

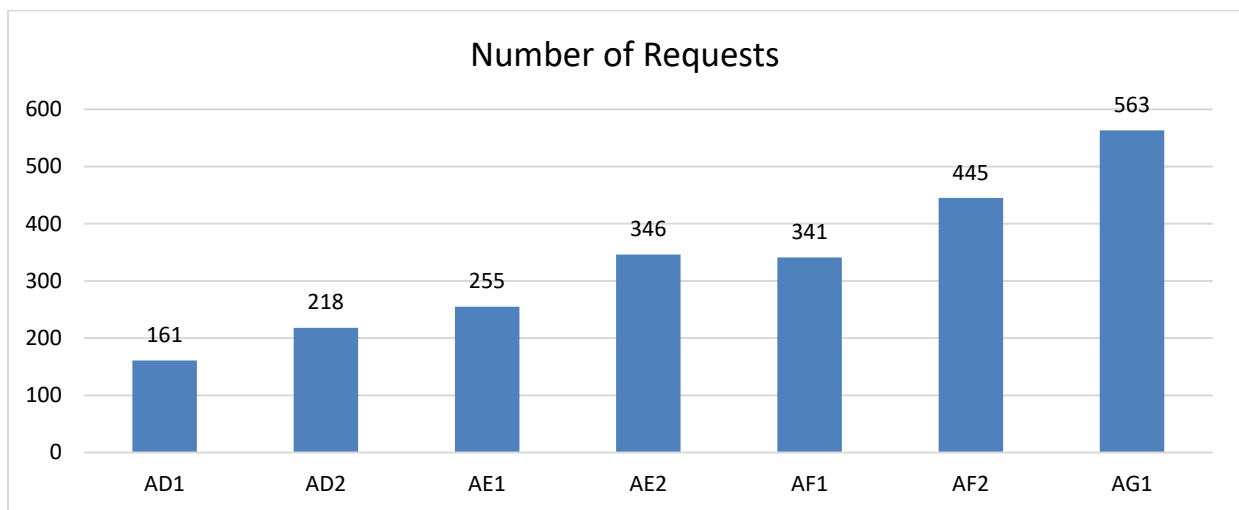
Interconnection Process Reform Problem Statement

Problem / Opportunity Statement

PJM held a series of workshops with the stakeholders to provide education, document stakeholders concerns and issues, and determine a clear set of objectives that will be addressed through the stakeholder process. As a result of these workshops, the stakeholders identified 69 unique concerns and 135 unique suggestions of which have been placed into groups of 12 categories including: transparency, queue window scheduling, application process, base case, studies, affected system, cost responsibility, agreements, interim operation, construction, disputes and staffing.

The volume of New Service Requests has more than tripled over the past three years causing the number of queue projects under study to increase along with the number of projects that are backlogged. While the on-time rate of feasibility and system impact studies continues to improve, the overall throughput has declined as resources are expended to accommodate this volume. Further, existing cost responsibility procedures require an iterative process for determining the appropriate cost causer for necessary system network upgrades. The increased volume makes the process more unwieldy and provides New Service Customers with less actionable cost information.

The result is delayed completion of studies which has inhibited New Service Customers from proceeding to a final agreement and beginning the implementation phase of their projects.



Based on the workshop series, it appears there are several key areas that require further discussion and potential reform having to do with:

- Focus on opportunities to increase certainty for cost responsibility.
- Reduce the overall time projects are in the interconnection queue by focusing on improvements to the study phases.
- Explore options on how to obtain interim service prior to completion of interconnection study work and investigate options to improve the agreement drafting and execution phases



Strawman Problem/Opportunity Statement

- Investigate requirements for admission into the New Service Queue and requirements to proceed through subsequent phases including modifications to New Service Requests.