MEPETF Draft Polling Questions (non-binding)

Please answer to each question. For “May be able to support” answers, please provide additional comments.

1. How do you prefer PJM model FSA units? (Can support, May be able to support, Cannot support)
   a. Consider all FSAs and Suspended ISAs at the time of case build (Status Quo)
   b. By default, exclude from the Base Case the FSAs and Suspended ISAs at time of case build, unless needed to meet reliability requirement, which is consistent with the PJM Reliability base case
   c. Include FSA and suspended ISAs based on commercial probability
   d. Include FSA, suspended ISAs and ISAs not yet in-service based on commercial probability

2. How do you prefer PJM to reevaluate market efficiency projects? (Can support, May be able to support, Cannot support)
   a. Costs and benefits of new economic-based enhancements or expansions to be evaluated annually to ensure these projects continue to be economical (Status Quo)
   b. PJM will only reevaluate projects with a capital cost of $50M or higher. For projects with a cost less than $50M, if project cost increases such that the B/C ratio (given the original benefits) falls below 1.25, then PJM will study the impacts of cancelling the project

3. What is your preferred calculation period for Capacity regional benefits? (Can support, May be able to support, Cannot support)
   a. 15 years (Status Quo)
   b. 2 years (RPM, RTEP)
   c. 6 years

4. What is your preferred calculation period for Capacity lower voltage benefits? (Can support, May be able to support, Cannot support)
   a. 15 years (Status Quo)
   b. 2 years (RPM, RTEP)
   c. 6 years

5. What is your preferred calculation period for Energy regional benefits? (Can support, May be able to support, Cannot support)
   a. 15 years (Status Quo)
   b. 15 years from in-service year, capped at RTEP+15
   c. 10 years from in-service year, capped at RTEP+10
   d. 5 years from in-service year, capped at RTEP+5
6. What is your preferred calculation period for Energy lower voltage benefits?  
   (Can support, May be able to support, Cannot support)  
   a. 15 years (Status Quo)  
   b. 15 years from in-service year, capped at RTEP+15  
   c. 10 years from in-service year, capped at RTEP+10  
   d. 5 years from in-service year, capped at RTEP+5  

7. What is your preferred option for Energy benefit calculation simulation years?  
   (Can support, May be able to support, Cannot support)  
   a. RTEP-4, RTEP, RTEP+3 and RTEP+6 (Status Quo)  
   b. RTEP-2, RTEP, RTEP+2  
   c. RTEP and RTEP+2  
   d. RTEP year  

8. What is your preferred option for capacity benefit adjustment for in-service date?  
   (Can support, May be able to support, Cannot support)  
   a. No adjustments (Status Quo)  
   b. Capacity benefits of projects that are proposed to be in service later than the RPM year be adjusted to account for any savings forgone due to later in-service date  

9. What is your preferred option for energy benefit adjustment for in-service date?  
   (Can support, May be able to support, Cannot support)  
   a. No adjustments (Status Quo)  
   b. Energy benefits of projects that are proposed to be in service later than the RTEP year will be adjusted to account for any savings forgone due to later in-service date  

10. What is your preferred method for calculating benefits for Regional Targeted Market Efficiency Projects? (Can support, May be able to support, Cannot support)  
    a. Average of past 2 years of historical congestion (DA + Balancing), adjusted for outage impacts (consistent with interregional TMEP process passing threshold)  
    b. Use same benefit calculation used in the Regional Market Efficiency Process. PROMOD analysis must be conducted to calculate benefits consistent with MEP process  
    c. Use same benefit calculation used in Regional MEP. DA software (Probe) analysis must be conducted to calculated benefits consistent with Market Efficiency Process  

11. What is your preferred method for calculating costs as used for a benefit to cost comparison for Regional Targeted Market Efficiency Projects? (Can support, May be able to support, Cannot support)  
    a. Project capital cost (no discount or inflation rate (consistent with interregional TMEP process passing threshold)  
    b. Present value of full 30-year life based on annual carrying charges
c. Four times annual carrying charge

12. What is your preferred passing threshold for Regional Targeted Market Efficiency Projects? (Can support, May be able to support, Cannot support)
   a. Four years of benefits (no discount/inflation rate) must completely cover project’s capital cost (consistent with interregional TMEP process passing threshold)
   b. Four years of benefits (no discount/inflation rate) must exceed 1.25 times project’s capital cost
   c. Four years of benefits from in-service year, capped at 4 years from PROMOD/Probe current year model (no discount/inflation rate) must completely cover project’s capital cost

13. How would you like to treat sensitivities for Energy benefit calculation? (Can support, May be able to support, Cannot support)
   a. Sensitivities are informational only, they can indicate robustness of projects but projects are not required to pass a threshold (Status Quo)
   b. Sensitivities defined prior to the beginning of the window must be used to capture robustness and performance; these mandatory sensitivities must pass a 1.00 B/C ratio for a project to be considered for recommendation to the PJM Board; sensitivities identified during the project evaluation phase can indicate robustness but cannot influence performance of projects; These optional sensitivities are only considered in the project selection process and do not require a passing threshold.
   c. Sensitivities defined prior to the beginning of the window must be used to capture robustness and performance; these mandatory sensitivities must pass a 1.25 B/C ratio for a project to be considered for recommendation to the PJM Board; sensitivities identified during the project evaluation phase can indicated robustness but cannot influence performance of projects. These optional sensitivities are only considered in the project selection process and do not require a passing threshold.

14. What is your preferred method to compute energy market benefits beyond the simulation years? (Can support, May be able to support, Cannot support)
   a. Extrapolate utilizing the trend established for simulation years (Status Quo)
   b. Fix benefits beyond simulation years at the last simulation year benefit level (i.e. flat line)
   c. Introduce an escalation factor to escalate benefits beyond simulation years (i.e. 3% escalation)

15. How would you like to treat negative benefits in the benefits calculation? (Can support, May be able to support, Cannot support)
   a. Do not include negative benefits (Status Quo)
   b. Include negative benefits but lower the B/C ratio threshold to 1
   c. Include negative benefits and leave the B/C ratio threshold at 1.25
d. Pass projects as long as 1) they have a positive total net benefit over all zones (where net benefits include both negative and positive benefits), AND 2) the B/C ratio calculated based on positive benefits exceeds 1.25