



MEPETF Phase 2 Non-Binding Poll (December 2018)

January 7, 2019

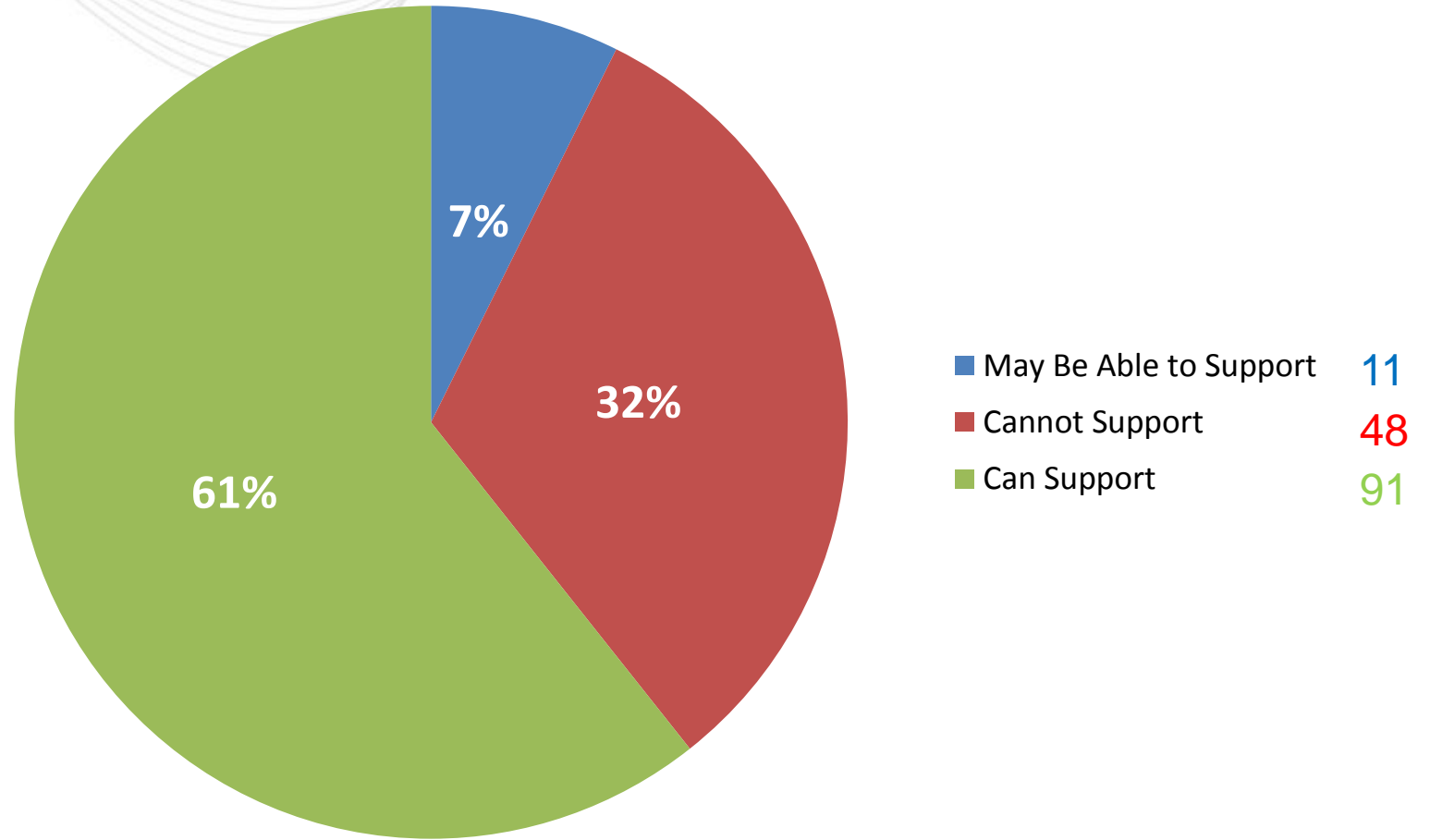
- Poll responses are non-binding and intended to solicit feedback on potential support for key design components
- Total Unique Responders – 22
- Total Companies – 150

- With regard to the interaction of MEP and RTMEP windows, we think the other options may also be workable depending on details.
- Must comply with Order 1000
- In a combined window for RTMEPs and MEPs, any valid candidates should be cross evaluated in the other process for additional benefits to ensure the best fit projects move forward.
- For Mid Cycle Update, we can support, but there should be controls in place to update the high \$ projects (\$50M+) and/or major changes to assumptions. We would rather see the update eliminated vs. reviewing every single project.



How do you prefer PJM reevaluate Board approved market efficiency projects?

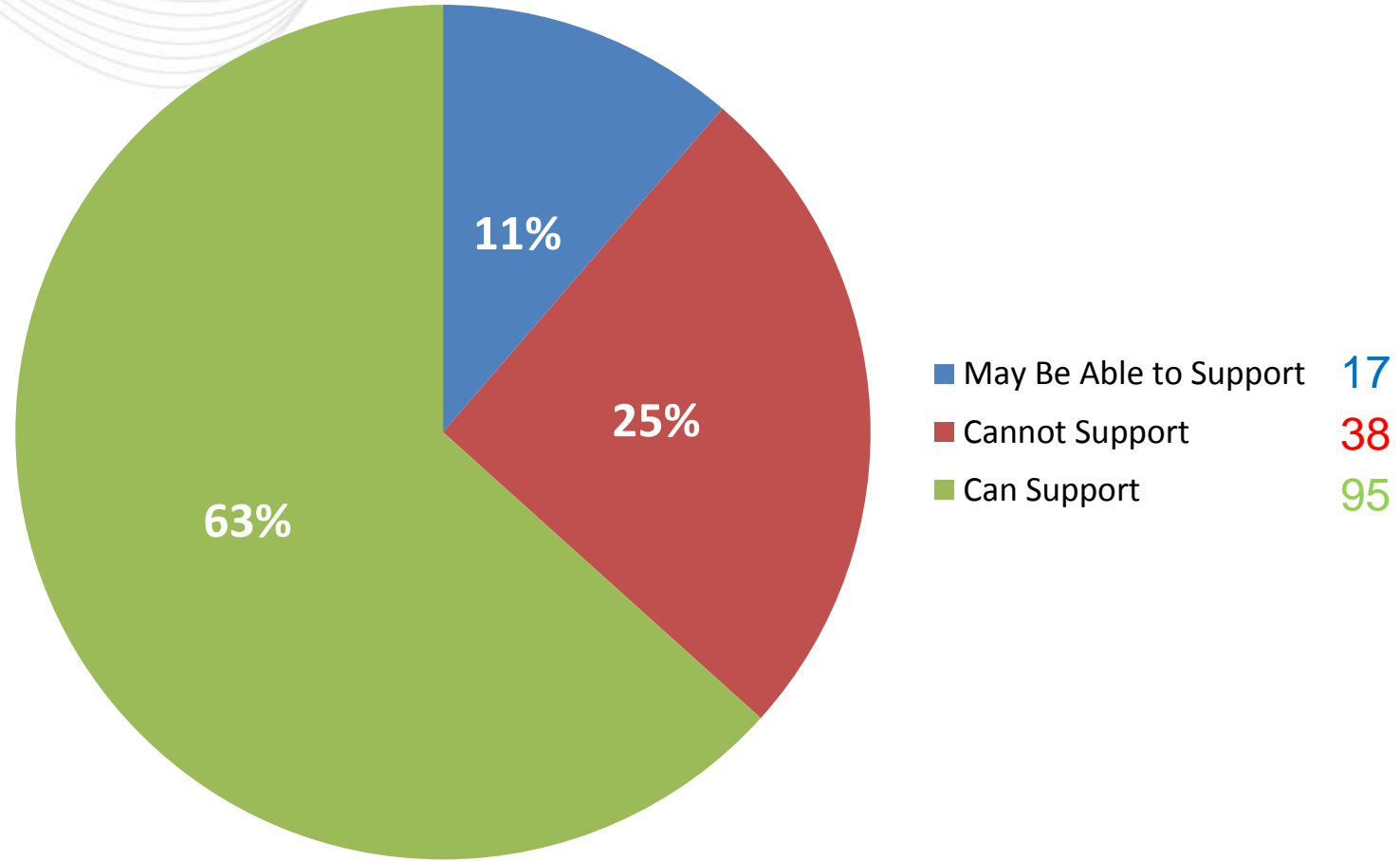
Costs and benefits of all new economic-based enhancements or expansions to be evaluated annually to ensure these projects continue to be economical (Status Quo)



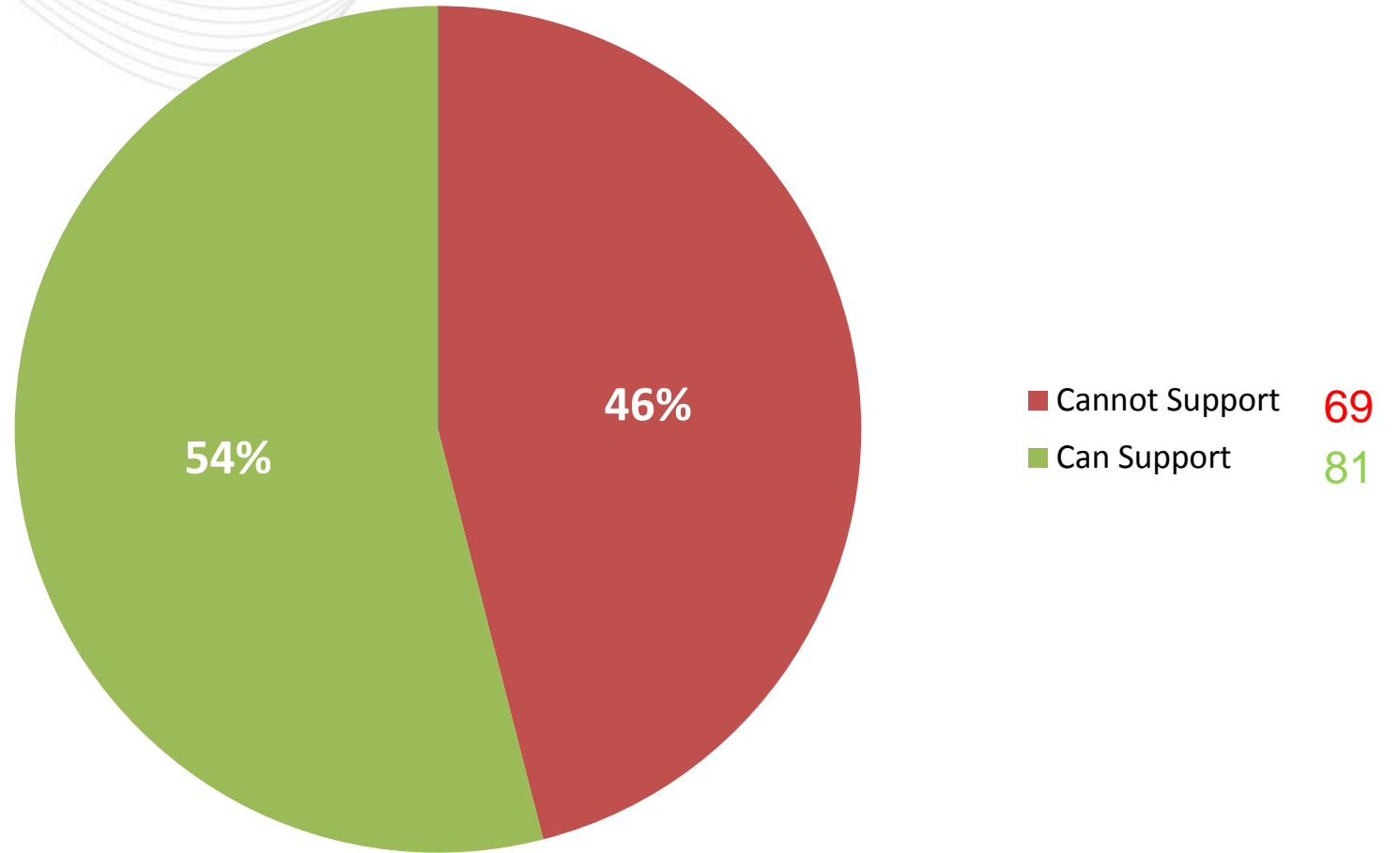


How do you prefer PJM reevaluate Board approved market efficiency projects?

PJM will only reevaluate projects with a capital cost of \$20M or higher. For projects with a cost less than \$20M, 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. PJM will stop reevaluating projects with cost greater than \$20M once the project has completed 20% of its construction within the Engineering and Procurement status as described on PJM transmission construction status page or once the CPCN certificate is received (approved), as applicable



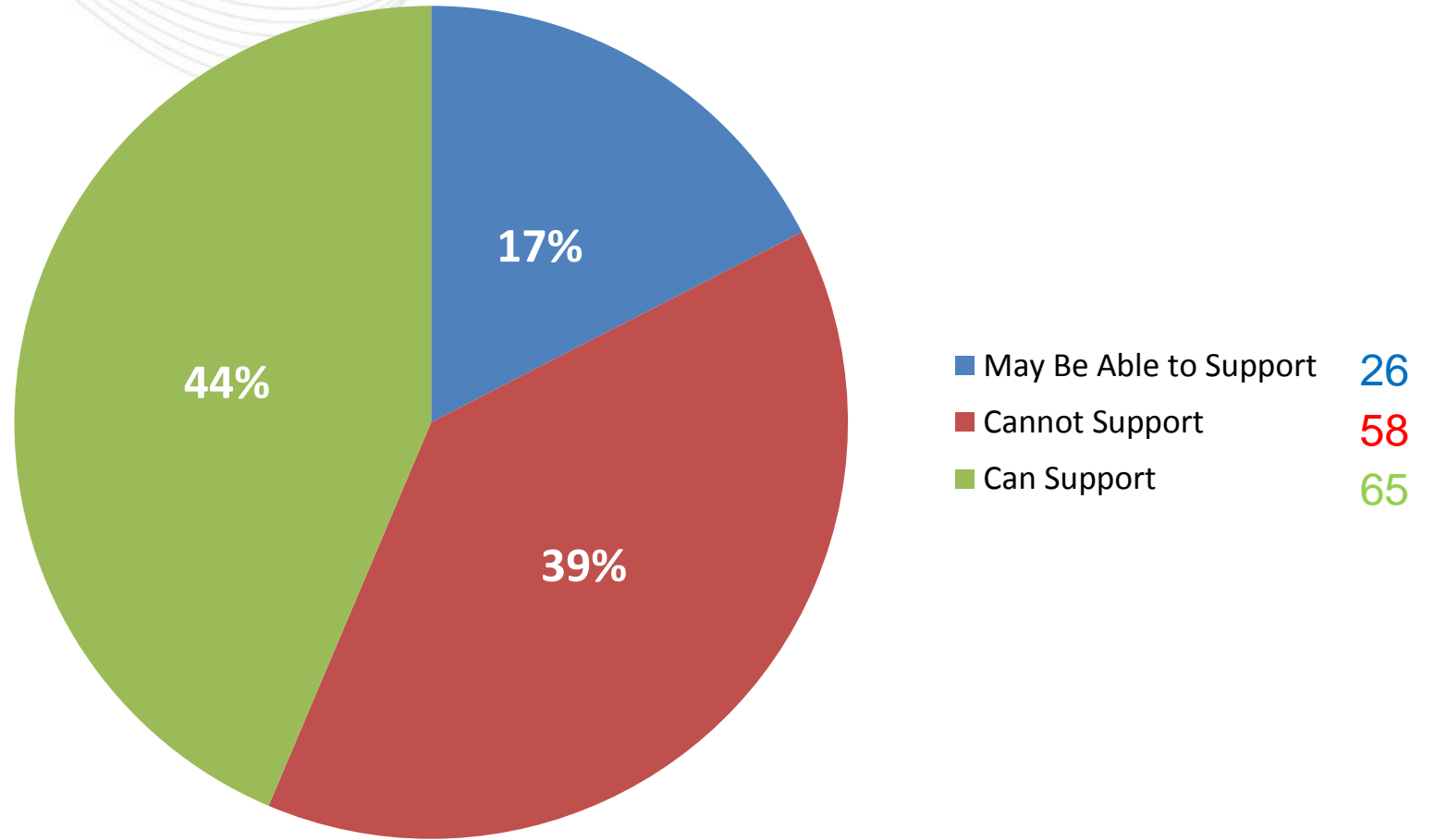
Can you support the elimination of the mid-cycle update? If cannot support, what are the reasons for keeping the mid-cycle update?





How do you prefer PJM conduct its market efficiency process?

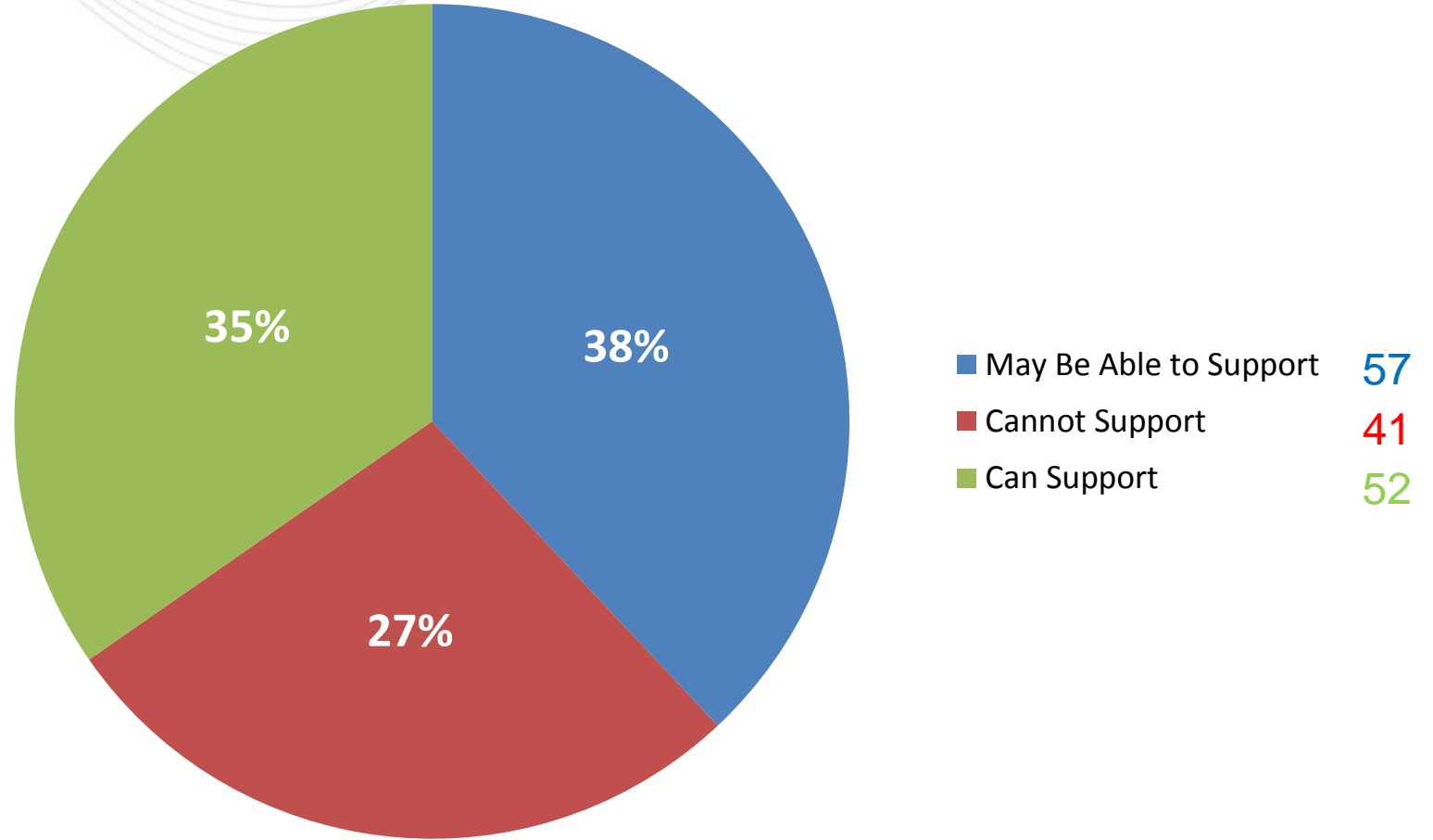
Annual 18-month (6-month overlapping) cycle





How do you prefer PJM conduct its market efficiency process?

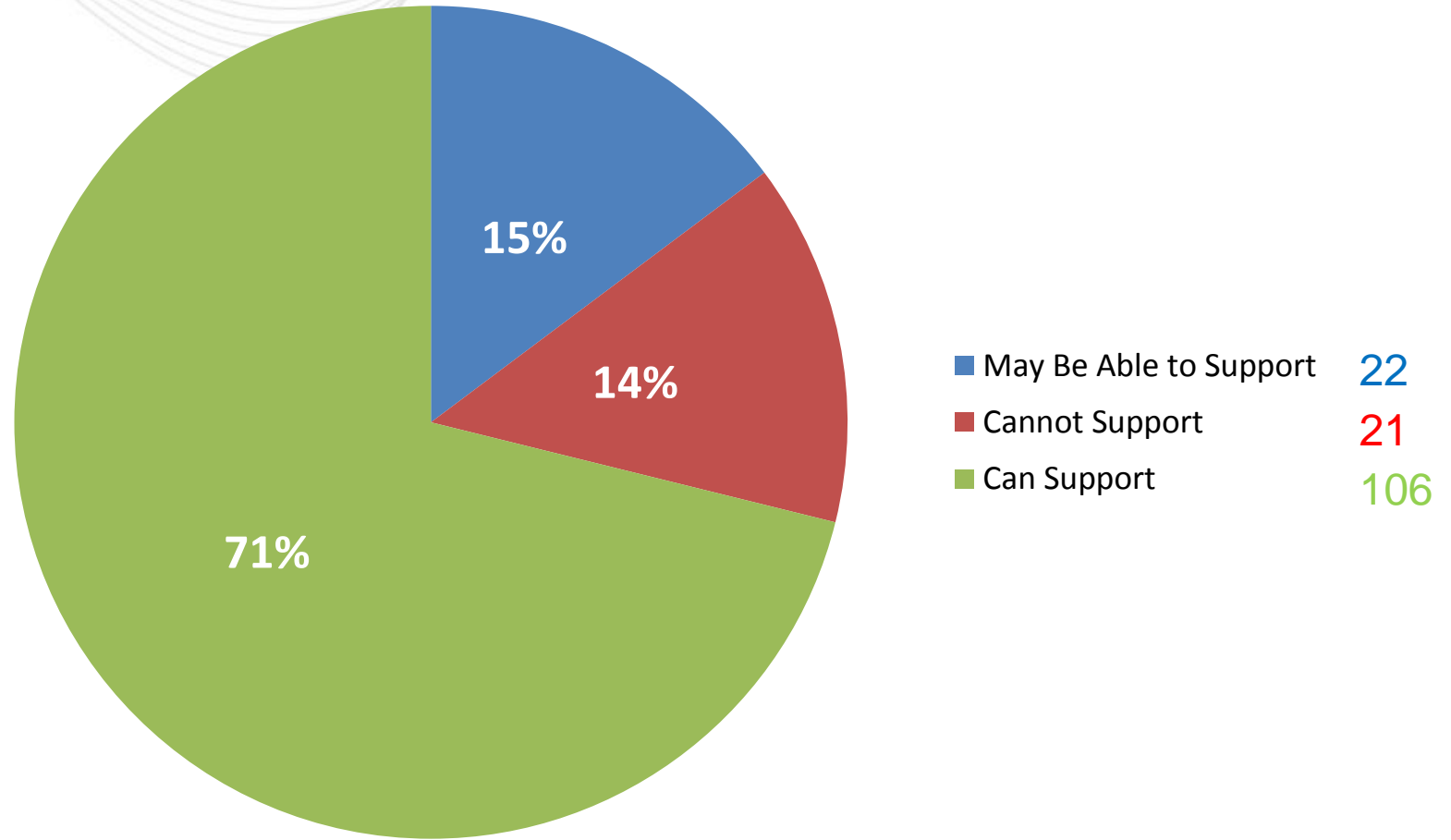
24-month cycle with mid-cycle update annually (Status Quo)



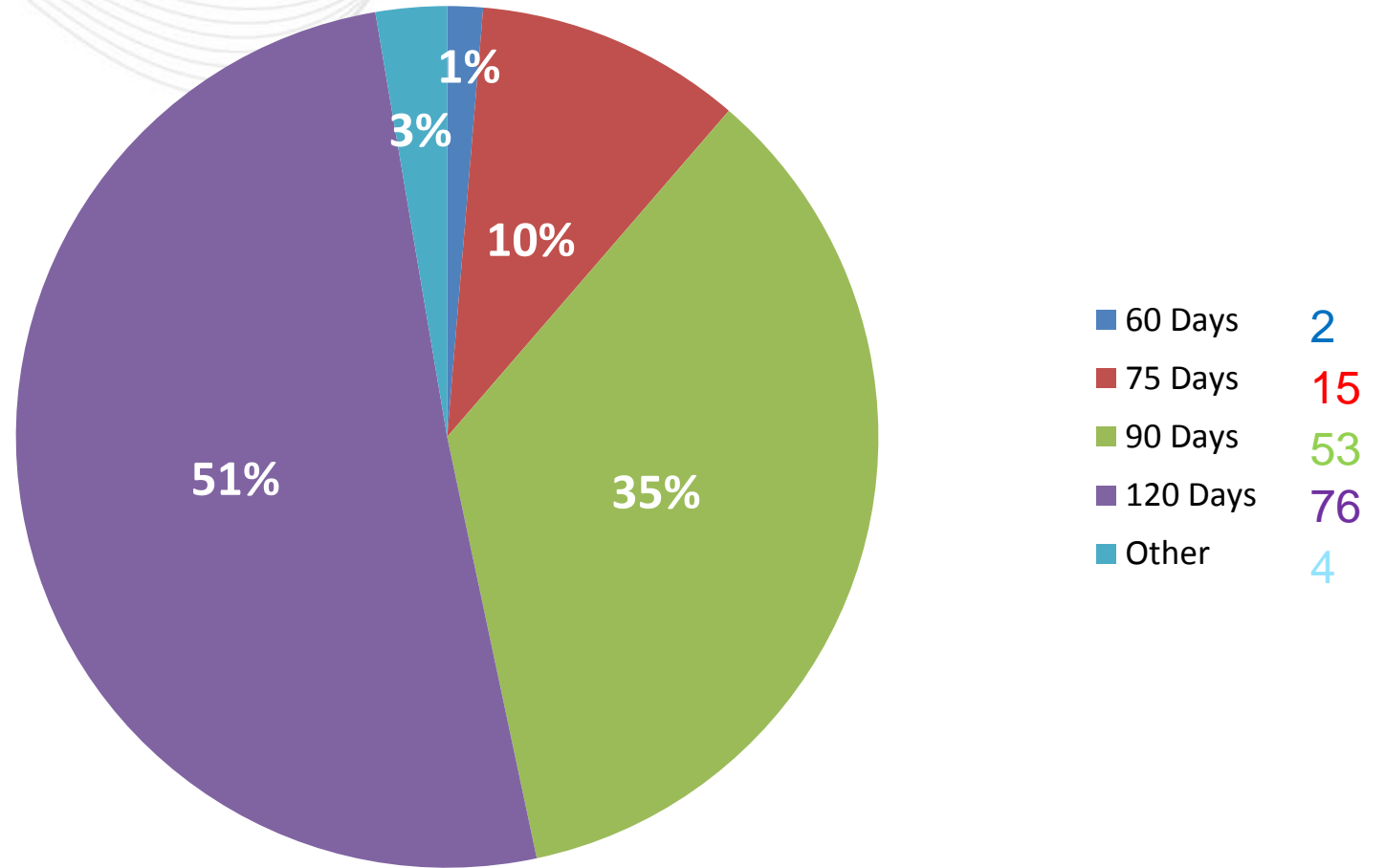


How do you prefer PJM conduct its market efficiency process?

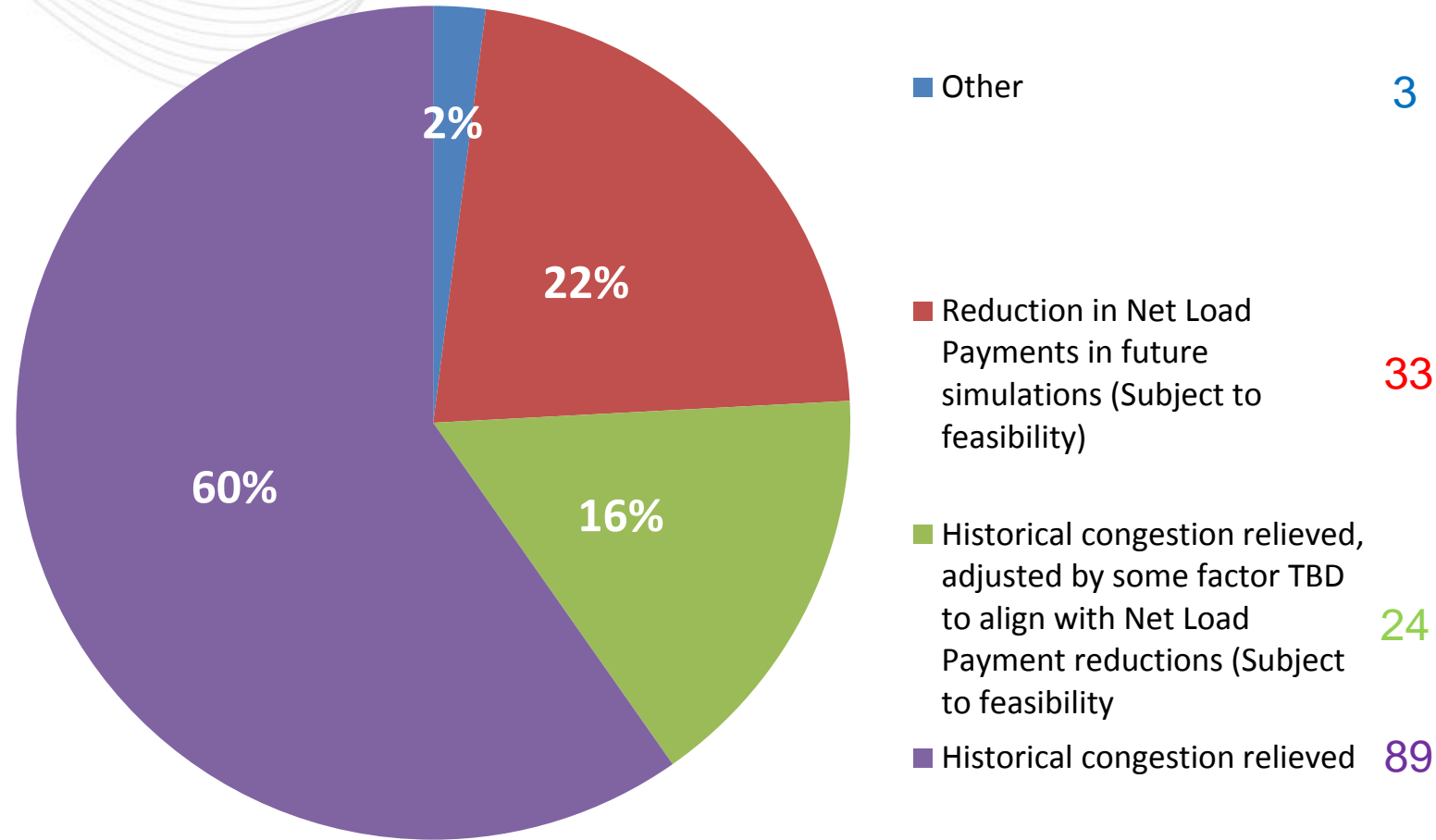
24-month cycle, but shifting the opening of the four-month proposal window from November 1 to early January (subject to feasibility)



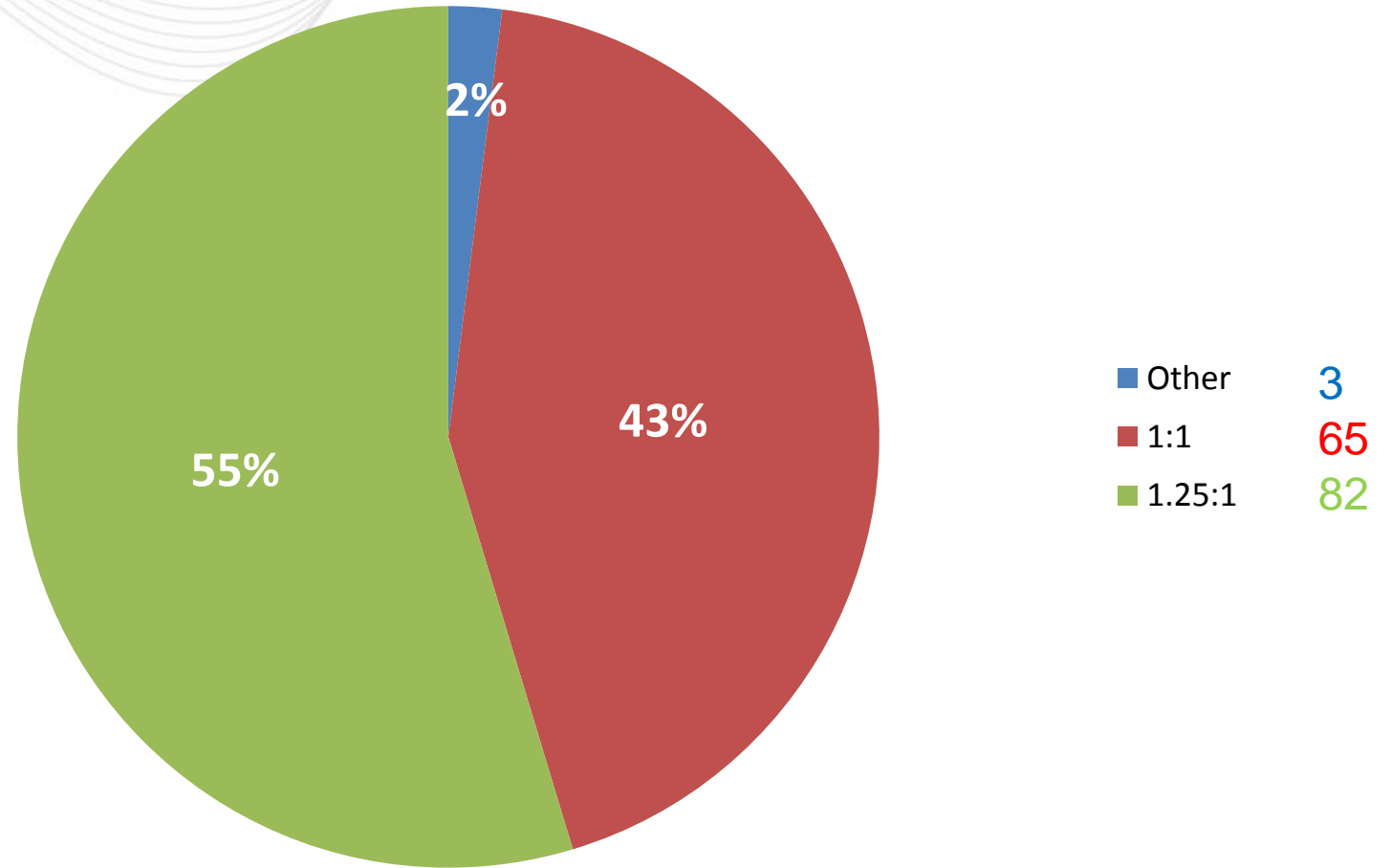
What is your preferred duration for a proposal window for Market Efficiency Projects (MEP), given an 18-month overlapping Market Efficiency cycle?



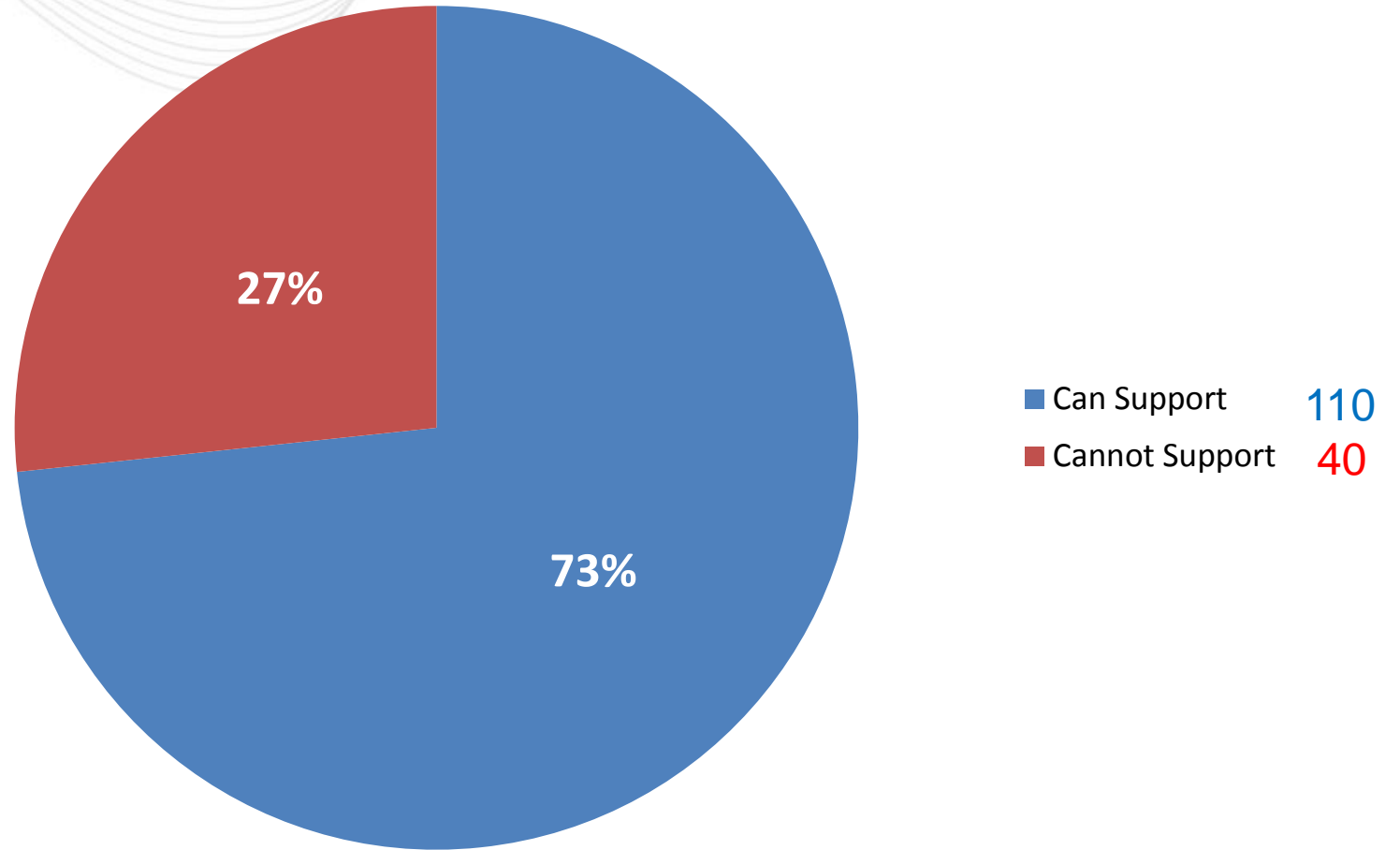
What is your preferred method for measuring the benefits for Regional Targeted Market Efficiency Projects (RTMEP), given Market Efficiency Projects (MEP) utilize reductions to Net Load Payments?



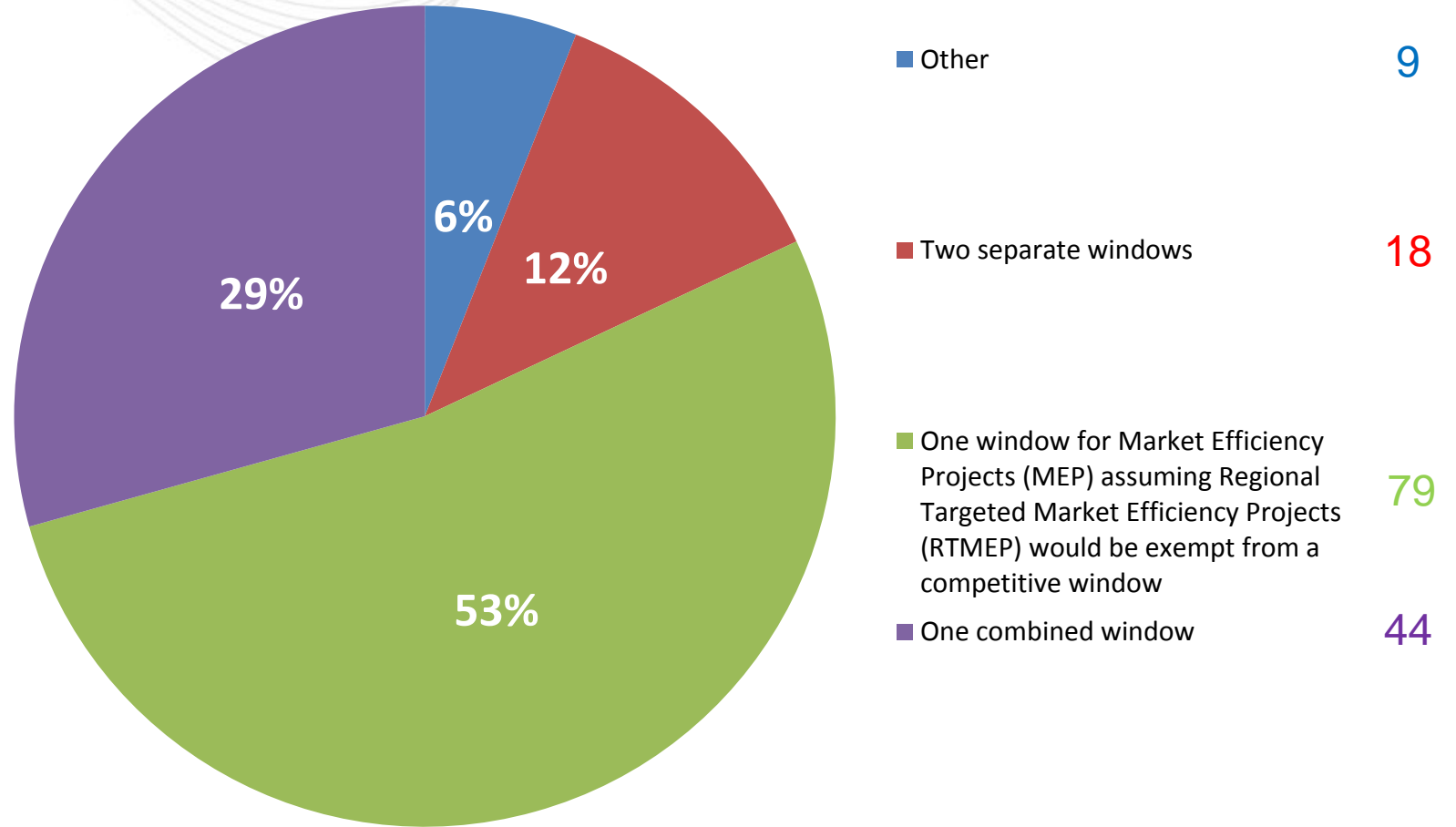
Assuming the B/C ratio is calculated as in the Interregional TMEP process (Based on current four year payback assumption), what is your preferred B/C ratio passing threshold for Regional Targeted Market Efficiency Projects (RTMEP)?



Can you support a \$20 million capital cost cap for Regional Targeted Market Efficiency Projects (RTMEP)?



How do you prefer Regional Targeted Market Efficiency Project (RTMEP) and Market Efficiency Project (MEP) windows interact?

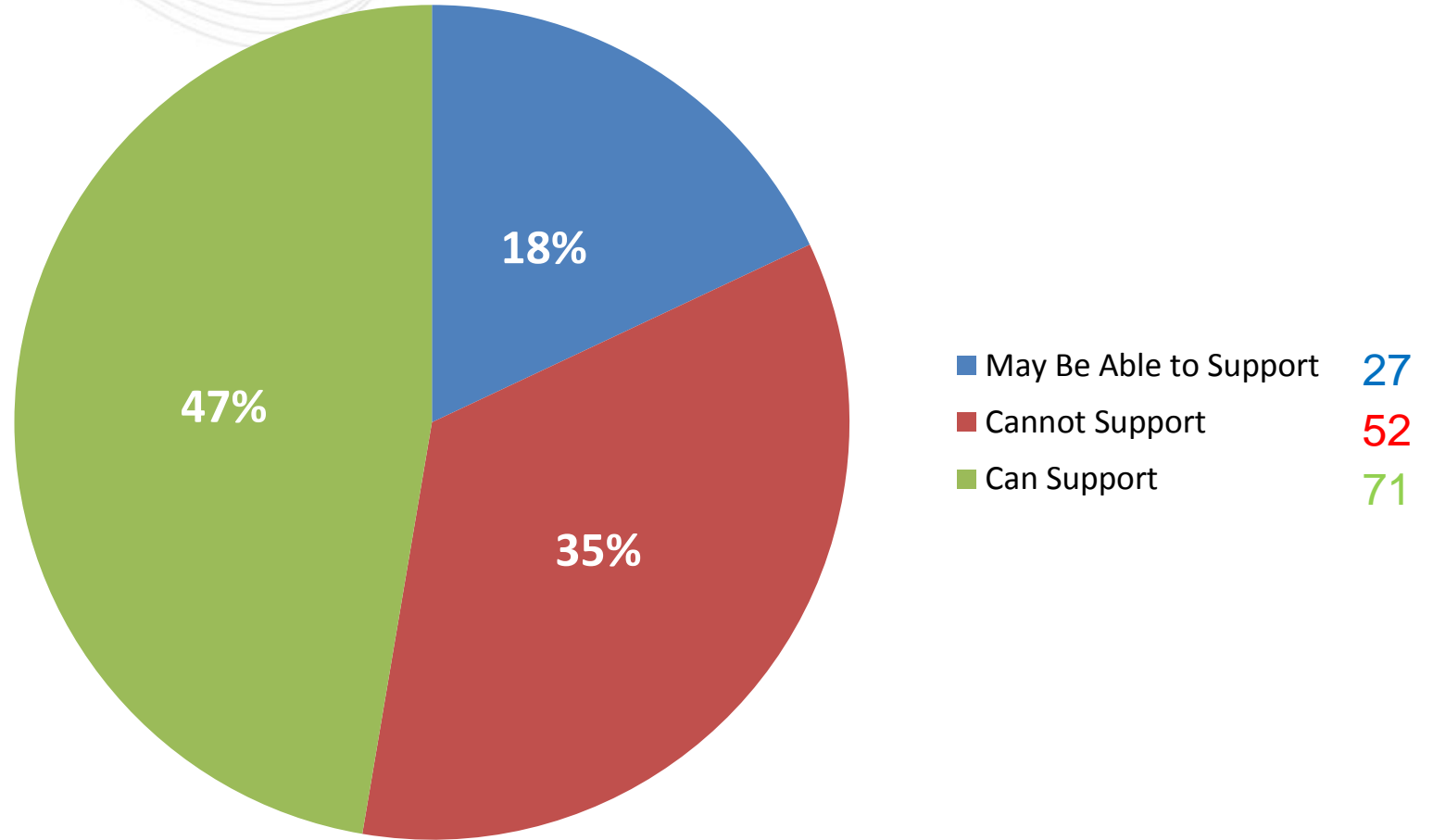




Preferred method for addressing persistent, historical congestion on PJM internal facilities not necessarily seen in future PROMOD simulations?

Disclaimer: Final filed solution is subject to the development of TO cost allocation methodology

No actions. Either allow merchant solutions to address the issue, or wait until significant congestion is seen in future PROMOD simulations, then address through normal market efficiency process as a Market Efficiency Project (MEP) MEP process (Status Quo)

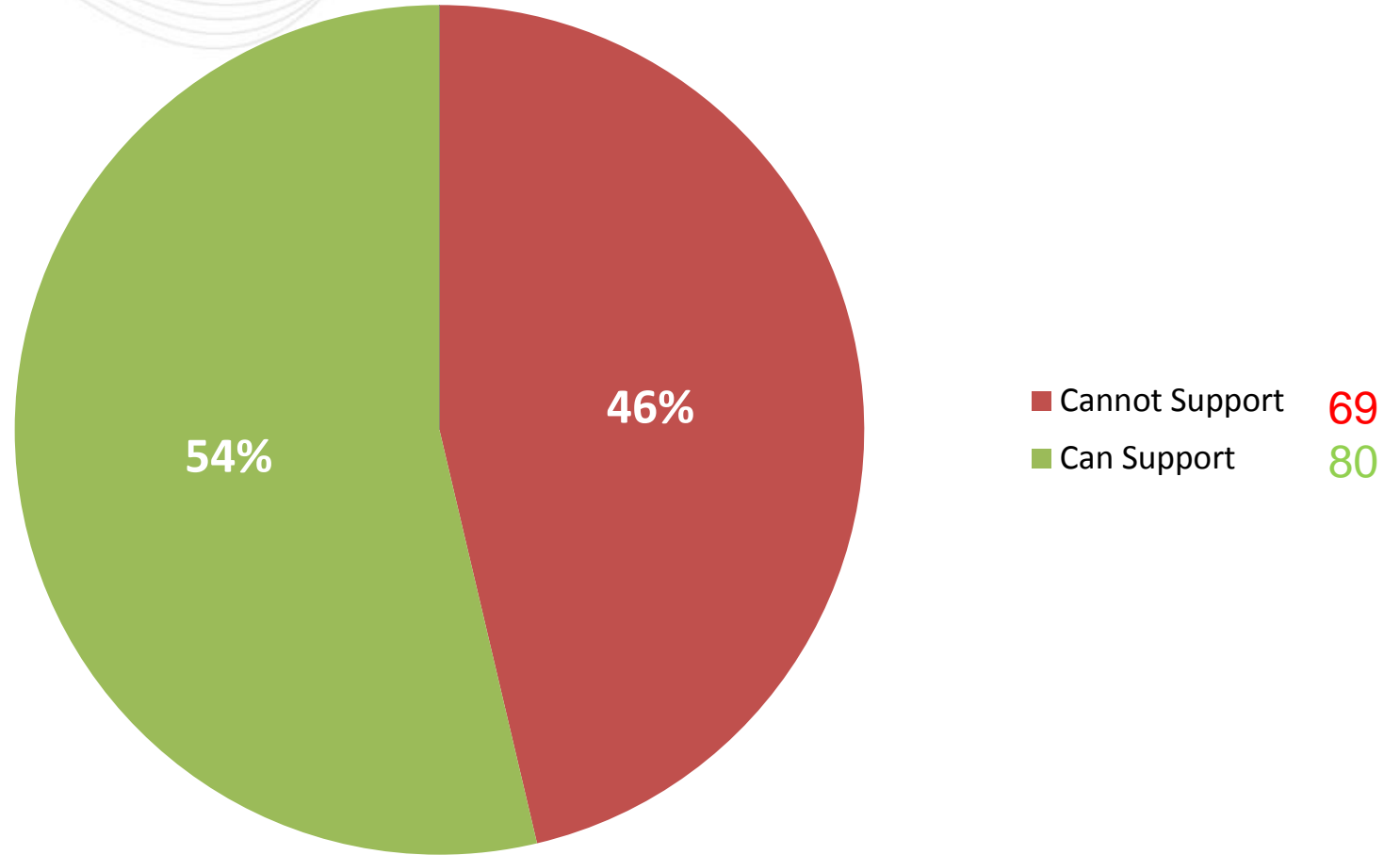




Preferred method for addressing persistent, historical congestion on PJM internal facilities not necessarily seen in future PROMOD simulations?

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Address prior to the Market Efficiency Projects (MEP) window, via a new annual process that is not part of a competitive window, utilizing the same criteria as the current Interregional TMEP process

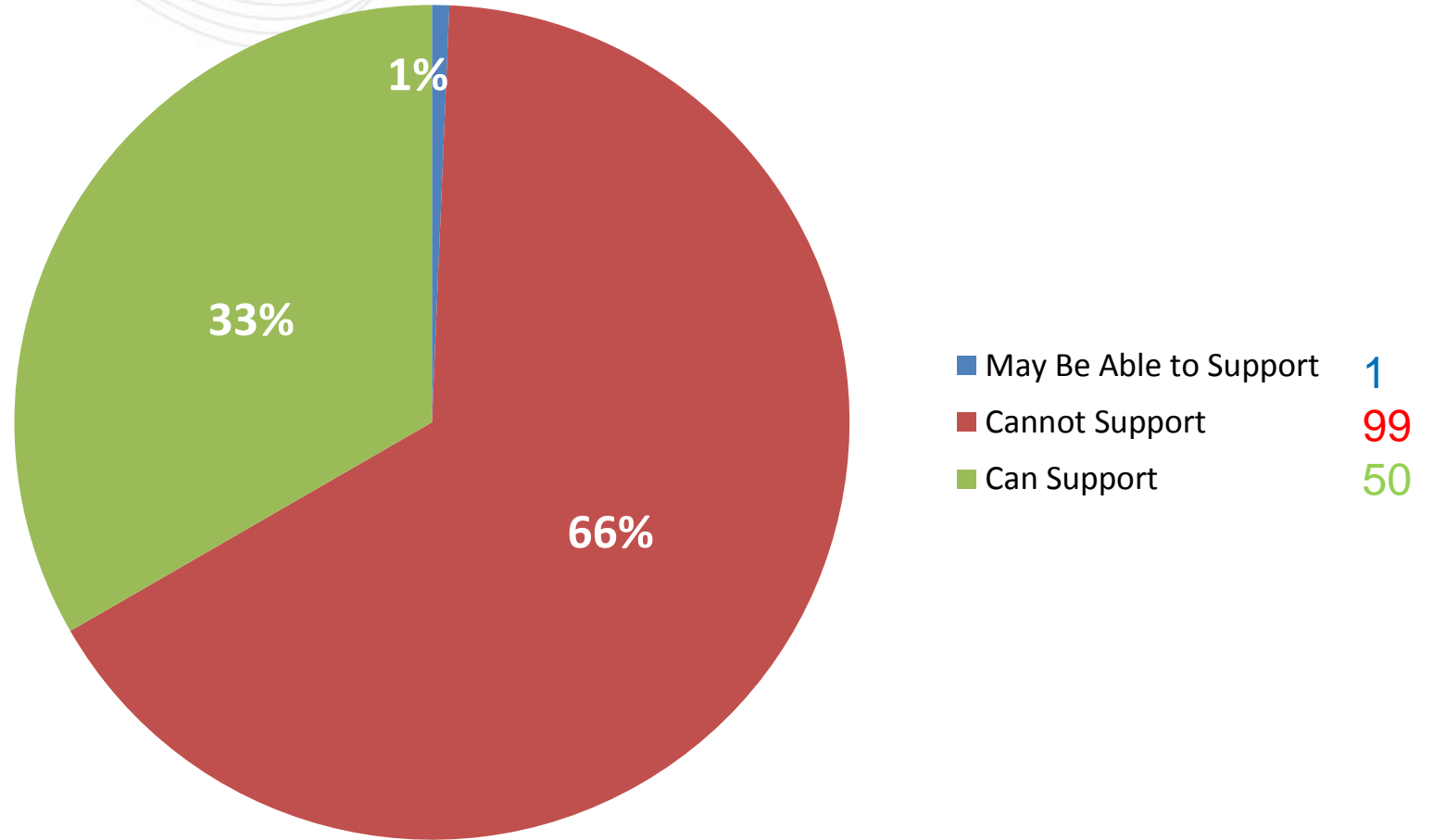




Preferred method for addressing persistent, historical congestion on PJM internal facilities not necessarily seen in future PROMOD simulations?

Disclaimer: Final filed solution is subject to the development of TO cost allocation methodology

Address prior to the Market Efficiency Projects (MEP) window, via a new annual process, utilizing a procurement process in which PJM would first identify solutions then open a competitive window for participants to submit the implementation design, subject to criteria TBD





Preferred method for addressing persistent, historical congestion on PJM internal facilities not necessarily seen in future PROMOD simulations?

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Address via a new annual process through a competitive solicitation window coincident with the Market Efficiency Projects (MEP) window, subject to criteria TBD

