



RPPTF Meeting Teleconference/WebEx

Toll-free call-in number (866) 398-2885, Passcode: 327265

WebEx Details:

<https://pjm.webex.com>

Password: : rpp0319pjm

March 19, 2015

9:30 am, Eastern Standard Time

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| • Call to Order, Announcements, Roll call | Fran Barrett/Andrew Gledhill | 9:30 am – 9:45 am |
| • FERC MDA Filing Update | Pauline Foley | 9:45 am – 9:55 am |
| • Project Proposal Fee Update | Steve Herling | 9:55 am – 10:05 am |
| • Generation Interconnection as an Input to Multi-Driver Approach | Steve Herling/Fran Barrett | 10:05 am – 11:45 am |
| – Discuss Stakeholder Comments and Solicit Feedback for Draft Principles and Next Steps | | |
| • New Action Items, Next Steps and Adjournment | Fran Barrett | 11:45 am – 12:00 pm |



FERC MDA Filing Update

Status on Order & Compliance Filing

Pauline Foley



FERC Order on Project Proposal Fees

Recommended Action and Endorsement

Steve Herling
Deck presented at MRC
2/26/15

- The RPPTF developed a consensus-based proposal fee for the costs of engineering and contractor analysis of proposed FERC Order No.1000 projects
 - \$30,000 non-refundable fee for greenfield projects
 - Two year “test” period
- The MRC and MC approved the proposed fee and structure on October 30, 2014 and November 20, 2014, respectively
 - The MRC seconded and affirmatively voted an amendment to apply the proposed fee to all greenfield projects and Upgrade projects estimated to be in excess of \$20M

- **PJM's proposed tariff revisions were rejected** (FERC Docket No. ER15-639-000)
- **FERC:**
 - Agreed that it is reasonable to charge a fee to cover the costs of evaluating transmission projects
 - Noted the Commission has accepted nonrefundable fees in its orders addressing Order No. 1000 transmission projects within the regional transmission plan
 - Found the proposal for projects under \$20M unduly discriminatory and preferential to require new transmission developers to pay a fee to cover the expense of evaluating proposed transmission projects while exempting incumbent transmission owners proposing Transmission Owner Upgrades
- **FERC rejected PJM's proposal without prejudice to PJM filing a new proposal that addresses the unduly discriminatory nature of the fee proposed in this proceeding.**



- 2014 Total Proposals Received: 185 projects
 - (94 greenfield, 91 Upgrade)
- Total Proposals submitted <\$20M = 84
 - (12 greenfield, 72 Upgrade)

- In order to effectuate a non-discriminatory proposal fee on a timely basis, PJM recommends the MRC and MC review and endorse:
 - The preparation and submission of a PJM filing that contains:
 - The same proposal fee structure, value and test period as included in the prior filing, and
 - Add a \$20M threshold provision in which all projects (whether greenfield or Upgrade) exceeding this estimated value must pay a fee and below which no projects (neither greenfield or Upgrade) shall pay a fee.

- MRC “first read” of revision to Project Fee Proposal occurred February 26th
- Proposal to be voted March 26, 2015 at MRC and MC sessions

Generation Interconnection (GI) as an Input to Multi-Driver Approach (MDA)

- PJM received limited comments on the subject (2 written, 1 verbal)
 - Written comments are available with the RPPTF meeting materials
- As discussed at our last meeting, topic involves complex subject matter with potentially far-reaching Operating Agreement and tariff issues and amendment <http://www.pjm.com/~media/committees-groups/task-forces/rpptf/20150123/20150123-gi-for-mda-legal-and-tariff-issues.ashx>
- Given only 3 similar opportunities over past 15 years – we are considering an alternative approach
 - Establish and document general principles within the PJM Manuals and address on a “one-off” basis
 - Employ an interconnection service agreement as a vehicle to integrate a GI into a MDA project

- Costs
 - Costs should be transparent and should provide expected cost certainty
 - Interconnection Customer cost of the GI component within a Multi-Driver Project should be equal to or less than its “but-for” cost
 - *Stakeholder comment: Cost to interconnection customer could be difference between project cost with and without interconnection driver*

- Costs (continued)
 - Interconnection customer assumes costs of optional studies to support analysis
 - *Stakeholder comment: Multi-Driver Project analysis should not fall within standard analytical scope, but treated as a “parallel study”*
 - Issue - How should costs be partitioned between a Generation Interconnection project and the RTEPP?

Option versus obligation of GI to participate in a MDA

- There should be no obligation to participate in the process
 - Interconnection customers should have the ability to opt-in to a Multi-Driver Project
 - With clear expectations on obligations of timing and costs if the option is pursued

Timing issues:

- Reliability needs and timelines take priority. How will we address this if a GI project opts into a MDA?
- How do we address GI project rights if a delay results?
- Example – what if a multi-driver delay occurs that significantly exceeds the typical interconnection timing and costs?

Principles if/when Multi-Driver Project falls through

- If because of interconnection customer?
 - *Stakeholder comment: Interconnection customer should be responsible for cancellation costs and costs to ensure reliability. If construction has begun, security is forfeited in the amount to fund the remainder of the driver of the project that cancelled. If pre-construction, security can be refunded after re-tooled studies are funded.*
- If due to another project driver?
 - How would the interconnection customer's queue position be handled?

Identification of potential Multi-Driver Projects

- What triggers notification of a potential MDP? Who identifies a potential MDP?
 - *Stakeholder comment: All entities involved in the planning process should be able to propose project ideas. This would go beyond Transmission Owners, Generation Developers, and PJM Staff to Transmission Developers and others.*

Action Items & Next Steps