



PJM Interconnection Policy Workshop Session 7 Interregional Planning Enhancement

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November 2, 2021

AEP Recommends Interregional Planning Improvements to Increase Regional Inter-Dependence to Enable Efficient Renewable Development

- **Although not the focus of the ANOPR, AEP believes improvements to Interregional Planning are important, particularly given the combination of geographically-clustered, intermittent renewable generation and increasingly frequent extreme weather events**
- **AEP's Recommendations for Reform Include:**
 - Adopt a national process to clearly establish standards, criteria and assumptions for high voltage interregional transmission projects
 - Establish a new NERC Interregional Reliability & Resilience Standard exploring minimum bulk power transfer standards between the regions
 - One approach could be to require each region to meet a portion of its resource adequacy requirements from outside the region, and demonstrate firm transfer capacity to deliver and accommodate those resources under varying scenarios and system conditions



Interregional Planning Improvements to Increase Regional Inter-Dependence to Enable Efficient Renewable Development & Hedge Intermittencies

PJM's ANOPR Comments regarding Interregional Planning Reform	Alignment with AEP's Recommendations
FERC should embrace the development of a decision analysis and transmission planning driver that would recognize the value of interregional transfer capability	Agree: AEP believes interregional planning reform is equally important as other areas within the ANOPR
FERC could work with industry and stakeholders to guide this effort and developed transfer metrics	Agree: AEP offers several possible frameworks to establish transfer requirements, including scenario-based risk assessments or capacity adequacy, but agrees this will require industry input
Recommend transfer metric evaluation should consider resilience	Agree: Recent extreme weather events have highlighted the value of greater transfer capacity between regions
A national standard or recommended planning driver for bi-directional transfer capability to enable delivery of power driven by multiple drivers (reliability, market efficiency, public policy and resilience) could yield criteria for which interregional planning can be pursued	Agree: Using a Multi-Value benefits framework could be a valuable approach for both regional and interregional planning processes
FERC should also guide related cost allocation for these upgrades to increase transfer capability. These projects would benefit both regions but FERC's direction could help shaped that resulting cost allocation	Agree: Cost allocation for resultant interregional projects will require a new approach for cost allocation that is distinct from existing regional frameworks