Cost Commitment Status and Next Steps
“Comparative Cost Framework”

Mark Sims
Manager, Infrastructure Coordination
Planning Committee
November 14, 2019
Background

- FERC Order 1000
- PJM Competitive Planning process in place since the 2014 timeframe
- “Proposal Windows”
- Cost commitment provisions
• May 2018

  – Stakeholder MRC motion initiated the “comparative cost framework” development effort
  
  – Key requirements:
    • Develop by September 2019
    • Present to MRC by December 2019
    • Effective January 1, 2020
    • “advice and recommendation of the IMM”
## PJM Staff & IMM Meetings

### 2018
- June
- July
- September
- November
  - Joint PJM / IMM / Independent Cost Consultant conference

### 2019
- January
- February
- June
- July
- August
- August 29, 2019
- September 9, 2019
- October
Cost Commitment - Progress to Date
Presentations to PJM PC

- May 2018
  - MRC motions initiating the cost containment effort approved (and Aug 2018 motion to delay schedule)
- 2Q and 3Q 2019
  - Timeline and overall conceptual approach updates
- January 2019
  - Overview of major components and overall approach
- February 2019
  - Additional detail of overall approach
- March 2019
  - Additional detail and example data visualization
- April 2019
  - Examples of what output to expect from the cost containment process

- May 2019
  - High level example and discussion of process implementation
- June 2019
  - High level summary of process and next step
- July and August 2019
  - Schedule and next steps
- August 29, 2019
  - Special PC – Cost Containment Workshop
  - M14F Language Review & IMM Staff Discussion
- September 9, 2019
  - Special PC – Cost Containment Workshop
  - M14F Language Review & IMM Staff Discussion
- September 17, 2019
  - M14F Language Review & Overall Discussion
- October 17, 2019
  - M14F Language Review – Official First Read
• Framework presented to PJM PC in August

• Manual 14F – Competitive Transmission Planning
  – New section 8.4 – Comparative Cost Framework
  – Posted with today’s meeting materials
• “In accordance with the Market Monitoring Services Agreement, the Open Access Transmission Tariff, Attachment M, and PJM Manual 14F, section 6.2, the Market Monitor shall have access to cost commitment information and cost estimates that project proposers submit to PJM through PJM’s competitive proposal window process.”

• PJM to add the above language to future Problem Statement and Requirements documents “RFP’s” that are posted with every window to PJM.com
Next Steps

• M14F – New Section 8.4 – Comparative Cost Framework draft posted with today’s materials

• First Read of M14F – section 8.4 language - Cost Comparative framework
  – October 17, 2019 PC
  – October 31, 2019 MRC

• Request for Endorsement of M14F – section 8.4 language - Cost Comparative framework
  – November 14, 2019 PC
  – December 5, 2019 MRC