

IARRs for RTEP Upgrades Allocated for 2014/2015 Planning Period

Incremental Auction Revenue Rights (“IARRs”) are allocated to Responsible Customers that are assigned cost responsibility for RTEP upgrades that meet certain criterion. Responsible Customers include network service customers and merchant transmission facility owners. PJM calculates and allocates the IARRs, if any are created by the upgrade, based on the percentage cost responsibility assigned to Responsible Customers.

For the annual ARR allocation for the 2014/2015 planning period, the IARRs defined in Table 1 will be allocated to Responsible Customers based on the percentage cost responsibility shown in Table 3. Each network customer within a zone is allocated a share of the IARRs identified for each zone based on their percentage share of the network service peak load of the zone. The responsible Customer may decline to accept the IARR allocation during the annual ARR allocation process. **These IARRs will be allocated to each Responsible Customer unless the Responsible Customer elects to decline the allocation. The election to decline the allocated IARR must be made via the eFTR system during the Stage 1A ARR nomination period.**

Table 1
RTEP Upgrade IARRs allocated for 2014/2015 Annual ARR Allocation

Project #	Project Description	IARR Parameters		
		IARR Source Point (See Table 2)	IARR Sink Point	IARR MW
B0287	Install 600 MVAR Dynamic Reactive Device @ Elroy 500kV	RTEP B0287 SOURCE	DPL	190.6
B0328	Trail Project: 502 JCT – Loudoun 500 kV	RTEP B0328 SOURCE	PEPCO	391.2
B0329	Carson-Suffolk 500 kV	RTEP B0329 SOURCE	DOM	96.4

Table 2
RTEP aggregate source definitions.
Aggregates are weighted at 10% of each pricing node.

RTEP B0287 SOURCE	MUDDYRN	13 KV	UNIT1
	MUDDYRN	13 KV	UNIT2
	MUDDYRN	13 KV	UNIT3
	MUDDYRN	13 KV	UNIT4
	MUDDYRN	13 KV	UNIT5
	MUDDYRN	13 KV	UNIT6
	MUDDYRN	13 KV	UNIT7
	MUDDYRN	13 KV	UNIT8
	PEACHBOT	22 KV	UNIT02
	PEACHBOT	22 KV	UNIT03

RTEP B0328 SOURCE	BATHCO	20 KV	GM1
	GREENGAP	35 KV	G1
	HARR APS	20 KV	GEN 1
	HARR APS	20 KV	GEN 2
	HARR APS	20 KV	GEN 3
	MTSTORM4	13 KV	GT1
	MTSTORM4	22 KV	G1
	MTSTORM4	22 KV	G2
	MTSTORM4	22 KV	G3
	NBRANCH	13 KV	G1

RTEP B0329 SOURCE	GRAVLNK	13 KV	GT3
	GRAVLNK	13 KV	GT4
	GRAVLNK	13 KV	GT5
	GRAVLNK	13 KV	GT6
	GRAVLNK	13 KV	GTS
	SURRY4	22 KV	G1
	WINCHEST	35 KV	BETHELLF
	COGENTRX	230 KV	NUG
	HCF	13.8 KV	GT1
	HCF	13.8 KV	GT2

Table 3
Percentage Allocation of IARRs of Table 1 for 2014/2015 Planning Period

Responsible Customer	% Allocation
AE	1.70%
AEP	14.18%
AP	5.39%
ATSI	8.16%
BC	4.24%
CE	13.82%
DAY	2.12%
DEOK	3.19%
DOM	11.65%
DPL	2.49%
DUQ	1.83%
EKPC	1.57%
JC	3.96%
ME	1.87%
PE	5.35%
PEP	4.06%
PL	4.59%
PN	1.92%
PS	6.46%
RECO	0.27%
ConEd	0.56%
Neptune	0.42%
East Coast Power	0.20%
Hudson Transmission Partners	0.01%

Allocated IARRs associated with regionally assigned RTEP upgrades are separate from allocated ARRs associated with network transmission service and long-term firm point-to-point transmission service. However, like ARRs associated with firm transmission service, IARRs associated with RTEP upgrades may be self-scheduled as an FTR purchase into Round 1 of the annual FTR auction and are subject to daily shifting within a zone as load shifts within a zone.