

September 2, 2011

Steve Herling  
Vice President  
PJM Interconnection  
955 Jefferson Avenue  
Valley Forge Corporate Center  
Norristown, PA 19403-2497

**RE: Questions in Response to PJM RPPTF Straw Proposal**

Dear Steve:

In response to the 1<sup>st</sup> draft of the RPPFT Straw Proposal (“Straw”) shared with stakeholders on August 11, 2011, the DC Office of the People’s Counsel would like clarification around the following topics covered in the Straw:

I. Load forecasting/Itron Recommendations

A. The straw proposal makes reference to a document in which PJM suggests that most of the Itron recommendations have merit (foot note 3 of Straw), but subsequently, and during *a Load Analysis subcommittee meeting*, PJM stated that it would only implement Recommendation #1 – the use of an index of 6 economic variables. According to Itron, Recommendation # 3 - use both the Moody's and Global Insight forecasts - would contribute to the stability and accuracy of the forecast

Will PJM clarify in its revised Straw that PJM intends to implement Recommendation’s #1 and #3?

B. The straw proposal calls for developing "a different forecast model for different stages of the planning process" (p. 3 of Straw) but includes no details of what this might mean.

Can you provide more details in the revised Straw?

II. At-risk Generation

A. What, if any, is the practical impact of removing a plant from RTEP if that plant does not end up retiring?

B. Could removal of a plant from RTEP tilt PJM’s planning process in the direction of over-planning for transmission, since PJM may not be accounting for all existing generation resources?

### III. Dead-band

A. What is the justification for establishing a 5% dead-band?

B. If the justification is to limit whipsawing, will whipsawing still be a concern after changes to the load forecasting methodology are implemented resulting in a more stable and accurate forecast?

C. Does PJM believe whipsawing will continue to occur even if we are unlikely to go through a period of economic decline and volatility as we did over the last five years?

D. What does it mean to define the dead-band around “the facility” - does “facility” refer to the CETO or something else?

We appreciate your attention to our questions. We look forward to your responses and to a fuller discussion at the September 23 RPPTF meeting.

Sincerely,

Rishi Garg  
Assistant People’s Counsel  
DC Office of People’s Counsel  
1133 15<sup>th</sup> St. NW, Suite 500  
Washington, DC 20005  
(202) 261-1439  
rgarg@opc-dc.gov

CC: Sean McNamara  
Paul, McGlynn