

## **LS Power Feedback to Consumer Advocates' OA Proposal:**

**LS POWER BELIEVES THAT UNDER ITS EXISTING OPERATING AGREEMENT, PJM ALREADY HAS ALL OF THE AUTHORITY REFLECTED IN THE BELOW OPERATING AGREEMENT CHANGES. HOWEVER, IF PJM EXPRESSES UNCERTAINTY REGARDING ITS AUTHORITY, THE BELOW OPERATING AGREEMENT CHANGES WOULD AFFIRMATIVELY EXPRESS THE AUTHORITY THAT LS POWER BELIEVES THAT PJM ALREADY HAS.**

**Effective Date:      The earlier of August 1, 2019 or the date of FERC approval.**

### **Schedule 6**

#### **1.3 Establishment of Committees**

(d) The Subregional RTEP Committees shall be responsible for the timely review of the criteria, assumptions and models used to identify reliability criteria violations, economic constraints, or to consider Public Policy Requirements, proposed solutions and written comments prior to finalizing the Local Plan, the coordination and integration of the Local Plans into the RTEP [as set forth in this Schedule 6](#), and addressing any stakeholder issues unresolved in the Local Plan process. The Subregional RTEP Committees will be provided sufficient opportunity to review and provide written comments on the criteria, assumptions, and models used in local planning activities prior to finalizing the Local Plan. The Subregional RTEP Committees shall also be responsible for the timely review of the Transmission Owners' criteria, assumptions, and models used to identify Supplemental Projects that will be considered for inclusion in the Local Plan for each Subregional RTEP Committee. The Subregional RTEP Committees' meetings shall include discussions addressing interregional planning issues, as required. Once finalized, the Subregional RTEP Committees will be provided sufficient opportunity to review and provide written comments on the Local Plans as integrated into the RTEP, prior to the submittal of the final Regional Transmission Expansion Plan to the PJM Board for approval. In addition, the Subregional RTEP Committees will provide sufficient opportunity to review and provide written comments to the Transmission Owners on any Supplemental Projects included in the Local Plan in accordance with Additional Procedures for Planning of Supplemental Projects as set forth in Attachment M-3 of the PJM Tariff.

#### **1.4 Contents of the Regional Transmission Expansion Plan**

(a) The Regional Transmission Expansion Plan shall consolidate the transmission needs of the region into a single plan which is assessed on the bases of (i) maintaining the reliability of the PJM Region in an economic and environmentally acceptable manner, (ii) supporting competition in the PJM Region, (iii) striving to maintain and enhance the market efficiency and operational

performance of wholesale electric service markets, ~~and~~(iv) considering federal and state Public Policy Requirements, and (v) the Office of Interconnection's determination of the more efficient or cost effective enhancements or expansions to meet identified regional needs, inclusive of locally identified needs.

#### **1.5.4 Supply of Data**

(b) In addition to the foregoing, Transmission Owners, those entities requesting transmission service and any other entities proposing to provide Transmission Facilities to be integrated into the PJM Region shall supply any other information and data reasonably required by the Office of the Interconnection to perform the enhancement and expansion study. For supplemental needs, the required data, shall include, at a minimum, the written measurable criteria, models, associated data inputs, and guidelines or documentation that directly support the need in sufficient detail that PJM and other stakeholders can replicate the Transmission Owner's planning decisions, need determination, and proposed solutions.

Once PJM opens a project proposal window, PJM may not consider subsequently-submitted Supplemental Projects that would impact the need identified in the project proposal window unless submitted in the proposal window.

#### **1.5.6 Development of the Recommended Regional Transmission Expansion Plan.**

(f) Upon completion of its studies and analysis, including sensitivity studies and scenario analyses the Office of Interconnection shall post in the PJM website the violations, system conditions, economic constraints, and Public Policy Requirements as detailed in Section 1.5.8(b) of this Schedule 6 to afford entities an opportunity to submit proposed enhancements or expansions to address the posted violations, system conditions (including those identified by Transmission Owners as warranting enhancements or expansions), economic constraints and Public Policy Requirements as provided for in Section 1.5.8(c).

(h) The recommended plan shall separately identify enhancements and expansions that are classified as Supplemental Projects.

Before reflecting a Supplemental Project in the recommended plan and up until the receipt of any final, required or requested state necessity authorization (as needed for construction, siting or condemnation authority), PJM shall conduct a do no harm review and shall confirm that the proposed Supplemental Project does not, in the 10 year planning horizon, address compliance with PJM criteria of system reliability, operational performance or economic criteria, including Transmission Owner Form 715 criteria, pursuant to a determination by the Office of Interconnection and is not a state public policy project pursuant to Operating Agreement, Schedule 6, Section 1.5.9. If the Office of Interconnection determines that the inclusion, or continued inclusion, of a proposed Supplemental Project in the RTEP would mask violations of PJM planned criteria, the proposed Supplemental Project will not be included in the RTEP, or will be removed as the case may be, because it will no longer be deemed to meet the Operating

Agreement definition of Supplemental Project. The Office of Interconnection will address the identified violations consistent with the requirements of this Schedule 6.

If at any time PJM identifies a baseline violation that overlaps, in whole or in part, with a proposed Supplemental Project, PJM should notify the State Commission where the Supplemental Project is pending review that PJM is studying a baseline violation that may impact the need for the Supplemental Project.

In development of the Regional Transmission Expansion Plan, the Office of Interconnection shall determine, whether a Regional RTEP Project or Subregional RTEP Project, in whole or in part, can more efficiently or cost-effectively address both the regional needs and the identified drivers for proposed Supplemental Projects. If the Office of Interconnection so concludes, the Regional RTEP Project or Subregional RTEP Project would be included in the recommended plan instead of the proposed Supplemental Project. PJM can consider proposals in its Proposal Windows that address combined supplemental and regional needs.

#### **1.5.8 Development of Long-lead Projects, Short-term Projects, Immediate-need Reliability Projects, and Economic-based Enhancements or Expansions.**

(b) **Posting of Transmission System Needs.** Following identification of existing and projected limitations on the Transmission System's physical, economic and/or operational capability or performance in the enhancement and expansion analysis process described in this Schedule 6 and the PJM Manuals, and after consideration of non-transmission solutions, and prior to evaluating potential enhancements and expansions to the Transmission System, the Office of the Interconnection shall publicly post on the PJM website all transmission need information, including violations, system conditions (including those system conditions identified by Transmission Owners as warranting enhancements or expansions), and economic constraints, and Public Policy Requirements, including (i) federal Public Policy Requirements; (ii) state Public Policy Requirements identified or agreed-to by the states in the PJM Region, which could be addressed by potential Short-term Projects, Long-lead Projects or projects determined pursuant to the State Agreement Approach in Section 1.5.9 of this Schedule 6, as applicable. Such posting shall support the role of the Subregional RTEP Committees in the development of the Local Plans and support the role of the Transmission Expansion Advisory Committee in the development of the Regional Transmission Expansion Plan. The Office of the Interconnection also shall post an explanation regarding why transmission needs associated with federal or state Public Policy Requirements were identified but were not selected for further evaluation.

#### **1.6 Approval of the Final Regional Transmission Expansion Plan.**

(a) Based on the studies and analyses performed by the Office of the Interconnection under this Schedule 6, the PJM Board shall approve the Regional Transmission Expansion Plan in accordance with the requirements of this Schedule 6. The Regional Transmission Expansion Plan shall reflect the Office of Interconnection's determination of the facilities to meet regional needs, including any regional projects that more efficiently or cost effectively address locally identified needs than the facilities proposed in the Local Plan. Any such displaced facilities proposed in

the Local Plan will be removed from Regional Transmission Expansion Plan. The PJM Board shall approve the cost allocations for transmission enhancements and expansions consistent with Schedule 12 of the PJM Tariff. Supplemental Projects be integrated into the Regional Transmission Expansion Plan approved by the PJM Board but shall not be included for cost allocation purposes.

While the PJM Board does not approve Supplemental Projects, the PJM Board retains exclusive authority over its Regional Transmission Expansion Plan, including the timing of inclusion and removal of any enhancement or expansion from the RTEP.