Manual 14F Updates: Competitive Planning Process

Jason Bilash
Transmission Planning
Planning Committee
January 7, 2020
FERC Order required removal of exemption from the proposal window process for projects solely needed to address FERC Form No. 715 Planning Criteria violations

– Manual 14F update
  • Remove bullet from Section 5.3.1
  • Remove Section 5.3.3
  • Update image Attachment D
5.3.1 Identify Violations and Needs

After PJM identifies potential violations and needs based on the analyses performed under the criteria tests described in PJM Manual 14B, PJM initiates a review process to determine if each flowgate is appropriate for inclusion in a RTEP proposal window. PJM will apply best efforts to allow a reasonable amount of time between the posting of its results and the opening of a proposal window. By default, all identified PJM market monitored reliability criteria violations are assumed to be included in an RTEP Proposal window unless they fall into one of the following exemption categories, as described in more detail below:

- Immediate-need Reliability Projects;
- Transmission Owner filed FERC Form 715 Local Planning Criteria;
- Lower Voltage (<200 kV) Facilities; and
- Transmission Substation Equipment.
5.3.3 Transmission Owner FERC Form 715 Local Planning Criteria

Potential violations that are driven solely by transmission owner Form 715 planning criteria will be cost allocated 100% to the zone of the transmission owner who submitted the Form 715 local planning criteria. Additionally, based on Schedule 6, of the PJM Operating Agreement, any project that is cost allocated to a single zone, and is geographically located within that zone, shall be reserved for the incumbent Transmission Owner to construct and, therefore, is not eligible for inclusion in the Competitive Planning Process.
Removal of Exclusion Language

Manual 14F – Attachment D

Decision Process

Initial Screening of Proposals

- Primary Considerations
  - Violation Mitigation
  - Benefit/Cost Ratio (Market Efficiency Only)

- PJM Analytical Evaluation & Constructability Analysis
  - Considerations that Inform Decisions Include:
    - Cost Containment Commitment
    - Cost Estimate Review
    - Evaluation of Impacts on Other Projects
    - Grid Resiliency/Performance
    - Net Load Payments
    - Production Costs
    - Project Execution Risk
    - Project Schedule & Timing
    - Reliability Margin
    - Scope/Constructability/Diversity of Route
    - Sensitivity Analysis
    - Total System Congestion

- Determine Relevancy of Considerations
- Identify Differentiating Factors
- Validate
- TEAC & Stakeholder Review

Company Evaluation (PJM’s evaluation of the entities)

- TEAC Recommendation
- Board Decision
- Regulatory Process

Not Window Eligible
- Coordinate with Incumbent TO

No
- Window Eligible
- Quality Control Check & Posting of Violations

Exemption?

Immediate Need
- LVF (< 200 kV)
- Transmission Substation Equipment

Valid Exemption?

Quality Control Check & Posting of Violations

Proposal Window

No
- Exemption?

Reliability
Market Efficiency
Public Policy

Criteria Drivers

- Public Policy would be handled based on how and when the project is identified by the authorized public entity.
- Implemented in 2018.
- Includes Exemption Review Process.
- Evaluate whether a project alleviates the need for a supplemental project or any previously approved baseline upgrade.