Exelon Comments for PJM Transmission Expansion Advisory Committee

December 8, 2010
Exelon Concerns About Market Efficiency Analysis

• Generation is added without resultant transmission
  - Section 1.5.7(k)(viii) of Schedule 6 of Operating Agreement requires PJM to add generation to meet reserve requirement
  - Schedule 6 allows the addition of transmission that generation would require
  - PJM analysis shows over 6,100 MW wind by 2019
  - At least one generator in the queue, R33, would require transmission that could have significant impact on the market efficiency analysis
  - Without necessary transmission upgrades, market efficiency projects would charge load rather than generators paying ‘but for’ costs
  - Making load, rather than interconnecting generators pay may result in lines not being sited
• PJM has not discussed how it will account for participant funded projects with agreements during or following the analysis - Section 1.5.7(k)(vi); (ix) of Schedule 6 of Operating Agreement
  ➢ IARR Upgrades: V4-006; V4-007; V4-030; V4-031
  ➢ Merchant Transmission: W4-003
• If participant funded projects could make an economic efficiency project unnecessary, PJM should provide that information up front.
Other Issues

• Submitting a proposed single circuit line when another entity has submitted a double circuit line with the exact same terminals cannot give the second submitter any rights – the modified project is not only ‘most similar to’ the earlier submitted project, it is the same line limited to only one circuit

• Not clear what the basis of the cost estimates being used for initial studies or assumptions that go into them