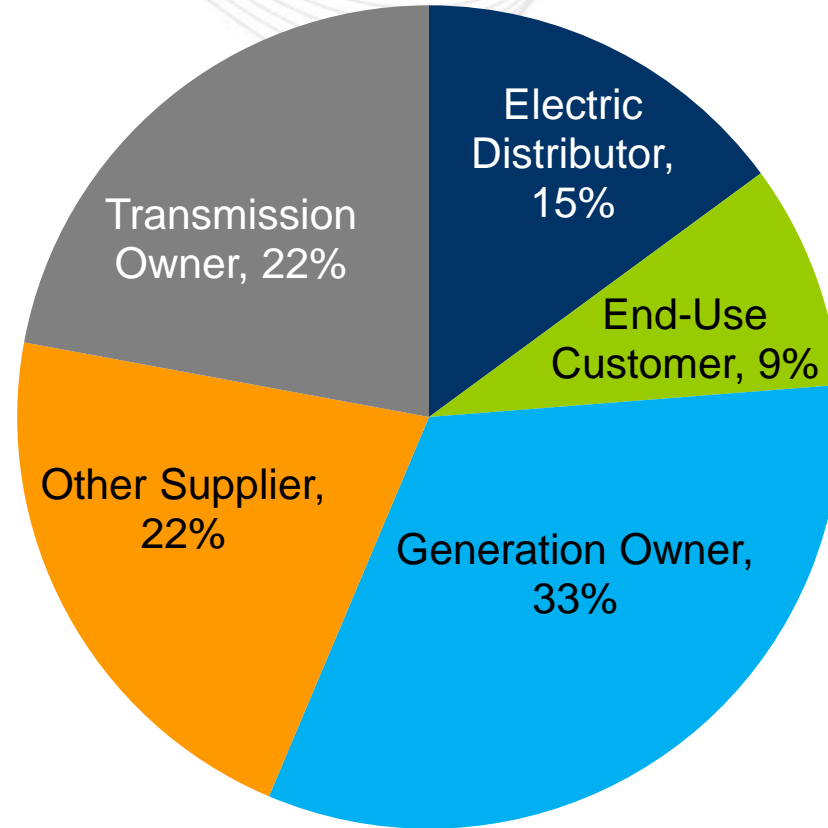




Quadrennial Review Survey Poll Results

MIC Special Session
July 27, 2018

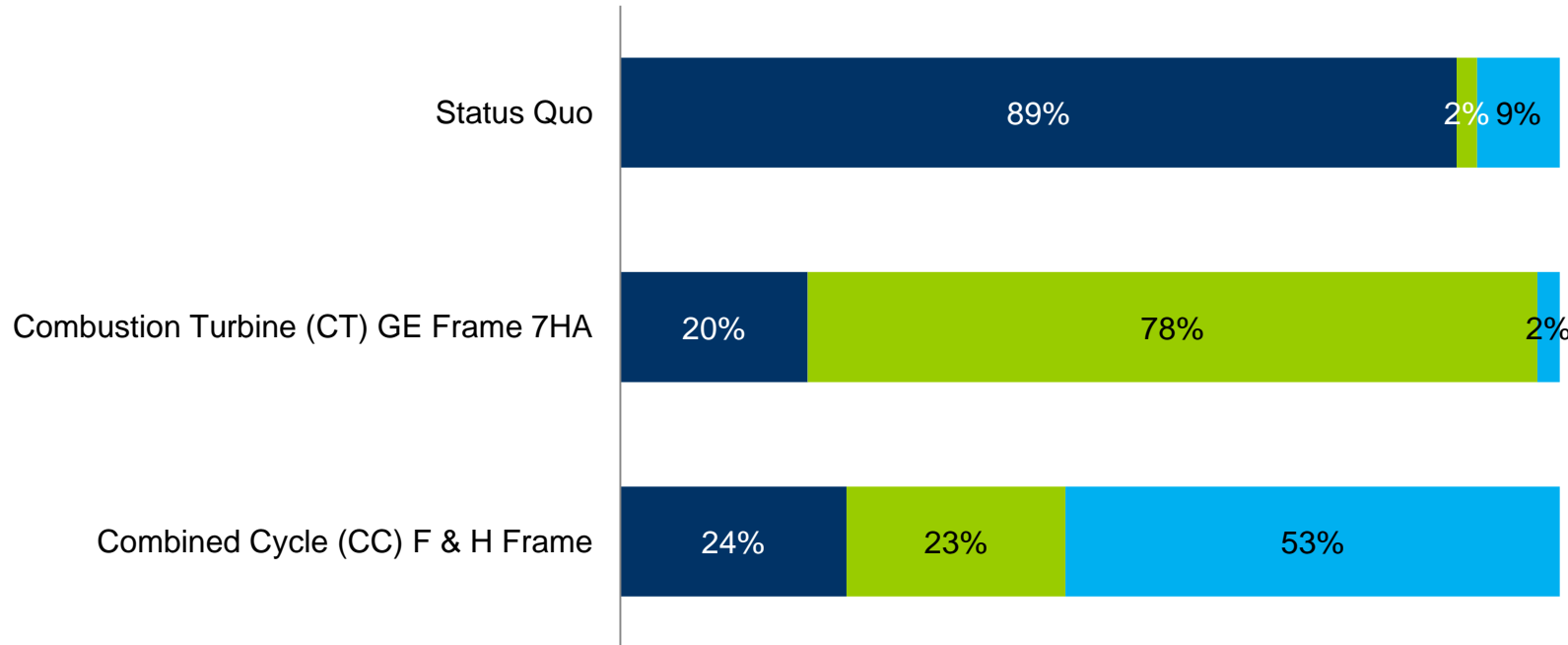
Sector Breakdown of Poll Participants



181 Total Responses

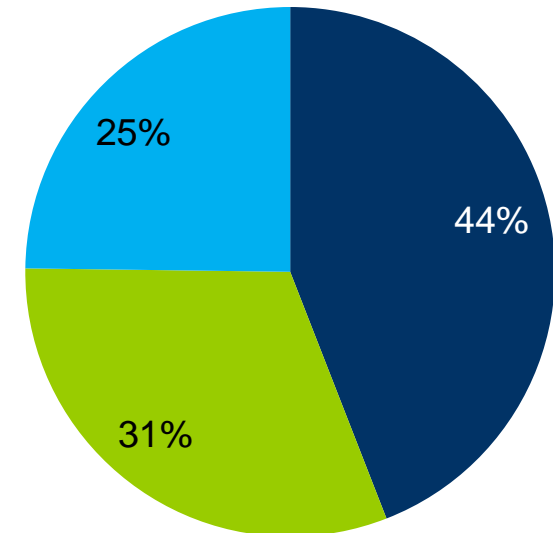
- Design Component – Reference Resource
- Options: Status Quo (7FA Frame), CT (7HA Frame), CC (H & F Frame)

■ Most Preferred ■ No Preference ■ Least Preferred



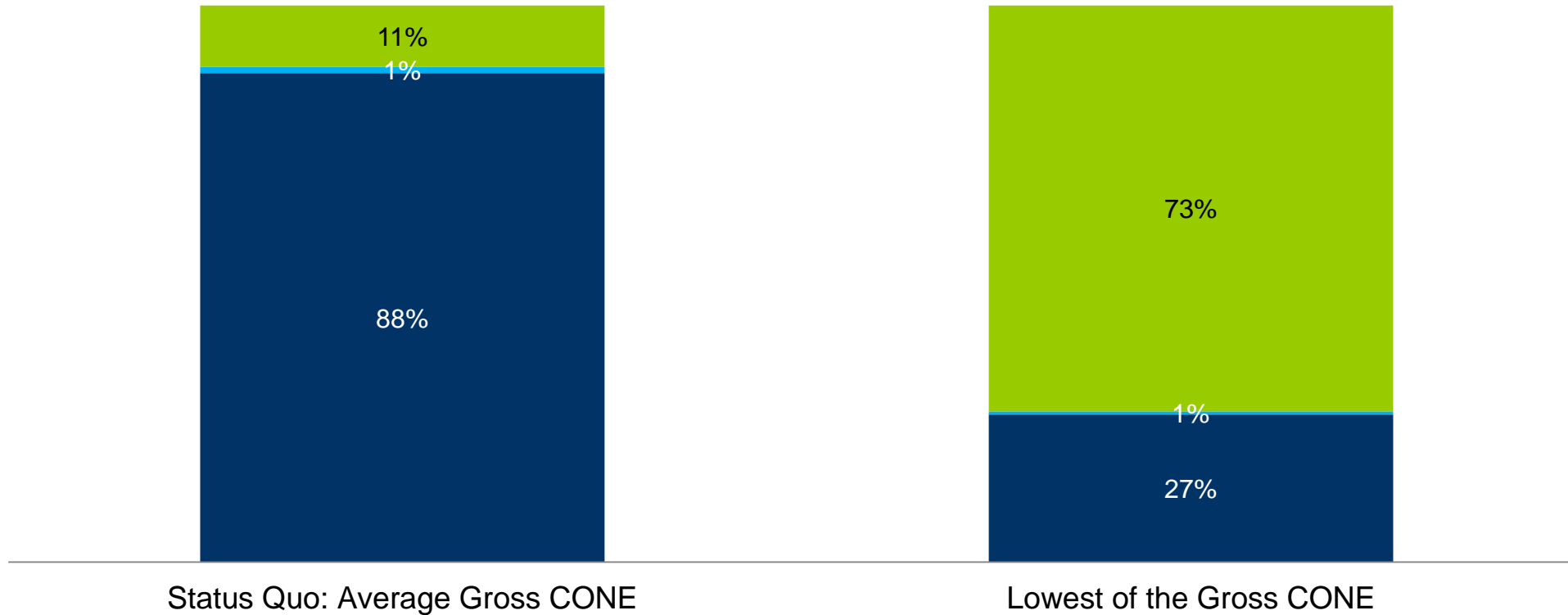
Weighted Preference

■ Status Quo ■ CT(H) ■ CC



- Design Component – CONE Area
- Options: Status Quo (Average) or Lowest Gross CONE

■ Can Support ■ May be able to Support ■ Cannot Support



- Design Component – Peak Hour Dispatch
- Options: Status Quo (16 peak hours) or 24 hours

■ Can Support
 ■ May be able to Support
 ■ Cannot Support

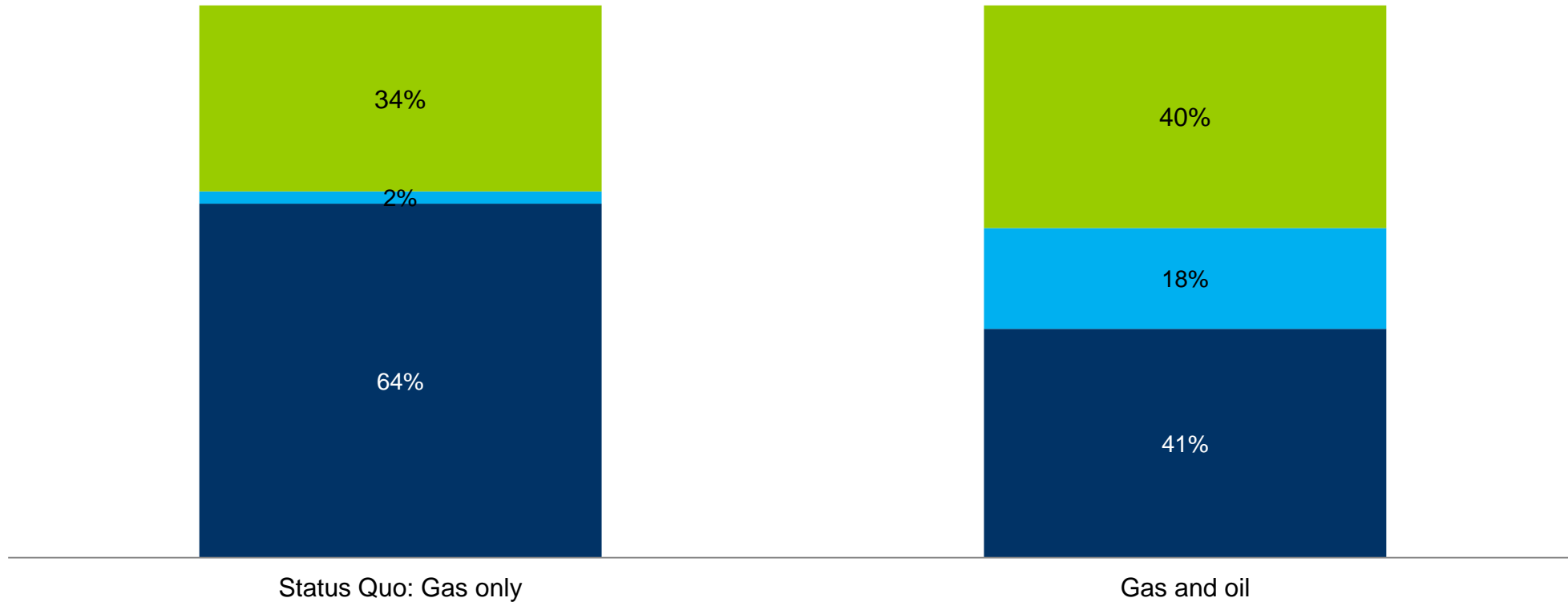


Status Quo: Economic Dispatch for 16 peak hours

Economic Dispatch for 24 hours of each day

- Design Component – Fuel used in E&AS Calculation
- Options: Status Quo (Gas Only) or Gas & Oil

■ Can Support ■ May be able to Support ■ Cannot Support



- Design Component – RTO Net CONE Calculation
- Options: Status Quo, Use Lowest Net CONE, Subtract Median Net E&AS from Gross CONE

■ Most Preferred ■ No Preference ■ Least Preferred

Status Quo: Determine Net EAS for the reference resource using peak-hour dispatch against hourly PJM RTO LMP and a gas price based on the average of all gas price indices assigned to PJM zones. Subtract this computed Net EAS from the RTO Gross CONE to det



For RTO Net CONE, use the lowest Net CONE of the four CONE Areas



For RTO Net CONE, subtract the median of the Net EAS values determined for all PJM zones from the RTO-wide Gross CONE.



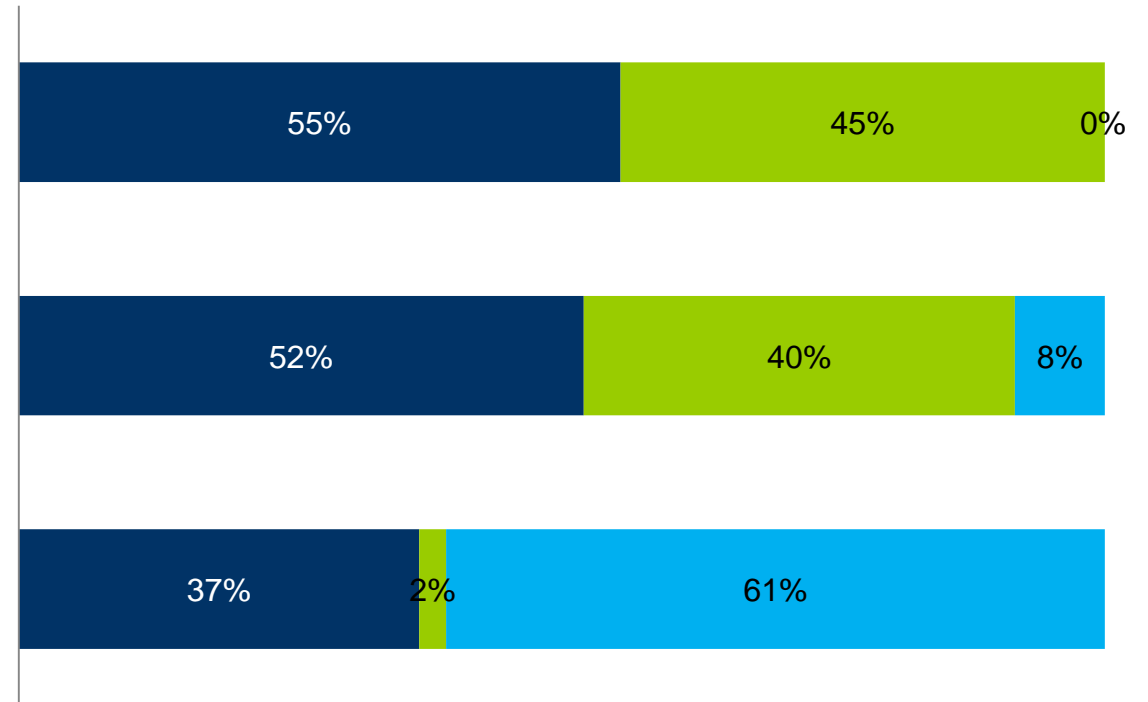
- Design Component – Net CONE Calculation for multi-zone LDA
- Options: Status Quo, Median Net CONE, Lowest Net CONE

■ Most Preferred ■ No Preference ■ Least Preferred

Status Quo: The Net CONE of a multi-zone LDA is determined as the average of the Net CONE values determined for all zones located in the LDA.

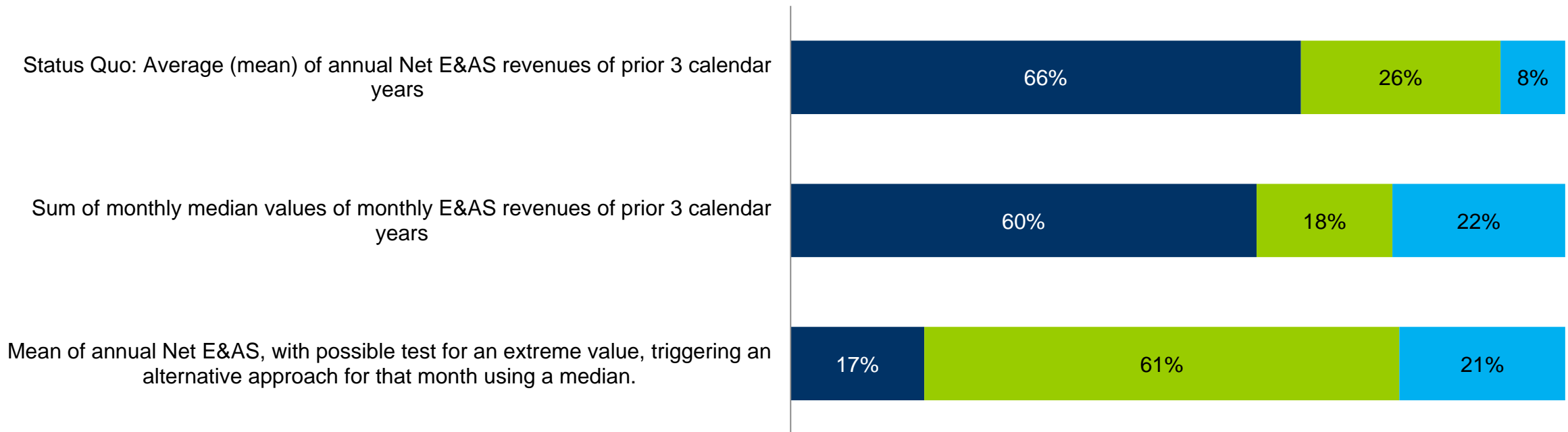
Net CONE as median Net CONE of the zones comprising the LDA.

Net CONE as the lowest Net CONE of the zones comprising the LDA.

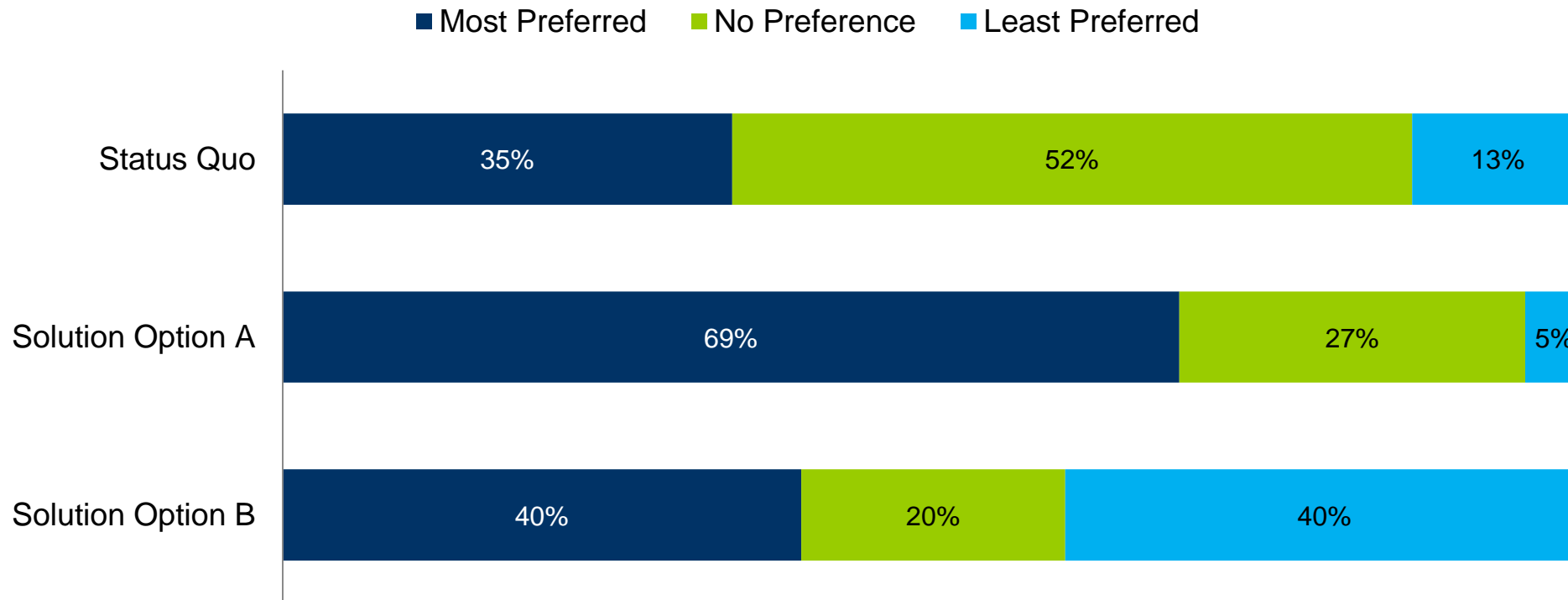


- Design Component – Net E&AS Revenue Offset Methodology
- Options: Status Quo (Average Mean), Monthly Mean, Annual Mean accounting for extremes

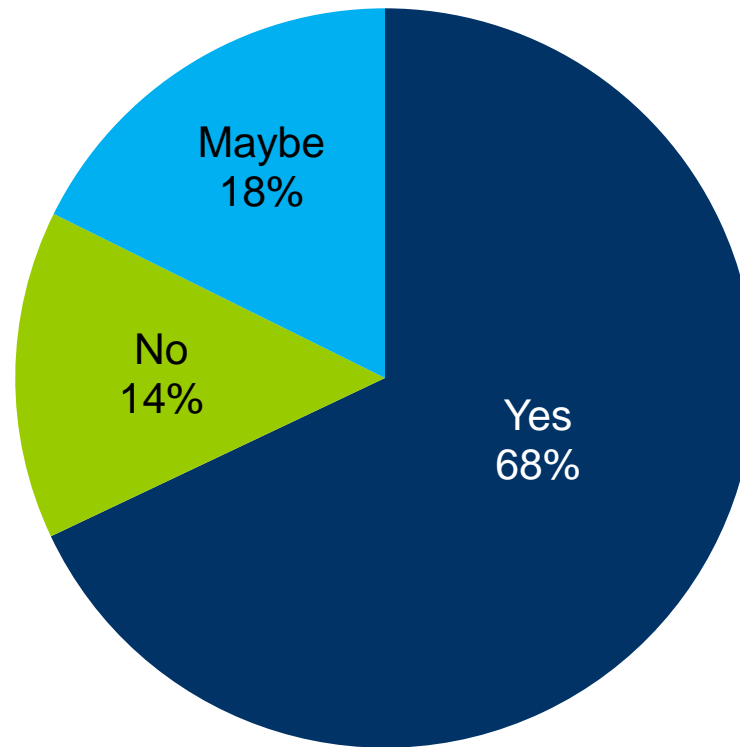
■ Most Preferred ■ No Preference ■ Least Preferred



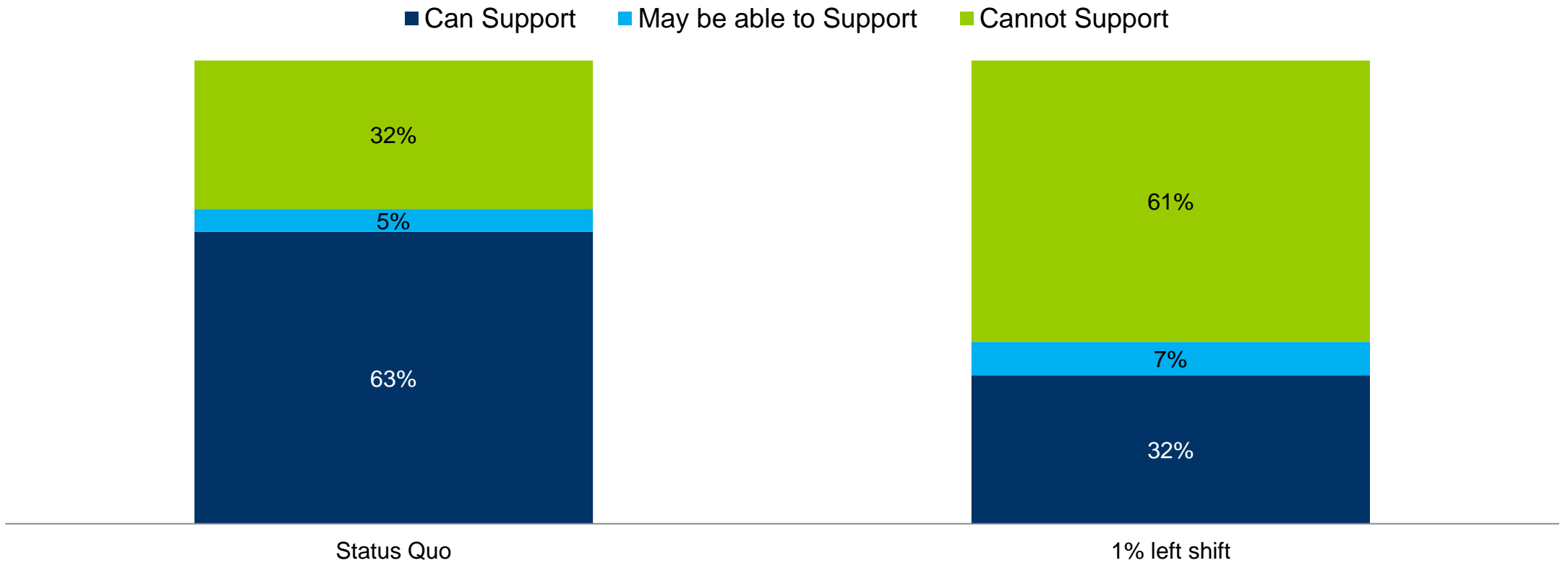
- Design Component – Gas Pricing Hubs
- Options: Status Quo, Option A (PJM), Option B (IMM)



- Design Component – Net E&AS Revenue Offset; 10 % Adder
- Options: Yes, No, Maybe

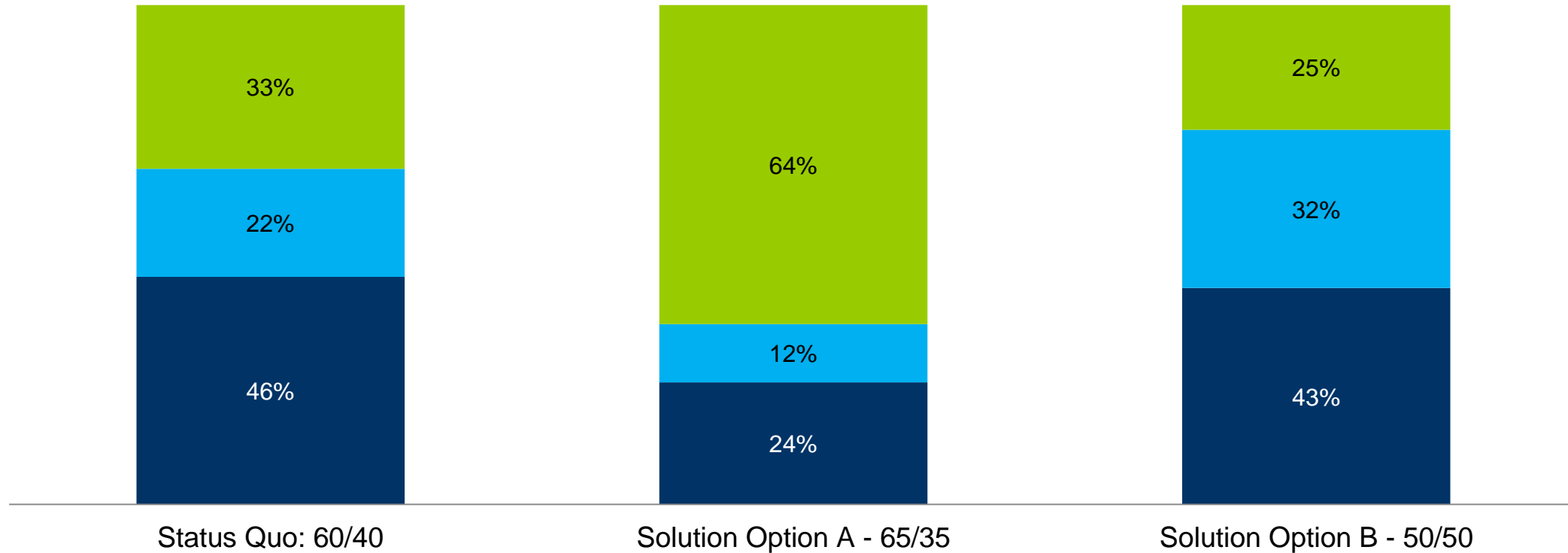


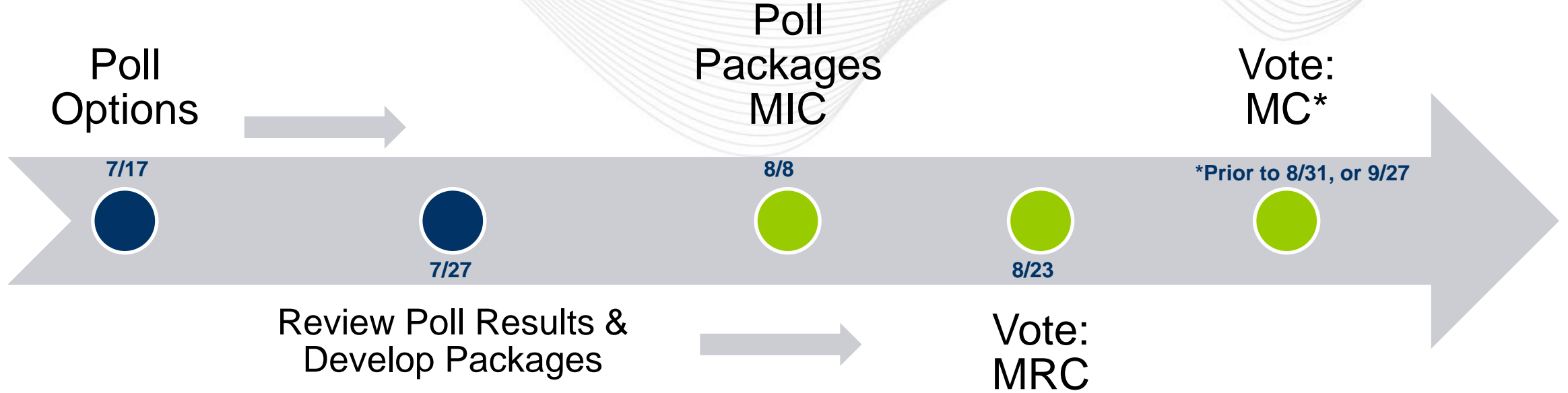
- Design Component – VRR Curve Shape
- Options: Status Quo, 1% left shift



- Design Component – Debt to Equity Ratio
- Options: Status Quo (60/40), 65/35, 50/50

■ Can Support
 ■ May be able to Support
 ■ Cannot Support





* MC vote by Aug. 31, unless FERC approves waiver

If waiver is **NOT** approved:
**requested response by August 15*

- 8/8/18: MIC Update
- 8/23/18: MRC Vote
- Prior to 8/31: MC Call/Vote
- 10/1/18: FERC Filing due

If waiver **is** approved:

- 8/8/18: MIC Update
- 8/23/18: MRC Vote
- 9/27/18: MC Vote
- 10/2/18: PJM Board of Managers Meeting
- 10/12/18: File with FERC