Regional Planning Process Task Force

Multi-Driver Voting Background and Questions

June 7, 2013

Multi-Driver Voting Background

As discussed at the last RPPTF and MRC Sessions,

- The RPPTF has conducted a non-binding poll of all RPPTF Stakeholders and shared the results with the RPPTF and the MRC.
- PJM has prepared a brief education slide on the Multi-Driver Status Quo and will circulate draft Multi-Driver questions for a formal RPPTF Vote
- The RPPTF stakeholders will have a brief period to re-review the questions that were previously polled on and offer any clarifying questions or comments prior to formal voting
- PJM will then issue a formal voting instrument to eligible PJM members in good standing and the voting window will be opened for approximately 7 days
- The voting results will be tabulated and published to the RPPTF and the MRC stakeholders

Multi-Driver Approach

- ***Background*** *– PJM currently has established processes for evaluating the potential combination of Reliability (R) and Market Efficiency (ME) projects to ensure a reliable, cost effective transmission grid spanning the PJM region.*

  Over the past several months, the Regional Planning Process Task Force has considered, discussed and debated a number of factors relating to refining PJM's transmission planning processes. Specifically – the task force has considered methods for inclusion of Public Policy (PP) projects and whether a formal Multi-Driver Approach that incorporates PP projects should be adopted.

- *Following is an outline of the status quo followed by the questions that will be voted upon:*

Today – Status Quo

- PJM's planning processes support identification and potential combination of Reliability (R) and Market Efficiency (ME) Projects
  - If the combination of these two project types were to occur, the full cost would be apportioned to the Reliability project
  - *PJM OATT, Schedule 12(b)(v)(A) and (B).*

- Public Policy (PP) projects may be pursued under the "State Agreement" approach
  - If a State (or States) were to pursue this approach today, the Public Policy projects would proceed in 'standalone' fashion (not combined with R or ME projects above)
  - Assignment of PP costs go to Responsible Customers (*See OATT Schedule 12, b.xii, Section B. Page 13)*

- Today, a combination of R, ME and PP projects would require a "one-off" filing with FERC

Multi-Driver Approach – Voting Question 1

Question

- *Do you support the implementation of a Multi-Driver Approach that provides for the integration of Public Policy projects with Reliability and Market Efficiency projects within PJM's existing regional planning processes?*

Answer

- *Yes No Abstain*

Multi-Driver Approach – Voting Question 2

Question

- *If an otherwise identified Reliability and or Market Efficiency Project were to be enhanced, made bigger or more robust as the result of inclusion of a Public Policy Upgrade ("upgrade" term yet to be defined), would you support cost apportionment that is a) Incremental or b) Proportional?*

Answer

- *A B Abstain*

Multi-Driver Approach – Voting Question 3

Question

- *To the extent that a resulting Multi-Driver solution was developed in a manner that is a completely separate solution (meaning a new project not containing any of the previously identified and viable Reliability, Market Efficiency and Public Policy elements) , would you support apportionment of the costs associated with the Public Policy portion be treated a) Incrementally or b) Proportionally?*

Answer

- *A B Abstain*

Polling Question - Status Quo

Question

- *(Poll) Do you support the Status Quo with respect to the current treatment of Reliability, Market Efficiency, and Public Policy Projects?*

Answer

- *Yes No Abstain*