



FERC Order No. 1920 Update

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- On May 13 FERC issued Order No. 1920 on Long Term Planning

<p>Engage in regional long-term transmission planning to identify transmission needs.</p>	<p>Develop processes and criteria, including enumerated benefits, for selecting transmission facilities to resolve those needs.</p>	<p>Devise and file ex ante cost allocation methods to apportion the cost of the facilities.</p>
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Transmission providers must develop at least three distinct long-term scenarios that utilize enumerated factor categories and a planning horizon of not less than 20 years.

Long-term scenarios must be reviewed and updated at least once every five years.

- Enhancing long-term planning is needed to maintain reliability affordably amid unprecedented future changes
- PJM has worked with stakeholders since 2022 on LTRTP



Manual Revisions vs Order No. 1920 (Preliminary)

Category	Manual Revisions (April MRC)	Order No. 1920 Requirements
Number and types of scenarios	At least one reliability and possibly one policy	At least three
Extreme weather sensitivities	Unspecified	At least one per scenario
Planning horizon	15 years	20 years (from LTRTP cycle start)
Factors	Reliability scenario: load forecast, policy retirements, queue	Seven categories, including all PPR with no discounting, e.g. OSW
Scenario planning approach	Unspecified	“Plausible” and “diverse” scenarios
Analysis	Reliability analysis informs needs (and benefits inform solutions)	Seven benefits must “help to inform” the identification of needs
Generator Interconnection Process	Unspecified	Include in Order 1000 processes recurring needs identified (but unaddressed) in GI process

- Overall, PJM supports the Final Rule and agrees that Transmission Providers must engage in LTRTP
- PJM is concerned that several of the Final Rule's LTRTP requirements are too prescriptive and do not give PJM sufficient flexibility to:
 - Consider the needs of the 14 jurisdictions in the PJM Region or
 - Address challenges PJM is facing as a result of the energy transition

- PJM therefore sought rehearing of the Final Rule to the extent TPs do not have sufficient flexibility to implement LTRTP in a way that accounts for regional differences, including with respect to:
 - Scenario development, including the TP's inability to weigh factors related to state public policy;
 - Cost allocation, including requesting that PJM be allowed to use existing methodologies unless or until a new methodology incorporating the views of the 14 jurisdictions is in place;
 - The requirement that PJM use benefits to inform long-term needs; and
 - The requirement that PJM must use and measure seven specific benefits, rather than the benefits most relevant to the PJM Region.

- PJM also:
 - Sought rehearing regarding the required coordination between existing Order No. 1000 planning and interconnection processes; and
 - Sought clarification regarding the overlap between near-term and LTRTP processes

- Work towards compliance filing and Order No 1920 activities
 - The Order was published on June 11, 2024 making the compliance filing due on June 12, 2025
- Evaluate manual revisions necessary to advance scenario discussions
 - Initiate discussions with PJM stakeholders, communicate potential changes, and solicit feedback.

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