



State Agreement Approach

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- Introduction
- Background
- Informational Sessions

Planning Reforms - The rule established three requirements for transmission planning:

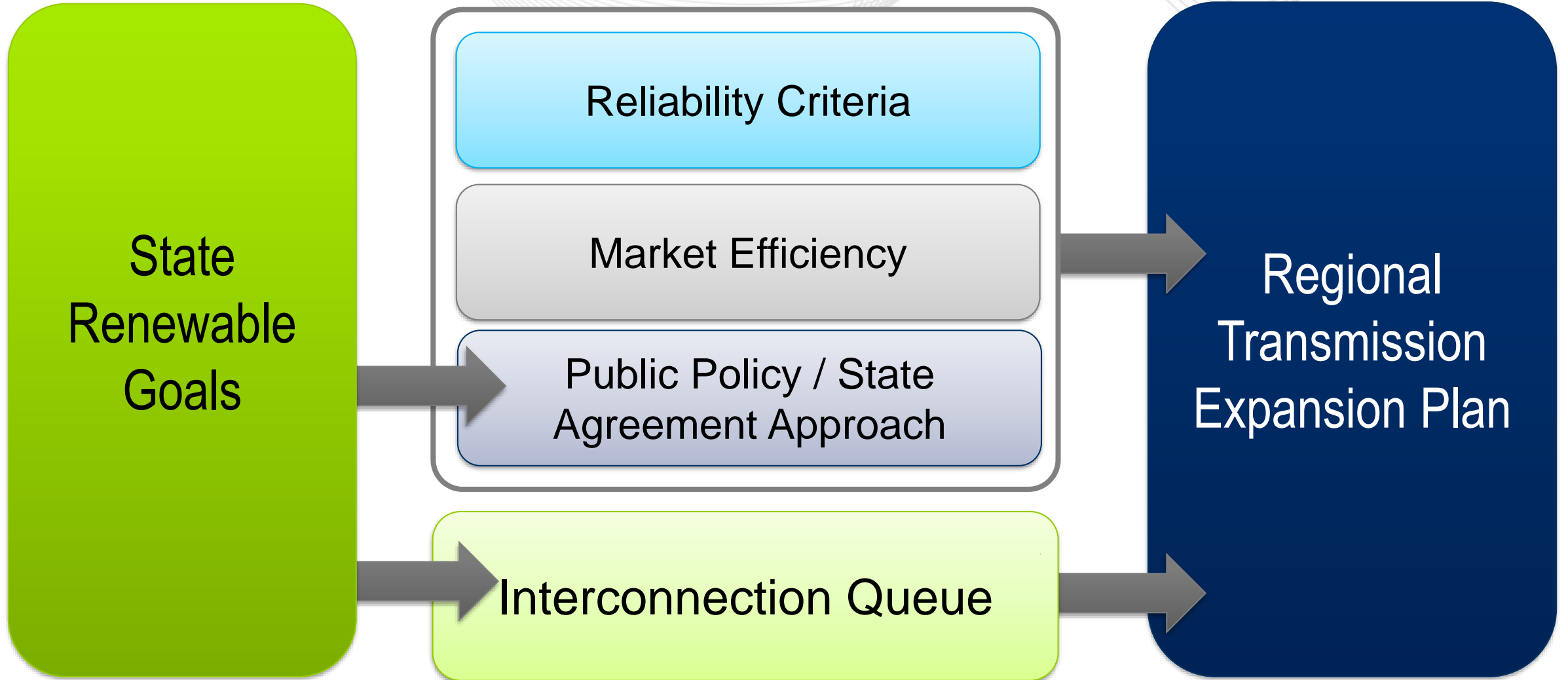
- Satisfy the transmission planning principles of Order No. 890 and produces a regional transmission plan.
- Consider transmission needs driven by public policy requirements and establish procedures to identify transmission needs and evaluate solutions.
- Coordinate planning with neighboring regions to determine if there are more efficient or cost-effective solutions to their mutual transmission needs.

Options for considering **Public Policy** in PJM planning

- Supplemental Projects
- State Agreement Approach

- Operating Agreement – Schedule 6
- OATT – Schedule 12(B)
- PJM Manual 14B

- States
 - Voluntary
 - Individually or jointly
 - Agree to cost allocation
- Supplemental or baseline public policy project
- Implementation
 - Supplemental Project
 - Competitive transmission process
 - Pre-qualified Designated Entities
- Construction, ownership, operation and maintenance



- Public Policy examples
 - Renewable goals/targets
 - Carbon reduction
 - Emission reduction
 - Grid hardening
 - Enhanced reliability
 - Storage deployment goals
 - Electric vehicles
 - State energy initiatives

Next Steps