by the PJM Transmission Owners in Docket No. ER13-1927 are found at Schedule 12-B of the PJM Tariff. For the Jurisdictional SERTP Filing Parties, the parallel tariff language effectuating the PJM-SERTP Joint Proposal is included in their respective OATTs as follows:

- For Duke, the implementing tariff language is found at Attachment N-1 – PJM of the Duke Joint OATT.
- For LG&E/KU, the implementing tariff language is found at Appendix 8 to Attachment K of LG&E/KU’s OATT.
- For OVEC, the implementing tariff language is found at Attachment M-3 of OVEC’s OATT.
- For Southern Companies, the implementing tariff language is found at Exhibit K-6, “Interregional Transmission Coordination Between the SERTP and PJM Regions” of Southern Companies’ OATT.

In an effort to facilitate the Commission’s review of these filings being made contemporaneously by PJM and the SERTP Filing Parties, they have coordinated in drafting their transmittal letters.

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5 Under section 9.1 of the PJM Tariff and Article 7 of the Consolidated Transmission Owners Agreement, Rate Schedule F.E.R.C. No. 42, the PJM Transmission Owners have the exclusive authority and responsibility to submit filings under section 205 of the Federal Power Act “in or relating to . . . the transmission rate design under the PJM Tariff.” See PJM Tariff, section 9.1. PJM adopts and relies on the PJM Transmission Owners Schedule 12-B Filing to satisfy its compliance requirements in the PJM-SERTP Order. PJM urges the Commission to find that the PJM Transmission Owners’ filing complies with the PJM-SERTP Order regarding cost allocation.

To facilitate the Commission’s review of the proposals made herein, the headings under this Section I of the transmittal letter generally follow the topic headings under “Article IV. Discussion” in the Order.

1. Interregional Transmission Coordination Requirements

   a. Implementation of the Interregional Transmission Coordination Requirements

      i. Data Exchange and Identifying Interregional Transmission Facilities

         Replace “And” with “Or”

         The Commission noted that PJM and the SERTP Filing Parties use the phrase a potential transmission project that could be more efficient “and” cost effective while Order No. 1000 used the terminology of more efficient “or” cost effective.\(^7\) The Order directs PJM and the SERTP Filing Parties’ to correct their tariffs to replace “and” with “or”.\(^8\) Accordingly, and as shown in the attached redline comparisons and revised tariff language, in compliance with that directive, Section 3.1 of Schedule 6-A has been so revised.

Identification of Interregional Transmission Projects

With regard to the identification of interregional transmission facilities, the Commission accepted PJM’s and the SERTP Filing Parties’ “proposals to rely on the regional transmission planning processes as the forum for stakeholders and transmission developers to propose interregional transmission facilities for joint evaluation.”\(^9\) However, the Commission held that:

PJM and SERTP Filing Parties have not explained how a proponent of an interregional transmission facility may seek to have its interregional transmission facility jointly evaluated by PJM and SERTP Filing Parties by submitting the interregional transmission facility into PJM and SERTP Filing Parties’ regional transmission planning processes. Accordingly, we direct PJM and SERTP Filing Parties to submit compliance filings . . . with proposed revisions to their tariffs that satisfy these requirements.\(^10\)

To comply with this directive and make clear how a proponent of an interregional transmission project may seek to have its project jointly evaluated, PJM and the SERTP Filing

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\(^7\) Order, P 55.
\(^8\) Id.
\(^9\) Order, P 58.
\(^10\) Id.
Parties have jointly developed the following new language to add to the beginning of Section 3.4. As shown below, this new language articulates the steps by which such a proponent may identify an interregional transmission project in order to trigger PJM’s and the SERTP Filing Parties’ joint evaluation procedures. As proposed, the new language provides:

3.4 Evaluation of Interregional Transmission Projects Proposed for Interregional Cost Allocation Purposes:

Interregional transmission projects proposed for Interregional CAP must be submitted in both the SERTP and PJM regional transmission planning processes. The project submittals must satisfy the applicable requirements for submittal of interregional transmission projects, including those in Schedule 6 of this Agreement and Schedule 12-B of the PJM Tariff. The submittals in the respective regional transmission planning processes must identify the project proposal as interregional in scope and identify SERTP and PJM as the regions in which the project is proposed to interconnect. The Office of the Interconnection will determine whether the submittal for the proposed interregional transmission project satisfies all applicable requirements. Upon finding that the project submittal satisfies all such applicable requirements, the Office of the Interconnection will notify the SERTP Transmission Provider. Upon both regions so notifying one another that the project is eligible for consideration pursuant to their respective regional transmission planning processes, the Transmission Provider and the Office of the Interconnection will jointly evaluate the proposed interregional projects.

ii. Procedures For Joint Evaluation

While largely finding PJM’s and the SERTP Filing Parties’ procedures for joint evaluation satisfy the requirements of Order No. 1000, the Commission held that:

PJM and SERTP Filing Parties do not indicate the type of transmission studies that will be conducted to evaluate conditions on neighboring transmission systems for the purpose of determining whether interregional transmission facilities are more efficient or cost-effective . . . . We therefore direct PJM and SERTP Filing Parties to submit further compliance filings . . . listing either the type of transmission studies that will be conducted or cross references to the specific provisions in the respective tariffs that reference such studies at the regional transmission planning level.\(^{11}\)

\(^{11}\) Order at P 82.
In accordance with this directive, PJM and the SERTP Filing Parties propose to cross reference the provisions in their respective tariffs that reference such studies at the regional transmission planning level. PJM and the SERTP Filing Parties propose to add a sentence in Section 3.3 to provide that potential transmission solutions will be evaluated consistent with their respective regional transmission planning processes under their existing tariff provisions regarding regional analysis and evaluation of potentially more efficient or cost-effective transmission solutions. Specifically, after a discussion of how the joint evaluations will be performed consistent with accepted regional planning processes, PJM proposes to add the following sentence to Section 3.3 of Schedule 6-A:


And PJM proposes to include the following sentence to the newly proposed Section 3.4:

The project submittals must satisfy the applicable requirements for submittal of interregional transmission projects, including those in Schedule 6 of this Agreement and Schedule 12-B of the PJM Tariff.

Using the Office of the Interconnection’s regional transmission planning process as an example, the cross references are to Section 6 of PJM’s Operating Agreement. With regard to the referenced Schedule 6, that Schedule (among other things) describes the transmission planning coordination\(^{12}\) and reliability planning processes that are utilized, including the scope, assumptions and analyses that are performed in conducting the enhancement and expansion studies\(^{13}\) and the development of regional transmission expansion plan.\(^{14}\)

### iii. Posting Requirement

The PJM-SERTP Order requires PJM and the SERTP Filing Parties to comply with additional post requirements. Specifically, the Order holds that:

. . . [A]s part of the information that public utility transmission providers must communicate on their website related to interregional transmission coordination procedures,\(^{15}\) PJM and SERTP Filing Parties must post a list of all interregional transmission facilities that are proposed for potential selection in the regional transmission plans for purposes of cost allocation but that are found not to meet

\(^{12}\) See Schedule 6, § 1.5.5(b).

\(^{13}\) See Schedule 6, § 1.5.3.

\(^{14}\) See Schedule 6, § 1.5.6.

\(^{15}\) Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 458.
the relevant thresholds, as well as an explanation of the thresholds the proposed interregional transmission facilities failed to satisfy.\textsuperscript{16}

Consistent with the Commission’s directive, PJM and the SERTP Filing Parties jointly developed the following new language and propose to add a new Section 4.5 to Schedule 6 and Exhibit K-6, as follows:

\textbf{4.5} The Office of the Interconnection will post a list on the Regional Planning Website of interregional transmission projects proposed for purposes of cost allocation in both the SERTP and PJM that are not eligible for consideration because they do not satisfy the regional project threshold criteria of one or both of the regions as well as post an explanation of the thresholds the proposed interregional project failed to satisfy.

\section*{2. Miscellaneous – Addressing Typographical and Consistency Issues}

\textbf{a. Correct Tariff references}

In addition to the tariff revisions discussed above to comply with the PJM-SERTP Order, PJM proposes to correct incorrect tariff references as follows: (i) under the heading “Interregional Transmission Coordination between the SERTP and PJM Region” PJM proposes to replace the reference to Schedule 6-A with Schedule 12-B of the PJM Open Access Transmission Tariff (“Schedule 12-B”); (ii) in section 1.2, PJM proposes to replace the reference to Section 5.2 with “Schedule 12-B of the PJM Tariff;” and (iii) in section 3.4.1, PJM proposes to replace the reference to PJM OATT Section 5 with “Schedule 12-B of the PJM Tariff.”

\textbf{b. Clean Up Format}\textsuperscript{17}

PJM proposes to replace bullets under Sections 1.1, 1.3, 3.5.1 and 4.3 with subsection numbers as follows:

- Replace the bullet under Section 1.1 with Subsection 1.1.1;
- Replace the bullets under Section 1.3 with Subsections 1.3.1, 13.2 and 1.3.3;
- Replace the bullets under Section 3.5.1 with Subsections 3.5.1.1 and 3.5.1.2; and
- Replace the bullets under Section 4.3 with Subsections 4.3.1, 4.3.2 and 4.3.3.

\textsuperscript{16} PJM-SERTP Order at P 161 (internal footnotes omitted).

\textsuperscript{17} The SERTP Transmission Providers do not propose to replace the bullets with subsection numbers. This format difference is not material as Order No. 1000 only requires matching tariff language (not format). \textit{See} Order No. 1000 at P 346.
c. Conformance for Consistency within the Documents

In preparing this filing, PJM and the SERTP Filing Parties noticed that inconsistent conventions were used in the tariff language with regard to the provision of notice from one party to the other. In particular, and using PJM’s Schedule 6-A language as an example, in a couple of instances the Schedule 6-A language provides that “The Office of the Interconnection will notify each the SERTP Transmission Providers of such posting,”¹⁸ while in other instances, the tariff would provide that “The SERTP Transmission Provider and the Office of the Interconnection shall notify each other of such posting.”¹⁹

For purposes of consistency and given the fact that PJM cannot direct the SERTP Transmission Providers under PJM’s tariff,²⁰ PJM and the SERTP Filing Parties propose to revise the referenced sections 2.1 and 3.6.1 in Schedule 6-A and Exhibit K-6 to provide that “The Office of the Interconnection shall notify the SERTP Transmission Providers . . . .”

II. Correspondence and Communications

Correspondence and communications concerning this filing should be directed to the following persons on behalf of PJM:

Craig Glazer                  Pauline Foley
Vice President – Federal Government Policy   Assistant General Counsel
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III. Contents of this Filing

The following is a list of documents submitted with this filing:

(a) This transmittal letter;

(b) Attachment A – Revised PJM Operating Agreement - Schedule 6-A (in redlined form); and

(c) Attachment B – Revised PJM Operating Agreement – Schedule 6-A (in clean form).

¹⁸ Schedule 6-A at § 2.2 and § 3.4 proposed.

¹⁹ Schedule 6-A §§ 2.1, 3.6.1.

²⁰ The binding commitment upon the SERTP Transmission Providers is established by the SERTP Transmission Providers adopting parallel language in their respective OATTs, which they are also proposing to do contemporaneously with this filing.
IV. Request for Waiver

PJM is making this filing in compliance with the Commission’s directives in the PJM-SERTP Order. By making this filing in compliance with the Order, PJM understands that it has satisfied any of the Commission’s filing requirements that might apply. Should any of the Commission’s regulations (including filing regulations) or requirements that were not addressed be found to apply, PJM respectfully requests waiver of any such regulation or requirement.

V. Requested Effective Date

Because these proposed tariff revisions are submitted in compliance with PJM’s Order No. 1000 interregional transmission coordination procedures between PJM and the SERTP region, PJM requests an effective date of January 1, 2015, which is the effective date of PJM’s Order No. 1000 tariff revisions filed and accepted in the PJM-SERTP Order.\textsuperscript{21} PJM requests any waivers of the Commission’s notice requirements set forth in 18 C.F.R. § 35.3.

VI. Service

PJM has served a copy of this filing on all PJM Members and on all state utility regulatory commissions in the PJM Region by posting this filing electronically. In accordance with the Commission’s regulations,\textsuperscript{22} PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: \url{http://www.pjm.com/documents/ferc-manuals/ferc-filings.aspx} with a specific link to the newly-filed documents, and will send an e-mail on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region alerting them that this filing has been made by PJM and is available by following such link. PJM also serves the parties listed on the Commission’s official service list for this docket. If the documents are not immediately available by using the referenced link, the documents will be available through the referenced link within 24 hours of the filing. Also, a copy of this filing will be available on the Commission’s eLibrary website located at the following link: \url{http://www.ferc.gov/docs-filing/elibrary.asp} in accordance with the Commission’s regulations and \textit{Order No. 714}.

\textsuperscript{21} PJM-SERTP Order at P 36.

\textsuperscript{22} \textit{See} 18 C.F.R §§ 35.2(e) and 385.2010(f)(3) (2013).
VII. Conclusion

Wherefore, PJM respectfully requests that the Commission accept these revisions in compliance with the PJM-SERTP Order.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document on those parties on the official Service List compiled by the Secretary in these proceedings.

Dated at Audubon, Pennsylvania this 26th day of May, 2015.

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Attachment A

Revisions to the
PJM Operating Agreement Schedule 6-A

(Marked / Redline Format)
SCHEDULE 6-A  
Interregional Transmission Coordination Between the SERTP and PJM Regions

The Office of the Interconnection, through its regional transmission planning process, coordinates with the public utility transmission providers of Southeastern Regional Transmission Planning ("SERTP," and individually, “SERTP Transmission Provider,” and collectively, “SERTP Transmission Providers”), as the transmission providers and planners for the SERTP region to address transmission planning coordination issues related to interregional transmission projects. The interregional transmission coordination procedures include a detailed description of the process for coordination between the SERTP Transmission Providers and the Office of the Interconnection, to identify possible interregional transmission projects that could address transmission needs more efficiently or cost-effectively than transmission projects included in the respective regional transmission plans. The interregional transmission coordination procedures are hereby provided in this Schedule 6-A with additional materials provided on the PJM Regional Planning website.

The Office of the Interconnection and each of the SERTP Transmission Providers shall:

1. Coordinate and share the results of the SERTP Transmission Providers’ and the Office of the Interconnection’s regional transmission plans to identify possible interregional transmission projects that could address transmission needs more efficiently or cost-effectively than separate regional transmission projects;

2. Identify and jointly evaluate transmission projects that are proposed to be located in both transmission planning regions;

3. Exchange, at least annually, planning data and information; and

4. Maintain a website and e-mail list for the communication of information related to the coordinated planning process.

The SERTP Transmission Providers and the Office of the Interconnection developed a mutually agreeable method for allocating between the two transmission planning regions the costs of new interregional transmission projects that are located within both transmission planning regions. Such cost allocation method satisfies the six interregional cost allocation principles set forth in Order No. 1000 and are included in this Schedule 6-A12-B of the PJM Open Access Transmission Tariff (“Schedule 12-B”).

For purposes of this Schedule 6-A, each of the SERTP Transmission Provider’s transmission planning process is the process described in each of the SERTP Transmission Providers’ open access transmission tariffs; the Office of the Interconnection’s regional transmission planning process is the process described in Schedule 6 of this Agreement. References to the respective transmission planning processes in each of the SERTP Transmission Providers’ open access transmission tariffs are intended to identify the activities described in those tariff provisions. References to the respective regional transmission plans in this Schedule 6-A are intended to identify, for the Office of the Interconnection, the PJM Regional
Transmission Expansion Plan (“RTEP”), as defined in applicable PJM documents and, for each SERTP Transmission Providers, the SERTP regional transmission plan which includes the applicable ten (10) year transmission expansion plan. Unless noted otherwise, Section references in this Schedule 6-A refer to Sections within this Schedule 6-A.

Nothing in this Schedule 6-A is intended to affect the terms of any bilateral planning or operating agreements between transmission owners and/or transmission service providers that exist as of the effective date of this Schedule 6-A or that are executed at some future date.

INTERREGIONAL TRANSMISSION PLANNING PRINCIPLES

Representatives of the SERTP and the Office of the Interconnection will meet no less than once per year to facilitate the interregional coordination procedures described below (as applicable). Representatives of the SERTP and the Office of the Interconnection may meet more frequently during the evaluation of project(s) proposed for purposes of interregional cost allocation between the SERTP and the Office of the Interconnection. For purposes of this Schedule 6-A, an “interregional transmission project” means a facility or set of facilities that would be physically located in both the SERTP region and PJM Region and would interconnect to the transmission facilities of one or more SERTP Transmission Providers and one or more Transmission Owners.

1. Coordination

1.1 Review of Respective Regional Transmission Plans: Biennially, the Office of the Interconnection and the SERTP Transmission Providers shall review each other’s current regional transmission plan(s) and engage in the data exchange and joint evaluation described in Sections 2 and 3.

   1.1.1 The review of each region’s regional transmission plan(s), which plans include the transmission needs and planned upgrades of the transmission providers in each region, shall occur on a mutually agreeable timetable, taking into account each region’s transmission planning process timeline.

1.2 Review of Proposed Interregional Transmission Projects: The SERTP Transmission Providers and the Office of the Interconnection will also coordinate with regard to the evaluation of interregional transmission projects identified by the SERTP Transmission Providers and the Office of the Interconnection as well as interregional transmission projects proposed for Interregional Cost Allocation Purposes (“Interregional CAP”), pursuant to Sections 3 below and Schedule 12-B of the PJM Open Access Transmission Tariff. Initial coordination activities regarding new interregional proposals will typically begin during the third calendar quarter. The SERTP Transmission Providers and the Office of the Interconnection will exchange status updates for new interregional transmission project proposals or proposals currently under consideration as needed. These status updates will generally include, if applicable: (i) an update of the region’s evaluation of the proposal; (ii) the latest calculation of Regional Benefits (as defined in Section 5.2 Schedule 12-B); (iii) the anticipated timeline for future assessments; and (iv) reevaluations related to the proposal.
1.3 **Coordination of Assumptions Used in Joint Evaluation:** The SERTP Transmission Providers and the Office of the Interconnection will coordinate assumptions used in joint evaluations, as necessary, which includes items such as:

- **1.3.1** Expected timelines/milestones associated with the joint evaluation
- **1.3.2** Study assumptions
- **1.3.3** Regional benefit calculations

1.4 **Posting of Materials on Regional Planning Websites:** The SERTP Transmission Providers and the Office of the Interconnection will coordinate with respect to the posting of materials related to the interregional coordination procedures described in this Schedule 6-A on each region’s regional planning website.

2. **Data Exchange**

2.1 At least annually, each of the SERTP Transmission Providers and the Office of the Interconnection shall exchange power-flow models and associated data used in the regional transmission planning processes to develop their respective then-current regional transmission plan(s). This exchange will occur when such data is available in each of the transmission planning processes, typically during the first calendar quarter. Additional transmission-based models and data may be exchanged between the SERTP Transmission Providers and the Office of the Interconnection as necessary and if requested. For purposes of the interregional coordination activities outlined in this Schedule 6-A, only data and models used in the development of the SERTP Transmission Provider’s and the Office of the Interconnection’s then-current regional transmission plans and used in their respective regional transmission planning processes will be exchanged. This data will be posted on the pertinent regional transmission planning process’ websites, consistent with the posting requirements of the respective regional transmission planning processes, and is considered CEII. The SERTP Transmission Provider and the Office of the Interconnection shall notify each other the SERTP Transmission Providers of such posting.

2.2 The RTEP will be posted on the Office of the Interconnection’s Regional Planning website pursuant to the Office of the Interconnection’s regional transmission planning process. The Office of the Interconnection shall notify the SERTP Transmission Providers of such posting so that the SERTP Transmission Providers may retrieve these transmission plans. Each of the SERTP Transmission Providers will exchange its then-current regional plan(s) in a similar manner according to its regional transmission planning process.

3. **Joint Evaluation**

3.1 **Identification of Interregional Transmission Projects:** The SERTP Transmission Providers and the Office of the Interconnection shall exchange planning models and data and current regional transmission plans as described in Section 2. Each SERTP Transmission Provider and the Office of the Interconnection will review one another’s then-current regional transmission plan(s) in accordance with the coordination procedures described in Section 1 and their respective regional transmission planning processes. If through this
review, a SERTP Transmission Provider and the Office of the Interconnection identify a potential interregional transmission project that could be more efficient and cost effective than projects included in the respective regional plans, the SERTP Transmission Provider and the Office of the Interconnection will jointly evaluate the potential project pursuant to Section 3.3.

3.2 Identification of Interregional Transmission Projects by Stakeholders: Stakeholders may propose projects that may be more efficient or cost-effective than projects included in the SERTP Transmission Providers’ and the Office of the Interconnection’s regional transmission plans pursuant to the procedures in each region’s regional transmission planning processes. The SERTP Transmission Providers and Office of the Interconnection will evaluate interregional transmission projects proposed by stakeholders pursuant to Section 3.3.

3.3 Evaluation of Interregional Transmission Projects: The SERTP Transmission Providers and the Office of the Interconnection shall act through their respective regional transmission planning processes to evaluate potential interregional transmission projects and to determine whether the inclusion of any potential interregional transmission projects in each region’s regional transmission plan would be more efficient or cost-effective than projects included in the respective then-current regional transmission plans. Such analysis shall be consistent with accepted planning practices of the respective regions and the methods utilized to produce each region’s respective regional transmission plan(s). The Office of the Interconnection will evaluate potential interregional transmission projects consistent with Schedule 6 and the PJM Manuals 14A entitled Generation and Transmission Interconnection Process and 14B entitled PJM Region Transmission Planning Process on the PJM Website at http://www.pjm.com/documents/manuals.aspx. To the extent possible and as needed, assumptions and models will be coordinated between the SERTP Transmission Providers and the Office of the Interconnection, as described in Section 1. Data shall be exchanged to facilitate this evaluation using the procedures described in Section 2.

3.4 Evaluation of Interregional Transmission Projects Proposed for Interregional Cost Allocation Purposes: Interregional transmission projects proposed for Interregional CAP must be submitted in both the SERTP and PJM regional transmission planning processes. The project submittals must satisfy the applicable requirements for submittal of interregional transmission projects, including those in Schedule 6 of this Agreement and Schedule 12-B of the PJM Tariff. The submittals in the respective regional transmission planning processes must identify the project proposal as interregional in scope and identify SERTP and PJM as the regions in which the project is proposed to interconnect. The Office of the Interconnection will determine whether the submittal for the proposed interregional transmission project satisfies all applicable requirements. Upon finding that the project submittal satisfies all such applicable requirements, the Office of the Interconnection will notify the SERTP Transmission Provider. Upon both regions so notifying one another that the project is eligible for consideration pursuant to their respective regional transmission planning processes, the SERTP Transmission Provider and the Office of the Interconnection will jointly evaluate the proposed interregional projects.

3.4.1 If an interregional transmission project is proposed in the SERTP and Office of Interconnection for Interregional CAP, the initial evaluation of the project will
typically begin during the third calendar quarter, with analysis conducted in the same manner as analysis of interregional projects identified pursuant to Sections 3.1 and 3.2. Further evaluation shall also be performed pursuant to this Section 3.4. Projects proposed for Interregional CAP shall also be subject to the requirements of Section 5 Schedule 12-B.

3.4.2. Each region, acting through its regional transmission planning process, will evaluate proposals to determine whether the interregional transmission project(s) proposed for Interregional CAP addresses transmission needs that are currently being addressed with projects in its regional transmission plan(s) and, if so, which projects in the regional transmission plan(s) could be displaced by the proposed project(s).

3.4.3. Based upon its evaluation, each region will quantify a Regional Benefit based upon the transmission costs that each region is projected to avoid due to its transmission projects being displaced by the proposed project. For purposes of this Schedule 6-A, “Regional Benefit” means: (i) for the SERTP Transmission Providers, the total avoided costs of projects included in the then-current regional transmission plan that would be displaced if the proposed interregional transmission project was included and (ii) for the Office of the Interconnection, the total avoided costs of projects included in the then-current regional transmission plan that would be displaced if the proposed interregional transmission project was included. The Regional Benefit is not necessarily the same as the benefits used for purposes of regional cost allocation.

3.5 Inclusion of Interregional Projects Proposed for Interregional CAP in Regional Transmission Plans: An interregional transmission project proposed for Interregional CAP in the SERTP and Office of the Interconnection will be included in the respective regional plans for purposes of cost allocation only after it has been selected by both the SERTP and Office of the Interconnection regional processes to be included in their respective regional plans for purposes of cost allocation.

3.5.1. To be selected in both the SERTP and Office of the Interconnection regional plans for purposes of cost allocation means that each region has performed all evaluations, as prescribed in its regional transmission planning processes, necessary for a project to be included in its regional transmission plans for purposes of cost allocation.

- For SERTP: All requisite approvals are obtained, as prescribed in the SERTP regional transmission planning process, necessary for a project to be included in the SERTP regional transmission plan for purposes of cost allocation. This includes any requisite regional benefit to cost (“BTC”) ratio calculations performed pursuant to the respective regional transmission planning processes. For purposes of the SERTP, the anticipated allocation of costs of the interregional transmission project for use in the regional BTC ratio calculation shall be based upon the ratio of the SERTP’s Regional Benefit to the sum of the Regional Benefits identified for both the SERTP and the Office of the Interconnection; and

- For the Office of Interconnection: All requisite approvals are obtained, as prescribed in the PJM regional transmission planning process, necessary for a project to be included in the RTEP for purposes of cost allocation.
3.6 **Removal from Regional Plans:** An interregional transmission project may be removed from the SERTP’s or Office of the Interconnection’s regional plan for purposes of cost allocation: (i) if the developer fails to meet developmental milestones; (ii) pursuant to the reevaluation procedures specified in the respective regional transmission planning processes; or (iii) if the project is removed from one of the region’s regional transmission plan(s) pursuant to the requirements of its regional transmission planning process.

3.6.1 The SERTP Transmission Providers or the Office of the Interconnection, as the case may be, shall notify the other SERTP Transmission Provider if an interregional project or a portion thereof is likely to be removed from its regional transmission plan.

4. **Transparency**

4.1 The Office of the Interconnection shall post procedures for coordination and joint evaluation on the Regional Planning website.

4.2 Access to the data utilized will be made available through the Regional Planning website subject to the appropriate clearance, as applicable (such as CEII and confidential non-CEII). Both planning regions will make available, on their respective regional websites, links to where stakeholders can register (if applicable/available) for the stakeholder committees or distribution lists of the other planning region.

4.3 PJM will provide status updates of SERTP interregional activities to the TEAC including:
   - Facilities to be evaluated
   - Analysis performed
   - Determinations/results.

4.4 Stakeholders will have an opportunity to provide input and feedback within the respective regional planning processes of SERTP and the Office of the Interconnection related to interregional facilities identified, analysis performed, and any determination/results. Stakeholders may participate in either or both regions’ regional planning processes to provide their input and feedback regarding the interregional coordination between the SERTP and the Office of the Interconnection.

4.5 The Office of the Interconnection will post a list on the Regional Planning Website of interregional transmission projects proposed for purposes of cost allocation in both the SERTP and PJM that are not eligible for consideration because they do not satisfy the regional project threshold criteria of one or both of the regions as well as post an explanation or the thresholds the proposed interregional project failed to satisfy.
Attachment B

Revisions to the
PJM Operating Agreement Schedule 6-A

(Clean Format)
SCHEDULE 6-A
Interregional Transmission Coordination Between the SERTP and PJM Regions

The Office of the Interconnection, through its regional transmission planning process, coordinates with the public utility transmission providers of Southeastern Regional Transmission Planning (“SERTP,” and individually, “SERTP Transmission Provider,” and collectively, “SERTP Transmission Providers”), as the transmission providers and planners for the SERTP region to address transmission planning coordination issues related to interregional transmission projects. The interregional transmission coordination procedures include a detailed description of the process for coordination between the SERTP Transmission Providers and the Office of the Interconnection, to identify possible interregional transmission projects that could address transmission needs more efficiently or cost-effectively than transmission projects included in the respective regional transmission plans. The interregional transmission coordination procedures are hereby provided in this Schedule 6-A with additional materials provided on the PJM Regional Planning website.

The Office of the Interconnection and each of the SERTP Transmission Providers shall:

(1) Coordinate and share the results of the SERTP Transmission Providers’ and the Office of the Interconnection’s regional transmission plans to identify possible interregional transmission projects that could address transmission needs more efficiently or cost-effectively than separate regional transmission projects;

(2) Identify and jointly evaluate transmission projects that are proposed to be located in both transmission planning regions;

(3) Exchange, at least annually, planning data and information; and

(4) Maintain a website and e-mail list for the communication of information related to the coordinated planning process.

The SERTP Transmission Providers and the Office of the Interconnection developed a mutually agreeable method for allocating between the two transmission planning regions the costs of new interregional transmission projects that are located within both transmission planning regions. Such cost allocation method satisfies the six interregional cost allocation principles set forth in Order No. 1000 and are included in this Schedule 12-B of the PJM Open Access Transmission Tariff (“Schedule 12-B”).

For purposes of this Schedule 6-A, each of the SERTP Transmission Provider’s transmission planning process is the process described in each of the SERTP Transmission Providers’ open access transmission tariffs; the Office of the Interconnection’s regional transmission planning process is the process described in Schedule 6 of this Agreement. References to the respective transmission planning processes in each of the SERTP Transmission Providers’ open access transmission tariffs are intended to identify the activities described in those tariff provisions. References to the respective regional transmission plans in this Schedule 6-A are intended to identify, for the Office of the Interconnection, the PJM Regional Planning.
Transmission Expansion Plan (“RTEP”), as defined in applicable PJM documents and, for each SERTP Transmission Providers, the SERTP regional transmission plan which includes the applicable ten (10) year transmission expansion plan. Unless noted otherwise, Section references in this Schedule 6-A refer to Sections within this Schedule 6-A.

Nothing in this Schedule 6-A is intended to affect the terms of any bilateral planning or operating agreements between transmission owners and/or transmission service providers that exist as of the effective date of this Schedule 6-A or that are executed at some future date.

INTERREGIONAL TRANSMISSION PLANNING PRINCIPLES

Representatives of the SERTP and the Office of the Interconnection will meet no less than once per year to facilitate the interregional coordination procedures described below (as applicable). Representatives of the SERTP and the Office of the Interconnection may meet more frequently during the evaluation of project(s) proposed for purposes of interregional cost allocation between the SERTP and the Office of the Interconnection. For purposes of this Schedule 6-A, an “interregional transmission project” means a facility or set of facilities that would be physically located in both the SERTP region and PJM Region and would interconnect to the transmission facilities of one or more SERTP Transmission Providers and one or more Transmission Owners.

1. Coordination

1.1 Review of Respective Regional Transmission Plans: Biennially, the Office of the Interconnection and the SERTP Transmission Providers shall review each other’s current regional transmission plan(s) and engage in the data exchange and joint evaluation described in Sections 2 and 3.

1.1.1 The review of each region’s regional transmission plan(s), which plans include the transmission needs and planned upgrades of the transmission providers in each region, shall occur on a mutually agreeable timetable, taking into account each region’s transmission planning process timeline.

1.2 Review of Proposed Interregional Transmission Projects: The SERTP Transmission Providers and the Office of the Interconnection will also coordinate with regard to the evaluation of interregional transmission projects identified by the SERTP Transmission Providers and the Office of the Interconnection as well as interregional transmission projects proposed for Interregional Cost Allocation Purposes (“Interregional CAP”), pursuant to Sections 3 below and Schedule 12-B of the PJM Open Access Transmission Tariff. Initial coordination activities regarding new interregional proposals will typically begin during the third calendar quarter. The SERTP Transmission Providers and the Office of the Interconnection will exchange status updates for new interregional transmission project proposals or proposals currently under consideration as needed. These status updates will generally include, if applicable: (i) an update of the region’s evaluation of the proposal; (ii) the latest calculation of Regional Benefits (as defined in Schedule 12-B); (iii) the anticipated timeline for future assessments; and (iv) reevaluations related to the proposal.
1.3 **Coordination of Assumptions Used in Joint Evaluation:** The SERTP Transmission Providers and the Office of the Interconnection will coordinate assumptions used in joint evaluations, as necessary, which includes items such as:

1.3.1 Expected timelines/milestones associated with the joint evaluation
1.3.2 Study assumptions
1.3.3 Regional benefit calculations

1.4 **Posting of Materials on Regional Planning Websites:** The SERTP Transmission Providers and the Office of the Interconnection will coordinate with respect to the posting of materials related to the interregional coordination procedures described in this Schedule 6-A on each region’s regional planning website.

2. **Data Exchange**

2.1 At least annually, each of the SERTP Transmission Providers and the Office of the Interconnection shall exchange power-flow models and associated data used in the regional transmission planning processes to develop their respective then-current regional transmission plan(s). This exchange will occur when such data is available in each of the transmission planning processes, typically during the first calendar quarter. Additional transmission-based models and data may be exchanged between the SERTP Transmission Providers and the Office of the Interconnection as necessary and if requested. For purposes of the interregional coordination activities outlined in this Schedule 6-A, only data and models used in the development of the SERTP Transmission Provider’s and the Office of the Interconnection’s then-current regional transmission plans and used in their respective regional transmission planning processes will be exchanged. This data will be posted on the pertinent regional transmission planning process’ websites, consistent with the posting requirements of the respective regional transmission planning processes, and is considered CEII. The Office of the Interconnection shall notify the SERTP Transmission Providers of such posting.

2.2 The RTEP will be posted on the Office of the Interconnection’s Regional Planning website pursuant to the Office of the Interconnection’s regional transmission planning process. The Office of the Interconnection shall notify the SERTP Transmission Providers of such posting so that the SERTP Transmission Providers may retrieve these transmission plans. Each of the SERTP Transmission Providers will exchange its then-current regional plan(s) in a similar manner according to its regional transmission planning process.

3. **Joint Evaluation**

3.1 **Identification of Interregional Transmission Projects:** The SERTP Transmission Providers and the Office of the Interconnection shall exchange planning models and data and current regional transmission plans as described in Section 2. Each SERTP Transmission Provider and the Office of the Interconnection will review one another’s then-current regional transmission plan(s) in accordance with the coordination procedures described in Section 1 and their respective regional transmission planning processes. If through this review, a SERTP Transmission Provider and the Office of the Interconnection identify a
potential interregional transmission project that could be more efficient or cost effective than projects included in the respective regional plans, the SERTP Transmission Provider and the Office of the Interconnection will jointly evaluate the potential project pursuant to Section 3.3.

3.2 **Identification of Interregional Transmission Projects by Stakeholders:**
Stakeholders may propose projects that may be more efficient or cost-effective than projects included in the SERTP Transmission Providers’ and the Office of the Interconnection’s regional transmission plans pursuant to the procedures in each region’s regional transmission planning processes. The SERTP Transmission Providers and Office of the Interconnection will evaluate interregional transmission projects proposed by stakeholders pursuant to Section 3.3.

3.3 **Evaluation of Interregional Transmission Projects:**
The SERTP Transmission Providers and the Office of the Interconnection shall act through their respective regional transmission planning processes to evaluate potential interregional transmission projects and to determine whether the inclusion of any potential interregional transmission projects in each region’s regional transmission plan would be more efficient or cost-effective than projects included in the respective then-current regional transmission plans. Such analysis shall be consistent with accepted planning practices of the respective regions and the methods utilized to produce each region’s respective regional transmission plan(s). The Office of the Interconnection will evaluate potential interregional transmission projects consistent with Schedule 6 and the PJM Manuals 14A entitled Generation and Transmission Interconnection Process and 14B entitled PJM Region Transmission Planning Process on the PJM Website at [http://www.pjm.com/documents/manuals.aspx](http://www.pjm.com/documents/manuals.aspx). To the extent possible and as needed, assumptions and models will be coordinated between the SERTP Transmission Providers and the Office of the Interconnection, as described in Section 1. Data shall be exchanged to facilitate this evaluation using the procedures described in Section 2.

3.4 **Evaluation of Interregional Transmission Projects Proposed for Interregional Cost Allocation Purposes:**
Interregional transmission projects proposed for Interregional CAP must be submitted in both the SERTP and PJM regional transmission planning processes. The project submittals must satisfy the applicable requirements for submittal of interregional transmission projects, including those in Schedule 6 of this Agreement and Schedule 12-B of the PJM Tariff. The submittals in the respective regional transmission planning processes must identify the project proposal as interregional in scope and identify SERTP and PJM as the regions in which the project is proposed to interconnect. The Office of the Interconnection will determine whether the submittal for the proposed interregional transmission project satisfies all applicable requirements. Upon finding that the project submittal satisfies all such applicable requirements, the Office of the Interconnection will notify the SERTP Transmission Provider. Upon both regions so notifying one another that the project is eligible for consideration pursuant to their respective regional transmission planning processes, the SERTP Transmission Provider and the Office of the Interconnection will jointly evaluate the proposed interregional projects.

3.4.1 If an interregional transmission project is proposed in the SERTP and Office of Interconnection for Interregional CAP, the initial evaluation of the project will typically begin during the third calendar quarter, with analysis conducted in the same manner as
analysis of interregional projects identified pursuant to Sections 3.1 and 3.2. Further evaluation shall also be performed pursuant to this Section 3.4. Projects proposed for Interregional CAP shall also be subject to the requirements of Schedule 12-B.

3.4.2. Each region, acting through its regional transmission planning process, will evaluate proposals to determine whether the interregional transmission project(s) proposed for Interregional CAP addresses transmission needs that are currently being addressed with projects in its regional transmission plan(s) and, if so, which projects in the regional transmission plan(s) could be displaced by the proposed project(s).

3.4.3. Based upon its evaluation, each region will quantify a Regional Benefit based upon the transmission costs that each region is projected to avoid due to its transmission projects being displaced by the proposed project. For purposes of this Schedule 6-A, “Regional Benefit” means: (i) for the SERTP Transmission Providers, the total avoided costs of projects included in the then-current regional transmission plan that would be displaced if the proposed interregional transmission project was included and (ii) for the Office of the Interconnection, the total avoided costs of projects included in the then-current regional transmission plan that would be displaced if the proposed interregional transmission project was included. The Regional Benefit is not necessarily the same as the benefits used for purposes of regional cost allocation.

3.5 Inclusion of Interregional Projects Proposed for Interregional CAP in Regional Transmission Plans: An interregional transmission project proposed for Interregional CAP in the SERTP and Office of the Interconnection will be included in the respective regional plans for purposes of cost allocation only after it has been selected by both the SERTP and Office of the Interconnection regional processes to be included in their respective regional plans for purposes of cost allocation.

3.5.1. To be selected in both the SERTP and Office of the Interconnection regional plans for purposes of cost allocation means that each region has performed all evaluations, as prescribed in its regional transmission planning processes, necessary for a project to be included in its regional transmission plans for purposes of cost allocation.

- For SERTP: All requisite approvals are obtained, as prescribed in the SERTP regional transmission planning process, necessary for a project to be included in the SERTP regional transmission plan for purposes of cost allocation. This includes any requisite regional benefit to cost (“BTC”) ratio calculations performed pursuant to the respective regional transmission planning processes. For purposes of the SERTP, the anticipated allocation of costs of the interregional transmission project for use in the regional BTC ratio calculation shall be based upon the ratio of the SERTP’s Regional Benefit to the sum of the Regional Benefits identified for both the SERTP and the Office of the Interconnection; and

- For the Office of Interconnection: All requisite approvals are obtained, as prescribed in the PJM regional transmission planning process, necessary for a project to be included in the RTEP for purposes of cost allocation.
3.6 **Removal from Regional Plans:** An interregional transmission project may be removed from the SERTP’s or Office of the Interconnection’s regional plan for purposes of cost allocation: (i) if the developer fails to meet developmental milestones; (ii) pursuant to the reevaluation procedures specified in the respective regional transmission planning processes; or (iii) if the project is removed from one of the region’s regional transmission plan(s) pursuant to the requirements of its regional transmission planning process.

3.6.1 The Office of the Interconnection, shall notify the SERTP Transmission Provider if an interregional project or a portion thereof is likely to be removed from its regional transmission plan.

4. **Transparency**

4.1 The Office of the Interconnection shall post procedures for coordination and joint evaluation on the Regional Planning website.

4.2 Access to the data utilized will be made available through the Regional Planning website subject to the appropriate clearance, as applicable (such as CEII and confidential non-CEII). Both planning regions will make available, on their respective regional websites, links to where stakeholders can register (if applicable/available) for the stakeholder committees or distribution lists of the other planning region.

4.3 PJM will provide status updates of SERTP interregional activities to the TEAC including:
   - Facilities to be evaluated
   - Analysis performed
   - Determinations/results.

4.4 Stakeholders will have an opportunity to provide input and feedback within the respective regional planning processes of SERTP and the Office of the Interconnection related to interregional facilities identified, analysis performed, and any determination/results. Stakeholders may participate in either or both regions’ regional planning processes to provide their input and feedback regarding the interregional coordination between the SERTP and the Office of the Interconnection.

4.5 The Office of the Interconnection will post a list on the Regional Planning Website of interregional transmission projects proposed for purposes of cost allocation in both the SERTP and PJM that are not eligible for consideration because they do not satisfy the regional project threshold criteria of one or both of the regions as well as post an explanation or the thresholds the proposed interregional project failed to satisfy.