



PJM Manual 14B Roadmap

Aaron Berner
Transmission Planning

February 15: FERC Show Cause Order (Attachment M-3 Process)

- FERC Order directs PJM TOs to convene a minimum of 3 separate meetings to address assumptions, needs, and solutions – PJM and the PJM TOs are using this process for Supplemental Project planning.

July 26: Markets and Reliability Committee sunsets the Transmission Replacement Process Sr. Task Force.

August 31: FERC issues two CAISO Orders

- Commission denied a Complaint filed by the California Public Utility Commission and others alleging that Pacific Gas & Electric Company (PG&E) was violating its obligations under Order No. 890 to conduct an open, coordinated and transparent transmission planning process because more than 80% of PG&E's transmission planning costs were "self-approved projects" with no opportunity for stakeholder input. FERC acknowledged complainants' concerns and encouraged PG&E to continue its efforts to work with complainants and other stakeholders to develop a process to share and review information for asset management projects and activities that are not subject to Order No. 890.
- Southern California Edison Co. (SoCal) filed an amendment to its OATT to create an annual transmission maintenance and compliance review (TMCR) process wherein SoCal Edison proposed to share and review information with stakeholders about certain transmission-related maintenance and compliance activities not subject to consideration through CAISO's transmission planning process. FERC accepted SoCal's TMCR process.

September 26, 2018:

- FERC's order issued accepting the compliance filings by PJM (OA, Schedule 6) and the PJM TOs (OATT, Attachment M-3) and denying the request for rehearing by the Load Groups in Docket EL16-71.



The Commission found as follows:

Supplemental Projects:

- PJM TOs have primary responsibility for planning Supplemental Projects; and
- PJM plays a relatively minor role in which it performs a “do no harm” analysis for the proposed Supplemental Projects

In response to Load Group’s request for an express directive that TOs respond to stakeholder comments, FERC found:

- The process required by the February 15 Order strikes the right balance;
- While Order 890 requires that stakeholders be afforded the opportunity to provide meaningful input, it does not dictate whether and how TOs must respond to that input; and
- In response to concerns raised related to Attachment M-3, FERC stated the TOs are required only to meet the requirements of Order 890, not exceed them; therefore, stakeholders’ requests for additional detail and process in Attachment M-3 constitute “alternative proposals” - none of which is necessary to ensure compliance with Order No. 890.

Compliance Filings:

- FERC found the compliance filings “are adequate to ensure compliance with Order No. 890” and Load Group’s requests for additional provisions go beyond the February 15 Order.
- Dispute Resolution: FERC accepted TOs’ proposal to apply the OA, Schedule 5 dispute resolution procedures to Attachment M-3, but clarified that substantive disputes regarding Supplemental Projects will be subject to Schedule 5 dispute resolution procedures. FERC rejected Load Group’s request that the planning of Supplemental Projects should not be considered final until the conclusion any dispute resolution.

End of Useful Life vs End of Life:

- “End of Its Useful Life” is the FERC selected term utilized in FERC Orders, including its most recent Orders in ER18-370; AD18-12; EL17-45.
- Per FERC Orders, end of useful life asset management and replacement determinations rest with TOs and are outside of Order No. 890.
- “Transmission planning reforms that the Commission adopted in Order No. 890 were intended to address concerns regarding undue discrimination in grid expansion. Accordingly, to the extent that ... asset management projects and activities do not expand the grid, they do not fall within the scope of Order No. 890.”

Note: Feb 15th FERC Order; Order No. 890; CTOA; OATT

- TOs retain the rights to physical control, operation and maintenance of their transmission assets, including when and how to retire or replace those facilities.
- Under the CTOA and the OA, PJM is not responsible for planning transmission replacement (aging infrastructure) projects.

Local Plan:

- “Local Plan” shall include Supplemental Projects as identified by the Transmission Owners within their zone and Subregional RTEP projects developed to comply with all applicable reliability criteria, including Transmission Owners’ planning criteria or based on market efficiency analysis and in consideration of Public Policy Requirements
- Attachment M-3 incorporates a process for Supplemental Projects to be reviewed and a path for Supplemental Projects to be included in the Local Plan and subsequent integration into the PJM RTEP as guided by the OA and Manual 14B to ensure necessary infrastructure work occurs efficiently while also being incorporated into PJM transmission planning.

Significant Collaboration:

- Numerous conference calls with both the TO's and Amp/ODEC
- Appreciative of stakeholder feedback over the last six (6) months

PJM Proposal:

- Incorporates most of AMP/ODEC proposed changes
- Incorporates input from Transmission Owners
- Provides updated guidance while PJM gains experience in 2019
- Aligns with Attachment M-3 & with FERC and PJM Governing Documents
- Provides:
 - additional transparency to PJM RTEP process
 - stakeholders a feedback opportunity at quarterly session in 2019
- PJM committed to working with all stakeholders for the successful implementation
- PJM appreciates the efforts of all of the stakeholders for further alignment

Next Steps:

- December 20 Markets and Reliability meeting first read
- January 24 Markets and Reliability meeting second read

Note: <https://www.pjm.com/-/media/documents/manuals/m34.ashx>