Inter-regional Planning Update

Transmission Expansion Advisory Committee
December 14, 2017
Executive Committee meeting November 28, 2017 (Atlanta) authorization for 2018 work

- Complete Production Cost Database and verification
- Frequency response model building, testing and analysis
- Establish NERC MOD-032-1 “designee” contract and transition
- First edition of “state of the grid” report
- $1.1M budget approved (24% increase)
  – January 12, 2018 and March 30, 2018 – new planning cycle

  – December 11, 2017 – regional updates, NCSP scope, 2018 work plan

• SERTP- regional process: [www.southeasternrtp.com](http://www.southeasternrtp.com)
  – 4th Quarter meeting December 12, 2017 – review economic study results
  – Next biennial review – Spring 2018
• IMEP 2016/17 study cycle completed with no approved projects
  – 8 proposals for 3 flowgates
    • $354 Million ($1M – $167M)
    • 2 joint
    • 5 greenfield
    • 3 upgrade to existing facilities
    • 7 entity proposers

  – Next steps
    • Stakeholder input on process
    • Review JOA language cleanup from recent FERC compliance filings
    • Review JOA interregional DFAX criteria
    • Beginning next two-year regional/interregional planning cycle (2018/19)
5 TMEP Projects approved by PJM and MISO boards last week
- Study completed in 2016
- FERC approval on October 3, 2017 cleared the way final approvals

<table>
<thead>
<tr>
<th>Map ID</th>
<th>Facility</th>
<th>TMEP Description</th>
<th>Transmission Owner(s)</th>
<th>Total Cost $M</th>
<th>TMEP Benefit $M</th>
<th>Benefit Allocation %PJM/%MISO</th>
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<tbody>
<tr>
<td>A</td>
<td>Burnham - Munster 345kV</td>
<td>Reconfigure Munster to ring bus</td>
<td>CE - NIPS</td>
<td>6.7</td>
<td>32</td>
<td>88/12</td>
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<td>B</td>
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<td>Reconductork river span</td>
<td>ATSI - ITC</td>
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<td>89/11</td>
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<td>C</td>
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<td>Reconductork</td>
<td>NIPS - AEP</td>
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<td>30</td>
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<td>D</td>
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<td>Replace switches at Reynolds</td>
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<td>Total</td>
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TMEP Key Attributes

- Limited to historically binding M2M flowgates
- Projects are existing equipment upgrades that can be in-service by 3\textsuperscript{rd} summer peak (2020 summer)
- $20 million cost cap for each
- Benefits = average of 2 historical years of DA + Balancing/ECF congestion
- Four years worth of benefits must completely cover project’s installed capital cost
- Interregional cost allocation based on congestion relief in each RTO
  - Adjusted by M2M payments
- Regional cost allocations based on the same planning study that quantified the benefits

DA = Day Ahead, ECF = Excess Congestion Fund (MISO) equivalent to Balancing (PJM)
• V1 – 12/7/2017 – Original Slides Posted