Initial Review and Screening
2020 RTEP Proposal Window 1 – Cluster No. 6

Version 3

November 4, 2020

For Public Use

This page is intentionally left blank.

2020 RTEP Proposal Window No. 1 – Cluster No. 6

As part of its 2020 RTEP process cycle of studies, PJM identified clustered groups of flowgates that were put forward for proposals as part of 2020 RTEP Window No. 1. Specifically, Cluster No. 6 - discussed in this Initial Review and Screening report - includes those flowgates listed in **Table 1**.

Table 1. 2020 RTEP Window No. 1 - Cluster No. 6 List of Flowgates

Flowgates	Voltage Level	Driver
AEP-T63, AEP-T70, AEP-T71, AEP-T72, AEP-T73, AEP-T66, AEP-T67, AEP-T64, AEP-T65, AEP-T68, AEP-T69	69 kV, 138 kV, 35 kV	Thermal

Proposals Submitted to PJM

PJM conducted 2020 RTEP Proposal Window No. 1 for 60 days beginning July 1, 2020 and closing August 31, 2020. During the window, several entities submitted five proposals through PJM's Competitive Planner Tool. The proposals are summarized in **Table 2**. Publicly available redacted versions of the proposals can be found on PJM's web site: https://www.pjm.com/planning/competitive-planning-process/redacted-proposals.aspx.

Table 2. 2020 RTEP Proposal Window No. 1 – Cluster No. 6 List of Proposals

Proposal ID#	Project Type	Project Description	Estimated Total Construction Cost ($, millions)	Cost Capping Provisions (Y/N)
602	Greenfield	North Woodcock-East Leipsic 69 kV Line	25.93	N
957	Upgrade	East Leipsic-New Liberty 138 kV Line Conversion	34.42	N
317	Upgrade	Richlands-East Leipsic 138 kV Line	58.51	Y
341	Greenfield	East Leipsic-Maroe 69kV Loop	27.15	Y
608	Greenfield	East Leipsic to Maroe 69 kV Single Circuit	25.16	Y

Initial Review and Screening

PJM has completed an initial review and screening of the proposals listed in **Table 2** above based on data and information provided by the project sponsors as part of their submitted proposals. This review and screening included the following preliminary analytical quality assessment:

- *Initial Performance Review* – PJM evaluated whether or not the project proposal solved the required reliability criteria violation drivers posted as part of the open solicitation process.

- *Initial Planning Level Cost Review* – PJM reviewed the estimated project cost submitted by the project sponsor and any relevant cost containment mechanisms submitted as well.
- *Initial Feasibility Review* – PJM reviewed the overall proposed implementation plan to determine if the project, as proposed, can feasibly be constructed.
- *Additional Benefits Review* – PJM reviewed information provided by the proposing entity to determine if the project, as proposed, provides additional benefits such as the elimination of other needs on the system

Initial performance reviews yielded the following results:

1. No significant difference among the five proposals as to their respective ability to solve the identified reliability criteria violations.
2. No creation of additional reliability criteria violations.

Initial cost reviews showed cost commitment provisions from Proposal Nos. 317, 341, and 608 that, in summary, would cap ROE incentives for the project cost portion that exceeds estimated designated project capital costs; Proposal Nos. 602 and 957 did not contain cost commitment provisions.

PJM also notes that Proposal Nos. 602, 341, and 608 incorporate greenfield construction that will require new or additional easements, and which may impact the ability to timely complete these three proposals.

A high level review of the plans identified in each of the five proposals did not reveal any other concerns at this stage of review.

Additional Benefits

To facilitate PJM's identification of more efficient or cost effective transmission solutions to identified regional needs, PJM may consider the secondary benefits a proposal window-submitted project may provide beyond those required to solve identified reliability criteria violations. As discussed in Section 1.1 and Section 1.4.2 of PJM Manual 14B, Transmission Owner Attachment M-3 needs and projects are to be reviewed to determine any overlap with solutions proposed to solve the violations identified as part of opening an RTEP proposal window.

A review of these overlaps as part of PJM's 2020 Window No. 1 screening has identified secondary benefits beyond solving identified reliability criteria violations. Based on the information provided by the sponsor, Proposal No. 957 will resolve the identified reliability criteria violations posted in the window and the needs that were reviewed with stakeholders under Attachment M-3 need number AEP-2020-OH020 at the March 19, 2020 SRRTEP Western meeting. Specifically, Proposal No. 957 addresses the same facilities identified in the posted Attachment M-3 need.

Initial Review Conclusions and Next Steps

Proposal No. 957 solves the identified reliability criteria violations and offers additional benefits in the form of eliminating an Attachment M-3 need (not observed in the other proposals in this cluster), and it does so at a cost that is demonstrated in Table 3, based on current year dollars and analysis to date. Notably, the initial planning level cost review indicates that Proposal No. 957 addresses the Attachment M-3 need and reliability needs at a cost that is roughly $25 million less than the competing proposal closest in cost.

Table 3. 2020 RTEP Window No. 1 - Cluster No. 6 comparison of anticipated costs

Proposal ID#	Project Description	Estimated Total Construction Cost ($, millions)	Estimated Total Construction Costs including Attachment M-3 need ($, millions)
602	North Woodcock-East Leipsic 69 kV Line	25.93	60.35
957	East Leipsic-New Liberty 138 kV Line Conversion	34.42	34.42
317	Richlands-East Leipsic 138 kV Line	58.51	92.93
341	East Leipsic-Maroe 69kV Loop	27.15	61.57
608	East Leipsic to Maroe 69 kV Single Circuit	25.16	59.58

In addition to being more costly, Proposal Nos. 602, 341, and 608 incorporate greenfield construction which may impact the ability to timely complete the project, while Proposal No. 957, in contrast, is an upgrade to existing facilities.

Based on this information, Proposal No. 957 appears to be the more efficient or cost effective solution in cluster No. 6. PJM's initial planning level cost review and initial feasibility review suggests that further constructability review and financial analysis would not materially contribute to the analysis of the other proposals submitted for this cluster.

PJM anticipates conducting a final review that PJM intends to share with stakeholders at the December TEAC after which a final recommendation will be made to the PJM Board for review and approval.