

REGIONAL PLANNING PROCESS ²						
Cite	Description	Forum	Phase	Comply	Relevant Tariff Provisions	PJM Proposal
P 65	<p>New Facilities. The Final Rule applies to evaluation or re-evaluation of any transmission facility that occurs after the effective date of the TP's compliance filing.</p> <p>a. Determine at which point a previously approved project is no longer subject to re-evaluation and, as a result, whether it is subject to the requirements of the Final Rule;</p> <p>b. Explain how TP will determine which transmission facilities evaluated in its RTEP process will be subject to the Final Rule.</p>	RPPTF	2	No	Transition process needs to be developed.	
P 146	Evaluate, in consultation with stakeholders, alternative transmission solutions that might meet the needs of the planning region more efficiently or cost effectively than solutions identified by TP in their local planning process.	RPPTF	1	Yes.	<p>OA, Schedule 6 section 1.5.4(d): The TEAC and the Subregional RTEP Committees shall each facilitate a minimum of one initial assumptions meeting to be scheduled at the commencement of the RTEP process to:</p> <p>(iv) provide an open forum for the review of alternative scenarios proposed by the Committee participants.</p> <p>OA Schedule 6, section 1.5.6(b): Upon completion of its studies and analysis, the Office of the Interconnection shall prepare a recommended enhancement and expansion plan, which shall include alternative projects or solutions as applicable for review by the TEAC.</p> <p>OA Schedule 6, section 1.5.6(h): Any Transmission Owner and other participants on the TEAC may offer an alternative for review by TEAC or Subregional RTEP Committees when the Office of Interconnection determines in its sole discretion that an alternative exists.</p>	

¹ To the extent existing transmission planning processes satisfy the requirements of this Final Rule, TPs need not revise their Tariff and, instead, should describe in their compliance filings how the relevant requirements are satisfied by reference to tariff sheets already on file the Commission. See Order No. 1000 at n. 71.

² With the exception of interregional planning, the Order No. 1000 compliance date is October 11, 2012.

REGIONAL PLANNING PROCESS (cont.)						
Cite	Description	Forum	Phase	Comply	Relevant Tariff Provisions	PJM Proposal
P146, 155 and n. 149	Comparability. Tariff language must clearly state how one type of investment would be considered against another, how one resource would be chosen over another or how a competing proposal would be selected over another proposal.	RPPTF	2	Could be expanded upon to comply	OA, Schedule 6, section 1.4(b). The RTEP shall reflect consistent with the requirements of this Schedule 6, transmission enhancements and expansions; load forecasts, expected demand response, and capacity forecasts, including generation additions and retirements for at least the ensuring ten years.	
P 150 and 153	RTEP process must provide stakeholders an opportunity to participate in the RTEP process in a timely and meaningful manner. Ensure that stakeholders have: a. an opportunity to express their needs, b. access to information and an opportunity to provide information, c. an opportunity participate in the identification and evaluation of regional solutions, d. access to models and data used in the RTEP process, as well as greater access to information and transparency.	RPPTF	2	Yes re: (a), (b), and (c). Re: (d) – process could be improved.	For (a): OA, Schedule 6, sections, 1.3(a), (b) and (e): The Planning Committee, TEAC and subregional RTEP Committees meetings are open to (i) all Transmission Customers; (ii) any other entity proposing to provide Transmission Facilities to be integrated into PJM; (iii) all Members; (iv) the electric utility regulatory agencies with PJM States and the State Consumer Advocates; and (v) any other interested entities or persons. For (a), (b) and (c): OA, Schedule 6, section 1.5.1: The Office of the Interconnection shall notify the TEAC of the commencement of an enhancement and expansion study. The TEAC shall notify the Office of the Interconnection in writing of any additional transmission considerations to be included. For (a), (b) and (c): OA, Schedule 6, section 1.5.2: Once the need for an enhancement and expansion study has been established, the office of the Interconnection shall consult with the TEAC and the Subregional RTEP Committees, as appropriate, to prepare the study's scope, assumptions and procedures. OA, Schedule 6, section 1.5.4 (a): The TOs shall provide to the Office of the Interconnection on an annual or periodic basis as specified by the Office of the Interconnection, any information and data reasonably required to perform the RTEP. (continued on next page)	

REGIONAL PLANNING PROCESS (cont.)						
Cite	Description	Forum	Phase	Comply	Relevant Tariff Provisions	PJM Proposal
					<p>OA, Schedule 6, section 1.5.4(b); Entities requesting transmission service and any other entities requesting transmission service and any other entities proposing to provide Transmission Facilities to be integrated into PJM shall supply any other information and data reasonably required by the Office of the Interconnection.</p> <p>OA, Schedule 6, section 1.5.4(c): The Office of the Interconnection shall solicit from the Members, Transmission Customers and other interested parties, including but not limited to electric utility regulatory agencies within the states in the PJM Region and the State Consumer Advocates, information required by, or anticipated to be useful to, the Office of the Information in preparation of the enhancement and expansion study.</p> <p>For (a) and (b): OA, Schedule 6, section 1.5.4(d): TEAC and Subregional RTEP Committees shall each facilitate a minimum of one initial assumptions meeting to be scheduled at the commencement of the RTEP process.</p> <p>For (c): OA, Schedule 6, section 1.5.4(e): After the assumptions meeting(s) the TEAC and the Subregional RTEP Committee shall facilitate additional meetings and shall post all communications required to provide early opportunity for committee participants to review and evaluate (i) any identified reliability violations; (ii) economic performance analyses; (iii) potential transmission solutions; and (iv) proposed RTEP. The</p> <p>(continued on next page)</p>	

REGIONAL PLANNING PROCESS (cont.)						
Cite	Description	Forum	Phase	Comply	Relevant Tariff Provisions	PJM Proposal
					<p>meetings will be scheduled as deemed necessary. The Office of Interconnection will provide updates on the status of the development of the RTEP at these meeting and regularly scheduled meetings of the Planning Committee.</p> <p>For (b) and (d): OA, Schedule 6, section 1.5.4(f): The Office of Interconnection shall supply any information and data reasonably required by the Members, Transmission Customers and other impacted parties, including but not limited to, electric utility regulatory agencies within the States in the PJM Region and the State Consumer Advocates, utilized to perform the RTEP.</p> <p>OA, Schedule 6, section 1.5.4(g): The office of Interconnection shall provide access through the PJM website to the TO's Local Plan, including all criteria, assumptions and models us by the TO to develop its Local Plan</p> <p>OA, Schedule 6, section 1.5.6(a) RTEP projects, Subregional RTEP Projects and Supplemental Projects shall be developed through an open and collaborative process with opportunity for meaningful participation through the TEAC and Subregional RTEP Committee.</p> <p>OA, Schedule 6, section 1.5.6(b), TEAC shall facilitate open meetings and communications as necessary to provide opportunity for the TEAC participants to collaborate on the preparation of the recommended enhancement and expansion plan. The Office of Interconnection shall invite interested parties to submit</p> <p>(continued on next page)</p>	

REGIONAL PLANNING PROCESS (cont.)						
Cite	Description	Forum	Phase	Comply	Relevant Tariff Provisions	PJM Proposal
					<p>comments on the plan to the TEAC and Office of Interconnection.</p> <p>OA, Schedule 6, section 1.5.6(f): For each enhancement or expansion that is included in the recommended plan, the plan shall consider, based on the planning analysis other input from participants, including any indications of a willingness to bear cost responsibility for such enhancement/expansion.</p> <p>For economic projects, OA, Schedule 6, section 1.5.7(c)(i): Office of Interconnection shall identify and provide to TEAC a list of economic constraints to be evaluated in the market efficiency analysis.</p> <p>OA, Schedule 6, section 1.5.7(c)(ii): Office of Interconnection shall identify any proposed reliability enhancements and expansions to be accelerated to the TEAC for review and comment.</p> <p>OA, Schedule 6, section 1.5.7(c)(iii): Any market participant at any time may submit to the Office of Interconnection a proposal to construct an additional economic-based enhancement or expansion to relieve an economic constraint. Upon completion of its evaluation, the Office of Interconnection</p>	
P 161	Produce a regional plan		N/A	Yes.	OA, Schedule 6, section 1.1.	
P 400	As required under Order No. 890, TPs must make available information regarding the status of transmission upgrades identified in their plans in addition to the underlying transmission plans and related transmission studies.			Yes.	PJM RTEP Report Updates provided at TEAC and Subregional RTEP meetings.	Check Manual

REGIONAL PLANNING PROCESS (cont.)						
Cite	Description	Forum	Phase	Comply	Relevant Tariff Provisions	PJM Proposal
P 224	TPs may include within their compliance filings any tariff revisions they believe necessary to implement flexible transmission planning criteria, including changes to existing bright-line criteria.	RPPTF				OA, Schedule 6, § 1.5.3: In conducting the enhancement and expansion studies, the Office of the Interconnection shall not limit its analyses to bright line tests to identify and evaluate potential transmission system limitations, violations of reliability criteria, or transmission needs. The Office of the Interconnection shall employ sensitivity studies, modeling assumption variations, and scenario analyses, and shall also consider, where appropriate, Public Policy Considerations in the studies and analyses, so as to mitigate the possibility that bright line metrics may inappropriately include or exclude transmission projects from long-term transmission planning. Sensitivity studies, modeling assumption variations, and scenario analyses shall take account of potential changes in expected future system conditions, including but not limited to load levels, transfer levels, generation patterns (including but not limited to the effects of assumptions regarding generation that is at risk for retirement and new generation to satisfy Public Policy Considerations), and uncertainties arising from estimated times to construct transmission upgrades.

PLANNING FOR PUBLIC POLICY						
Cite	Description	Forum	Phase	Comply	Relevant Tariff Provisions	PJM Proposal 11/7/2011
P 82, 203 and 207	<p>Amend OATT to describe procedures by which transmission needs driven by Public Policy Requirements will be identified in the RTEP process and how potential solutions to the identified transmission needs will be evaluated in the RTEP process.</p> <p>Such procedures must allow stakeholders an opportunity to provide input and offer proposals regarding the transmission needs they believe are driven by Public Policy.</p>	RPPTF	1	No		<p>Include definition to Public Policy Requirements and Public Policy Considerations:</p> <p>-Public Policy Requirements” shall refer to policies pursued by state or federal entities, where such policies are reflected in enacted statutes or regulation, including but not limited to, state renewable portfolio standards and requirements under Environmental Protection Agency regulations.</p> <p>-Public Policy Considerations” shall refer to Public Policy Requirements, as well as public policy initiatives that have not yet been codified into law or regulation but which nonetheless may have important impacts on long term planning considerations.</p> <p>OA, Schedule 6, § 1.3(b): The TEAC participants may provide advice for consideration by the Office of Interconnection regarding sensitivity studies, modeling assumption variations, scenario analyses, and Public Policy Considerations in the studies and analyses to be conducted by the Office of the Interconnection.</p> <p>(continued on next page)</p>

PLANNING FOR PUBLIC POLICY (cont.)						
Cite	Description	Forum	Phase	Comply	Relevant Tariff Provisions	PJM Proposal 11/7/2011
						<p>OA, Schedule 6, § 1.4(a): The RTEP shall consolidate the transmission needs of the region into a single plan which is assessed on the bases of maintaining the reliability of the PJM Region in an economic and environmentally acceptable manner, supporting competition in the PJM Region, striving to maintain and, when appropriate, enhancing the economic and operational efficiency of wholesale electric service markets and, considering, when appropriate, Public Policy Requirements.</p> <p>OA, Schedule 6, § 1.5.1(a): The Office of the Interconnection may initiate the enhancement and expansion study process to address or consider, where appropriate, requirements or needs arising from sensitivity studies, modeling assumption variations, scenario analyses, and Public Policy Considerations.</p> <p>OA, Schedule 6, § 1.5.3: The Office of the Interconnection shall employ sensitivity studies, modeling assumption variations, and scenario analyses, and shall also consider, where appropriate, Public Policy Considerations in the studies and analyses, so as to mitigate the possibility that bright line metrics may inappropriately include or exclude transmission projects from long-term transmission planning. Sensitivity studies, modeling assumption variations, and scenario analyses shall take account of potential changes in expected future system conditions, including but not (continued on next page)</p>

PLANNING FOR PUBLIC POLICY (cont.)						
Cite	Description	Forum	Phase	Comply	Relevant Tariff Provisions	PJM Proposal 11/7/2011
						<p>limited to load levels, transfer levels, generation patterns (including but not limited to the effects of assumptions regarding generation that is at risk for retirement and new generation to satisfy Public Policy Considerations), and uncertainties arising from estimated times to construct transmission upgrades.</p> <p>OA, Schedule 6, § 1.5.3(d): (d) Identification, evaluation and analysis of potential enhancements and expansions for the purposes of supporting competition, economic and operational efficiency and, when appropriate, Public Policy Considerations in the PJM region.</p>
n. 189	TP could rely on committees of state regulators or, with appropriate approval from Congress, compacts between interested states to identify transmission needs driven by Public Policy Requirements for TPs to evaluate in the transmission planning process	RPPTF	1			<p>OA, Schedule 6, § 1.5.4(e): In addition, the Office of the Interconnection shall facilitate periodic meetings with representatives of the electric utility regulatory agencies and other state governmental bodies within the States in the PJM Region <u>the Independent State Agencies Committee (ISAC)</u> to discuss:</p> <p>(i) the assumptions to be used in performing the evaluation and analysis of the potential enhancements and expansions to the Transmission Facilities; (ii) regulatory initiatives, as appropriate, including state regulatory agency initiated programs, and other Public Policy Considerations, to consider including in the Office of the Interconnection's reliability analyses; (iii)</p> <p>(continued on next page)</p>

PLANNING FOR PUBLIC POLICY (cont.)						
Cite	Description	Forum	Phase	Comply	Relevant Tariff Provisions	PJM Proposal 11/7/2011
						the impacts of regulatory actions, projected changes in load growth, demand response resources, energy efficiency programs, generating capacity, market efficiency and other trends in the industry; and (iv) alternative modeling assumptions and scenarios proposed by the electric utility regulatory agencies ISAC. At such meetings, the Office of the Interconnection also shall discuss the current status of the enhancement and expansion study process. Representatives of the electric utility regulatory agencies and other state governmental bodies in the PJM Region The ISAC may request that the Office of Interconnection schedule additional meetings as necessary. The Office of the Interconnection shall inform the Transmission Expansion Advisory Committee and the Subregional RTEP Committees, as appropriate, of the input of the electric utility regulatory agency representatives and other state governmental bodies ISAC and shall consider such input in developing the range of assumptions to be used in the studies and scenario analyses described in subsection (d), above.
P 209	TPs must post on their websites an explanation of which transmission needs driven by Public Policy Requirements will be evaluated for potential solutions in the regional transmission planning process, as well as an explanation of why other suggested transmission needs will not be evaluated.	RPPTF	2	No		To be developed.
P 211	Process must allow stakeholders to evaluate proposals for transmission facilities proposed to satisfy an identified transmission need driven by Public Policy Requirements.	RPPTF	2	No		

PLANNING FOR PUBLIC POLICY (cont.)						
Cite	Description	Forum	Phase	Comply	Relevant Tariff Provisions	PJM Proposal 11/7/2011
P 212	TPs must provide an opportunity to all stakeholders, including state regulatory authorities, to provide input on those transmission needs they believe are driven by Public Policy Requirements.	RPPTF		Yes.		<p>OA, Schedule 6, § 1.5.4(c): Office of Interconnection also shall solicit from the Members, Transmission Customers and other interested parties, including but not limited to electric utility regulatory agencies within the States in the PJM Region and State Consumer Advocates, information required by, or anticipated to be useful to, Office of the Interconnection in its preparation of the enhancement and expansion study, including information regarding potential sensitivity studies, modeling assumption variations, scenario analyses, and Public Policy Considerations that may be considered.</p> <p>(d) The purpose of the assumptions meeting shall be to provide an open forum to discuss . . . (ii) Public Policy Considerations, as appropriate for consideration in the Office of the Interconnection's transmission planning analyses</p>

RIGHT OF FIRST REFUSAL (ROFR)						
Cite	Description	Forum	Phase	Comply	Relevant Tariff Provisions	PJM Proposal
P 253	Remove provisions from tariffs and agreements that grant incumbent TPs a federal ROFR to construct transmission facilities selected in a regional transmission plan for purposes of cost allocation		2	Yes	See Primary Power Order at 131 FERC ¶ 61,015, which found that the PJM Tariff does not preclude PJM from designating Primary Power, an entity other than an incumbent transmission owner, as the entity to build Grid Plus if this project is included in the RTEP as a baseline reliability project or economic project.	
n. 241	For one solution to be chosen over another in the planning process there must be an evaluation of the relative economics and effectiveness of performance or each alternative.		2	Yes	OA, Schedule 6, § 1.5.6(i): If the Office of Interconnection adopts [an] alternative, based upon its review of the relative costs and benefits, the ability of the alternative to supply the required level of transmission service and its impact on the reliability of the Transmission Facilities, the Office of Interconnection shall make any necessary changes to the recommended plan. OA, Schedule 6, § 1.5.6(j): If, based upon its review of the relative costs and benefits, the ability of the alternative to supply the required level of transmission service, and the alternative's impact on the reliability of the Transmission Facilities, the Office of Interconnection does not adopt an alternative proposed by a Transmission Owner or Owners, the Transmission Owner or Owners whose alternative or alternatives have not been accepted or to whom cost responsibility has been assigned and other participants on the TEAC may require that its or their alternative(s) be submitted to the Dispute Resolution Procedures in Schedule 5 of the OA.	
P 259 and 321	TPs in a region may, but are not required to, use competitive solicitations to solicit projects or project developers to meet regional needs.		2	N/A		
P 263	Amend OATT to describe the circumstances and procedures under which TPs will reevaluate the regional plan to determine if delays in the development of a transmission facility selected in a RTEP for purposes of cost allocation require evaluation of alternative solutions, including those the incumbent TP proposes to ensure the incumbent can meet its reliability needs or service obligations.		2	No.		To be developed

NON-INCUMBENT DEVELOPER

Cite	Description	Forum	Phase	Comply	Relevant Tariff Provisions	PJM Proposal
P 323	Revise OATT to demonstrate that the planning process has established appropriate qualification criteria for determining an entity's eligibility to propose a transmission project for selection in the regional plan for purposes of cost allocation. The qualification criteria must provide each potential developer the opportunity to demonstrate that it has the necessary financial resources and technical expertise to develop, construct, own, operate and maintain transmission facilities.	RPPTF	2	No	Needs to be further developed to, among other things, include non-incumbent developers: OA, Schedule 6, § 1.7(a): Subject to the requirements of applicable law, government regulations and approvals, including, without limitation, requirements to obtain any necessary state or local siting, construction and operating permits, to the availability of required financing, to the ability to acquire necessary right-of-way, and to the right to recover, pursuant to appropriate financial arrangements and tariffs or contracts, all reasonably incurred costs, plus a reasonable return on investment, Transmission Owners designated as the appropriate entities to construct, own and/or finance enhancements or expansions specified in the Regional Transmission Expansion Plan shall construct, own and/or finance such facilities or enter into appropriate contracts to fulfill such obligations. However, nothing herein shall require any Transmission Owner to construct, finance or own any enhancements or expansions specified in the Regional Transmission Expansion Plan for which the plan designates an entity other than a Transmission Owner as the appropriate entity to construct, own and/or finance such enhancements or expansions.	
P 323	Revise OATT to include procedures for timely notification to developers whether they satisfy the region's qualification criteria and opportunities to mitigate any deficiencies.	RPPTF	2	No		
P 325 and 327	Revise OATT to identify: (i) information that must be submitted by a prospective developer in support of a transmission project it proposes in the planning process; (ii) the date by which such information must be submitted to be considered in a given transmission planning cycle, including potentially the use of rolling or flexible dates to reflect the iterative nature of the process;	RPPTF	2	No		

NON-INCUMBENT DEVELOPER (cont.)						
Cite	Description	Forum	Phase	Comply	Relevant Tariff Provisions	PJM Proposal
P 328	Amend OATT to describe a transparent and not unduly discriminatory process for evaluating whether to select a proposed transmission facility in plan for purposes of cost allocation. The evaluation process must be sufficiently detailed for stakeholders to understand why a particular transmission project was selected in the plan for purposes of cost allocation.	RPPTF		To be further developed	OA, Schedule 6, § 1.5.6(i) and (j) as detailed above under n. 241, needs to further developed.	
P 329	Amend OATT to describe the circumstances and procedures under which TPs will reevaluate the plan to determine if delays in the development of transmission facility selected in plan require evaluation of alternative solutions, including those proposed by incumbent developer to ensure the incumbent can meet its reliability needs or service obligations.	RPPTF	2	No		
P 336	TPs must establish, in consultation with stakeholders, procedures to ensure that all projects are eligible to be considered for selection in the plan for purposes of cost allocation, e.g., non-discriminatory competitive bidding process.	RPPTF	2	No.		
P 336	Plan must also have a fair and not unduly discriminatory mechanism to grant to an incumbent or non-incumbent the right to use the regional cost allocation method for unsponsored transmission facilities selected in the plan for purposes of cost allocation.	RPPTF		No.		

INTERREGIONAL PLANNING³

Cite	Description	Forum	Phase	Comply	Relevant Tariff Provisions	PJM Proposal
P 368	Include in OATT clear and transparent procedures that result in the sharing of information regarding common needs and potential solutions across the seams of neighboring transmission planning regions to facilitate the identification of interregional transmission facilities that more efficiently or cost-effectively could meet the needs identified in individual regional transmission plans.		2	Schedule 6, section 1.5.5	OA, Schedule 6, § 1.5.5(c): The RTEP shall be developed by the Office of Interconnection in consultation with the TEAC during the enhancement and expansion study process.	
	MISO		2	Yes		
	NY ISO		2	Yes		
	ISO-NE		2	Yes		
	Progress Energy		2	Yes		
	Tennessee Valley Authority		2	Yes		
P 396	Each TP, through its regional planning process must establish further procedures with each of its neighboring planning regions for the purpose of coordinating and sharing the results of respective regional transmission plans to identify possible interregional transmission facilities that could address transmission needs more efficiently or cost-effectively than separate regional transmission facilities.		2	Yes.	OA, Schedule 6, § 1.5.5(b): The RTEP shall be developed taking into account the processes for coordinated regional transmission expansion planning established under the following agreements: JOA between MISO and PJM; Northeastern ISO/RTO Planning Coordination Protocol; Joint Reliability Coordination Agreement between MISO, PJM and Progress Energy Carolinas. Coordinated regional transmission expansion planning shall also incorporate input from parties that may be impacted by the coordination efforts, including but not limited to, the Members, Transmission Customers, electric utility regulatory agencies in the PJM Region and the State Consumer Advocates, in accordance with the terms and conditions of the applicable regional coordination agreements.	
P 396 and 398	Each TP must enhance its existing regional planning processes to provide for: (i) sharing of information regarding the respective needs of each region and potential solutions to those needs; and (ii) the identification and joint evaluation of interregional transmission facilities that may be more efficient or cost-effective solutions to those regional needs. ⁴		2	Yes		

³ The Order No. 1000 compliance date for interregional planning processes is April 11, 2013.

⁴ For interregional planning processes, the same language must be included in each TP's OATT that describes the processes that a particular pair of transmission requirements of this Final Rule (at n. 338).

INTERREGIONAL PLANNING (cont.)						
Cite	Description	Forum	Phase	Comply	Relevant Tariff Provisions	PJM Proposal
P 398	TPs must include a description of the type of transmission studies that will be conducted to evaluate conditions on their neighboring systems.			Yes.		
P 436	The joint evaluation must be conducted in the same general timeframe as, rather than subsequent to, each planning region's individual consideration of the proposed project.			Could be expanded upon.		
P436	The proposed interregional project must be selected in both of the relevant regional planning processes for purposes of cost allocation.			Yes.		
P 437	Each TP, through its regional planning process, must develop procedures by which differences in their processes can be identified and resolved for purposes of jointly evaluating the proposed interregional transmission facility. ⁵			OA, Schedule 6, section 1.5.5. Could be expanded upon		
P 438	TPs in neighboring regions must cooperate and develop timelines that allow for coordination and joint evaluation of interregional transmission projects in the same general time frame as each region's consideration of the project. ⁶			Could be expanded upon.		
P 454 and 455	Interregional transmission coordination procedures must provide for exchange of planning data and information at least annually. The procedures must reflect the type and frequency of meetings that are appropriate for each pair of regions and will accommodate each pair of region's planning cycles.			Yes. Could be expanded upon.		
P 458	TPs must maintain a website or email list for the communication of information related to interregional transmission coordination procedures (can be an existing website)					
P 465	TPs must make transparent the analyses undertaken and determinations reached by neighboring transmission planning regions in the identification and evaluation of interregional transmission facilities.			Could be expanded upon.		

⁵ Order No. 1000 does not require any particular planning horizons or criteria be used (at P 437).

⁶ Same general timeframe means "provides a meaningful opportunity to review and evaluate through the interregional transmission coordination procedures information developed through the regional transmission planning process and, similarly, provides a meaningful opportunity to review and use in the regional planning process information developed in the interregional transmission coordination procedures (P 439)."

INTERREGIONAL PLANNING (cont.)						
Cite	Description	Forum	Phase	Comply	Relevant Tariff Provisions	PJM Proposal
P 466	Each TP must give stakeholders the opportunity to provide input into the development of its interregional transmission coordination procedures and the commonly agreed-to language to be included in its OATT.			Yes. Could be expanded upon.		
P 475 and n. 372	If TP chooses to reflect interregional coordination procedures in an agreement, filed on compliance for approval by the Commission, the OATT must still provide enough description for stakeholders to follow how interregional transmission coordination will be conducted, with links included to the actual agreement where the details can be found.			OA, Schedule 6, section 1.4(d)(vi)		

DRAFT

COST ALLOCATION - REGIONAL FACILITIES						
Cite	Description	Forum	Phase	Comply	Relevant Tariff Provisions	PJM Proposal
P 558	TP must have in its OATT a common method, or set of methods, for allocating the costs of new transmission facilities selected in the regional transmission plan for purposes of cost allocation that is consistent with the six regional cost allocation principles adopted in the Final Rule		2	? – 500kV and above facilities. Yes – Lower Voltage Reliability and Economic Facilities	<p>PJM Tariff, Schedule 12(b)(i)(A): Cost responsibility for Regional Facilities and Necessary Lower Voltage Facilities shall be allocated annually among Responsible Customers on an annual load-ratio share basis using the annual zonal loads at the time of each Zone's annual peak load from the 12-month period ending Oct. 31 of the calendar year preceding the calendar year for which the annual cost responsibility allocation is determined.</p> <p>PJM Tariff, Schedule 12(b)(i)(B): Cost responsibility allocated to an owner of a Merchant Transmission Facility shall be based on the planned Firm Transmission Withdrawal Rights associated with its Merchant Transmission Facility for which it has executed an ISA.</p> <p>PJM Tariff, Schedule 12(b)(iii)(A): Cost responsibility for Lower Voltage Facility shall be assigned per (b)(iii)(C) when the good faith estimate of the cost of the Lower Voltage Facility equals or exceeds \$5M.</p> <p>PJM Tariff, Schedule 12(b)(iii)(B): Cost responsibility for a Lower Voltage Facility, the estimated costs of which do not equal or exceed the \$5M threshold shall be assigned to the zone where the Lower Voltage Facility is to be located. In the event that a Lower Voltage Facility, the estimated costs of which do not equal or exceed the \$5M threshold, consists of a single transmission element or multiple transmission elements to be located in more than one zone, each zone shall be assigned cost responsibility for the transmission elements or portions of the transmission elements located in such zone.</p> <p>(continued on next page)</p>	

COST ALLOCATION - REGIONAL FACILITIES						
Cite	Description	Forum	Phase	Comply	Relevant Tariff Provisions	PJM Proposal
					<p>PJM Tariff, Schedule 12(b)(iii)(C): To assign cost responsibility for Lower Voltage Facilities that equal or exceed \$5M, TP shall use the DFAX analysis described in this section that takes into account the contributions of loads and Merchant Transmission Facilities to the reliability criteria violations for which Lower Voltage Facilities are identified as solutions.</p> <p>PJM Tariff, Schedule 12(b)(v): TP shall assign cost responsibility for economic-based Required Transmission Enhancements that will operate below 500 KV by performing and comparing: (i) a DFAX analysis consistent with the methodology described in (b)(iii)(C) and (2) a methodology that is intended to act as a proxy for expected economic benefits from reduced LMP over the period that the reliability-based enhancement or expansion is to be accelerated.</p>	
P 578	TP must have in its OATT a common method, or set of methods, for allocating the costs of new interregional transmission facilities among the beneficiaries of the transmission facility in the two neighboring transmission planning regions in which the transmission facility is located.		2			

COST ALLOCATION - REGIONAL FACILITIES (cont.)						
Cite	Description	Forum	Phase	Comply	Relevant Tariff Provisions	PJM Proposal
	The regional and interregional cost allocation methods must comply with the following six principles: ⁷ (i) cost must be allocated commensurate with estimated <i>benefits</i> ; (ii) no benefits, no involuntary cost allocation; (iii) no costs allocated outside a transmission planning region unless the other region agrees; (iv) a benefit to cost ratio threshold not required; however, if used, it must not exceed 1.25 to 1 unless justified and accepted by the Commission; (v) the cost allocation method(s) for determining benefits and identifying beneficiaries must be transparent; (vi) a planning region may use different cost allocation methods for different types of transmission facilities in the regional plan.		2			
P 607	Each TP must make an individual compliance filing that includes its own proposed method or set of methods of allocating costs that explains how TP believes its method or methods satisfy the cost allocation principles and is appropriate for its region or pair of regions.		2		OA, Schedule 6, § 1.7(c): The Office of Interconnection shall be obligated to collect on behalf the TO(s) all charges established under Schedule 12 of the PJM Tariff in connection with the facilities which the Office of Interconnection designates one or more TOs to build pursuant to this RTEP Protocol. Such charges shall compensate the TO(s) for all costs related to such RTEP facilities under a FERC-approved rate and will include any FERC-approved incentives.	
P 607	In the event of a failure to reach consensus on a cost allocation method or methods, the TP must document in its compliance filing the steps taken to reach consensus on a cost allocation method or set of methods to comply with the Final Rule, as thoroughly as practicable, and provide whatever information TP views as necessary for the Commission to make a determination of the appropriate cost allocation method or methods. ⁸		2			

⁷ The six principles serve as guidelines for public utility transmission providers to use to create cost allocation methods that are consistent with the cost causation principle (at P 749).

⁸ Groups of TPs that agree on a proposed method or methods may make a coordinated filing or filings with their common views (at P 607). The Final Rule further provides that transmission owners that are part of an RTO may demonstrate compliance through that RTO's compliance filing and are not required to make a separate compliance filing (at P 797).