



MRC Meeting

FERC Order No. 1000 Project Proposal Fees

Status Update

Paul McGlynn
May 28th, 2015

- The RPPTF developed a consensus-based proposal fee for the costs of engineering and contractor analysis of proposed FERC Order No.1000 projects
 - \$30,000 non-refundable fee for greenfield projects
 - Two year “test” period
- The MRC and MC approved the proposed fee and structure on October 30, 2014 and November 20, 2014, respectively
 - The MRC seconded and affirmatively voted an amendment to apply the proposed fee to all greenfield projects and Upgrade projects estimated to be in excess of \$20M
- FERC found the proposal unduly discriminatory and preferential because it required a fee for all greenfield projects but not for upgrades below \$20M.
- On February 26th, the MRC and MC endorsed a PJM recommendation to accommodate the FERC identified deficiency and to add a \$20M threshold provision to all projects. All projects exceeding this level (whether greenfield or Upgrade) shall pay a fee.

As PJM prepared the filing package, it appears that the \$30,000 fee may now exceed the financial needs arising from the internal labor and external consulting costs associated with competitive windows expected during the ~ 2 year test/pilot period.

This conclusion is based upon the:

- increased number of projects under this amended approach, coupled with
- the most recent data collected from the limited 2014 windows

- In light of this, PJM Staff will complete a review of the most current data and recommend a revised fee structure for MRC and MC consideration.
- As soon as available - this revision will be proposed at a future MRC session

Questions?