

# Transmission Project Milestones

- Section 5.11A of Attachment DD of the Tariff defines project milestones for approved 500 kV and above facilities to be included in the models used to calculate planning parameters for RPM auctions.
- Section is intended to ensure that 500 kV and above projects have a reasonable certainty of being in-service by the delivery year.
- Limits the likelihood of an unexpected change in the status of 500 kV and above transmission after the BRA for the delivery year

- **Base Residual Auction Requirements**
  - Corporate officer of the project sponsor submits a current critical path schedule containing milestones showing the project in full commercial operation by the start of the delivery year
  - Corporate officer must certify that the schedule is reasonably achievable based on known information
  - Schedule must show key milestones including right-of-way acquisition, engineering design, equipment procurement, construction permitting and construction activities
  - Application for certificates of public convenience and necessity (CPCN) have been filed in all applicable states

- Incremental Auction Requirements
  - Corporate officer of the project sponsor submits a current critical path schedule containing milestones showing the project in full commercial operation by the start of the delivery year showing:
    - For the first incremental auction that 50% of the right-of-way has been secured
    - For the second incremental auction that 75% of the right-of-way has been secured
    - For the third incremental auction that 100% of the right-of-way has been secured
- To remain in the model PJM must audit the schedule and affirm that the schedule is reasonable and remains on-schedule for commercial operation prior to the start of the delivery year.
- Once a project fails to meet a requirement for being included in the model, it is not included in the models for subsequent auctions for the same delivery year.

- Some stakeholders have suggested revisiting the milestones in light of the delays associated with the Susquehanna – Roseland project.
- 500 kV and above project milestones were developed to provide reasonable certainty that the projects would be in-service for the required delivery year
- Scope of all 500 kV and above projects are not the same
  - Range from simple terminal equipment upgrades to new multi-state transmission projects

- Goal – make sure the models used in RPM reflect conditions that will actually exist for the delivery year
  - Challenge is to develop project milestones that provide reasonable certainty that the project will be in-service for the delivery year but not be so onerous such that a project that will be in-service is not included in the RPM modeling
- Experience to date:
  - Susquehanna – Roseland: met the requirements for being included in the BRA but was not included in IA because of project schedule submitted showing delay
  - All other projects have been included in the RPM models consistent with their RTEP required in-service dates

- More stringent requirements may result in projects that can and will be placed in service by the delivery year may be excluded, potentially resulting in clearing additional generation in a particular area
- Existing tariff contemplates the need to clear additional resources after the BRA to account for changes in assumptions through incremental auctions and conditional incremental auctions
- Recommendation – no change to the existing requirements to make them more stringent.