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May 28, 2020

Honorable Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E., Room 1A  
Washington, D.C. 20426-0001

*Re: PJM Interconnection, L.L.C., Docket No. ER20-1913-000  
[30-Day Comment Period Requested]*

Dear Secretary Bose:

Pursuant to section 205 of the Federal Power Act,<sup>1</sup> and as a follow up to the advance notice PJM Interconnection, L.L.C. (“PJM”) provided to the Commission in its January 3 Cost Assignment Filing<sup>2</sup> made in accordance with PJM Open Access Transmission Tariff, Schedule 12 (“Tariff” or “Schedule 12”) and Amended and Restated Operating Agreement of PJM Interconnection, L.L.C., Schedule 6, section 1.6 (“Operating Agreement” or “Schedule 6”), PJM amends Schedule 12-Appendix A to include the new cost responsibility assignments for one economic project (b3145) approved by the PJM Board of Managers (“PJM Board”) on December 4, 2019, for inclusion in the regional transmission expansion plan (“RTEP”). The revised Tariff section containing new language, including new cost responsibility assignments, is reflected in redline and clean format in Attachments B and C, respectively, to this filing.<sup>3</sup>

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<sup>1</sup> 16 U.S.C. § 824d.

<sup>2</sup> *PJM Interconnection, L.L.C.*, Revisions to Tariff, Schedule 12-Appendix A incorporating cost responsibility assignments, Docket No. ER20-736-000 (Jan. 3, 2020) (accepted by March 16, 2020 letter order) (“January 3 Cost Assignment Filing”). Footnote 3 of the January 3 Cost Assignment Filing indicated that PJM “w[ould] file cost responsibility assignments for economic project b3145 once the transmission owners submit revisions to Tariff, Schedule 12[,] section (b)(v)(C) to conform [to] the Operating Agreement, Schedule 6, section 1.5.7(d).”

<sup>3</sup> The revised Tariff section does not include any proposed rates or charges for recovery of any system upgrade costs. In accordance with Tariff, Schedule 12, recovery of the costs of such facilities that the RTEP requires transmission owners to construct, own and/or finance is governed by the transmission owners’ established rates.

PJM requests that the proposed revision to Tariff, Schedule 12-Appendix A for economic project b3145 become effective on August 26, 2020, 90 days after the date of this filing.

## **I. BACKGROUND**

On December 4, 2019, the PJM Board of Managers approved 21 new baseline upgrades for inclusion in the RTEP, including economic project b3145. On January 3, 2020, PJM filed revisions to Tariff, Schedule 12-Appendix A to incorporate cost responsibility assignments for 20 of the 21 baseline upgrades approved by the PJM Board on December 4, 2019. In its January 3 Cost Assignment Filing, PJM advised the Commission that PJM would file the cost responsibility assignments for economic project b3145 in Schedule 12-Appendix A once the Commission accepted the PJM transmission owners' revisions to Tariff, Schedule 12, section (b)(v)(C) to conform the cost allocations for economic project b3145 with the Commission-accepted changes to Operating Agreement, Schedule 6, section 1.5.7(d).<sup>4</sup>

On January 13, 2020, the PJM transmission owners filed revisions to Tariff, Schedule 12<sup>5</sup> to revise the cost assignment methodology for economic projects to better align the assignment of costs of economic projects with their benefits based on the Commission's approval of changes in the way PJM determined benefits of economic projects.<sup>6</sup> By letter order dated March 4, 2020, the Commission accepted the transmission owners' revisions to Schedule 12, section (b)(v)(C), as proposed, effective March 13, 2020.<sup>7</sup>

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<sup>4</sup> January 3 Cost Assignment Filing Letter at 1, n.3.

<sup>5</sup> *PJM Interconnection, L.L.C.*, Proposed Revisions to Schedule 12 to Update the Cost Allocation Methodology for Economic Projects, Docket No. ER20-776-000 (Jan. 13, 2020).

<sup>6</sup> *PJM Interconnection, L.L.C.*, 166 FERC ¶ 61,114 (Feb. 19, 2019).

<sup>7</sup> *PJM Interconnection, L.L.C.*, Letter Order, Docket No. ER20-776-000 (Mar. 4, 2020).

In the same month that the Commission accepted the transmission owners' cost allocation filing, the Commission also issued an Order on Compliance in Docket No. ER18-680-000.<sup>8</sup> The Order on Compliance relates to, among other things, the reassignment of cost allocation responsibility for lower voltage economic projects. The Order on Compliance could have impacted the cost assignments for project b3145, as approved by the PJM Board. PJM has studied the Order on Compliance's impact on the cost allocation for project b3145 and has concluded that there is no impact to the project's previously approved cost allocation.

As of the date of this filing, project b3145 remains in the very early stages of engineering and no construction has begun, and thus, there has been no financial impact to ratepayers.

## **II. DESCRIPTION OF PROPOSED REVISIONS TO SCHEDULE 12-APPENDIX A**

### ***A. Description of PJM Board Approved RTEP Project b3145***

This filing includes one lower voltage facility economic project (b3145) that was approved by the PJM Board to address market efficiency needs. The cost responsibility assignment for a new enhancement or expansion to relieve one or more economic constraints<sup>9</sup> to zones that show a decrease in the net present value of the Changes in Load Energy Payments<sup>10</sup> are determined for the 15-year period starting with the applicable RTEP Year (which is the current year plus five).<sup>11</sup> Cost Responsibility is assigned based on each zone's pro rata share of the sum of the net present values of the Changes in Load Energy Payments only of the zones in which the net present value of the Changes in Load Energy Payments shows a decrease. Project

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<sup>8</sup> *PJM Interconnection, L.L.C.*, 170 FERC ¶ 61,295 (Mar. 31, 2020) ("Order on Compliance").

<sup>9</sup> Economic constraints are described in the Operating Agreement, Schedule 6, section 1.5.7(b)(iii).

<sup>10</sup> Load Energy Payments are described in the Operating Agreement, Schedule 6, section 1.5.7(d).

<sup>11</sup> Tariff, Schedule 12, section (b)(v)(C).

b3145 was allocated based on each zone's and Merchant Transmission Facility's economic benefits from the project.

### ***B. Cost Responsibility Assignment Summary***

For informational purposes, PJM also includes as Attachment A to this filing a Cost Responsibility Assignment Summary for project b3145. In addition to specifying the cost responsibility assignments for project b3145, the summary sheet provides the criteria violation and test, a description of the upgrade, in-service date, estimated upgrade costs, and the entity designated with construction responsibility for the enhancement or expansion.

### **III. COMMENT PERIOD AND EFFECTIVE DATE**

Tariff, Schedule 12, section (b)(viii) provides that customers designated to be responsible for assignments of cost responsibility shall have 30 days from the date of such filing to seek review regarding the proposed cost responsibility assignments. Consistent with this provision, PJM requests that the comment date for this filing be set 30 days from the date of this filing, *i.e.*, June 27, 2020.<sup>12</sup> To accommodate such a comment date, PJM requests an effective date of August 26, 2020 (90 days from the date of this filing) for the submitted Tariff revision here.<sup>13</sup>

### **IV. DOCUMENTS ENCLOSED**

PJM encloses the following:

1. This transmittal letter;
2. Attachment A – Cost Responsibility Assignment Summary sheet;

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<sup>12</sup> Since June 27, 2020 falls on a Saturday, comments would be due on Monday, June 29, 2020. *See* 18 C.F.R. § 385.2007(a)(2) (2019).

<sup>13</sup> *See, e.g., PJM Interconnection, L.L.C., Errata Notice of Extending Comment Period*, Docket Nos. ER06-456-018, *et al.* (Dec. 2, 2008) (granting extension of time for filing protests or comments to accommodate Schedule 12 of the PJM Tariff); *PJM Interconnection, L.L.C., Errata Notice Extending Comment Date*, Docket No. ER08-229-000 (Nov. 30, 2007) (same); *PJM Interconnection, L.L.C., Notice Extending Comment Date*, Docket No. ER07-1186-000 (July 31, 2007) (same).

3. Attachment B – Revised Tariff, Schedule 12-Appendix A (in redlined form); and
4. Attachment C – Revised Tariff, Schedule 12-Appendix A (in clean form).

## V. CORRESPONDENCE AND COMMUNICATIONS

Correspondence and communications with respect to this filing should be sent to:

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## VI. SERVICE

PJM has served a copy of this filing on all PJM Members and on the affected state utility regulatory commissions in the PJM Region by posting this filing electronically. In accordance with the Commission’s regulations,<sup>14</sup> PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: <http://www.pjm.com/documents/ferc-manuals/ferc-filings.aspx> with a specific link to the newly-filed document, and will send an e-mail on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region<sup>15</sup> alerting them that this filing has been made by PJM and is

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<sup>14</sup> See 18 C.F.R. §§ 35.2(e) and 385.201(f)(3) (2019).

<sup>15</sup> PJM already maintains, updates, and regularly uses electronic mailing lists for all PJM Members and affected state commissions.

available by following such link. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within twenty-four hours of the filing. Also, a copy of this filing will be available on the Commission's eLibrary website located at the following link: <http://www.ferc.gov/docs-filing/elibrary.asp> in accordance with the Commission's regulations and Order No. 714.

Respectfully,

/s/ Mark J. Stanisz

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DATE: May 28, 2020

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*On behalf of PJM Interconnection, L.L.C.*

# Attachment A

## Cost Responsibility Assignment Summary

## **Baseline Upgrade b3145**

- Overview of Reliability Problem
  - Criteria Violation: Congestion Relief
  - Contingency: none
  - Criteria test: Market Efficiency
  
- Overview of Reliability Solution
  - Description of Upgrade: Rebuild the Hunterstown - Lincoln 115 kV Line No. 962 (approx. 2.6 miles). Upgrade limiting terminal equipment at Hunterstown and Lincoln
  - Required Upgrade In-Service Date: June 01, 2023
  - Estimated Upgrade Cost: \$ 7.21 M
  - Construction Responsibility: ME
  
- Cost Allocation
  - The cost for this market efficiency baseline upgrade is allocated based on each zone's and Merchant Transmission Facility's market efficiency benefits from the project: AEP (16.60%) / APS (8.09%) / BGE (2.74%) / Dayton (2.00%) / DEOK (0.35%) / DL (1.31%) / Dominion (52.77%) / EKPC (1.54%) / OVEC (0.06%) / PEPSCO (14.54%)



# Attachment B

## Revisions to the PJM Open Access Transmission Tariff

(Marked / Redline Format)

**SCHEDULE 12 – APPENDIX A**

**(5) Mid-Atlantic Interstate Transmission, LLC for the Metropolitan Edison Company Zone**

Required Transmission Enhancements	Annual Revenue Requirement	Responsible Customer(s)
b2006.1.1	Loop the 2026 (TMI – Hosensack 500 kV) line in to the Lauschtown	<p align="center"><b>Load-Ratio Share Allocation:</b></p> AEC (1.72%) / AEP (14.18%) / APS (6.05%) / ATSI (7.92%) / BGE (4.23%) / ComEd (13.20%) / Dayton (2.05%) / DEOK (3.18%) / DL (1.68%) / DPL (2.58%) / Dominion (12.56%) / EKPC (1.94%) / JCPL (3.82%) / ME (1.88%) / NEPTUNE* (0.42%) / OVEC (0.08%) / PECO (5.31%) / PENELEC (1.90%) / PEPCO (3.90%) / PPL (5.00%) / PSEG (6.15%) / RE (0.25%)
b2006.2.1	Upgrade relay at South Reading on the 1072 230 V line	<p align="center"><b>DFAX Allocation:</b> PPL (100%)</p>
b2006.4	Replace the South Reading 69 kV ‘81342’ breaker with 40kA breaker	ME (100%)
b2006.5	Replace the South Reading 69 kV ‘82842’ breaker with 40kA breaker	ME (100%)
b2452	Install 2nd Hunterstown 230/115 kV transformer	APS (8.30%) / BGE (14.70%) / DEOK (0.48%) / Dominion (36.92%) / ME (23.85%) / PEPCO (15.75%)

**Mid-Atlantic Interstate Transmission, LLC for the Metropolitan Edison Company Zone  
(cont.)**

Required Transmission Enhancements	Annual Revenue Requirement	Responsible Customer(s)
b2452.1	Reconductor Hunterstown - Oxford 115 kV line	APS (8.30%) / BGE (14.70%) / DEOK (0.48%) / Dominion (36.92%) / ME (23.85%) / PEPCO (15.75%)
b2452.3	Replace the Hunterstown 115 kV breaker '96192' with 40 kA	ME (100%)
b2588	Install a 36.6 MVAR 115 kV capacitor at North Bangor substation	ME (100%)
b2637	Convert Middletown Junction 230 kV substation to nine bay double breaker configuration.	ME (100%)
b2644	Install a 28.8 MVAR 115 kV capacitor at the Mountain substation	ME (100%)
b2688.1	Lincoln Substation: Upgrade the bus conductor and replace CTs.	AEP (12.91%) / APS (19.04%) / ATSI (1.24%) / ComEd (0.35%) / Dayton (1.45%) / DEOK (2.30%) / DL (1.11%) / Dominion (44.85%) / EKPC (0.78%) / PEPCO (15.85%) / RECO (0.12%)
b2688.2	Germantown Substation: Replace 138/115 kV transformer with a 135/180/224 MVA bank. Replace Lincoln 115 kV breaker, install new 138 kV breaker, upgrade bus conductor and adjust/replace CTs.	AEP (12.91%) / APS (19.04%) / ATSI (1.24%) / ComEd (0.35%) / Dayton (1.45%) / DEOK (2.30%) / DL (1.11%) / Dominion (44.85%) / EKPC (0.78%) / PEPCO (15.85%) / RECO (0.12%)

**Mid-Atlantic Interstate Transmission, LLC for the Metropolitan Edison Company Zone (cont.)**

Required Transmission Enhancements	Annual Revenue Requirement	Responsible Customer(s)
b2743.4	Upgrade terminal equipment at Hunterstown 500 kV on the Conemaugh – Hunterstown 500 kV circuit	AEP (6.46%) / APS (8.74%) / BGE (19.74%) / ComEd (2.16%) / Dayton (0.59%) / DEOK (1.02%) / DL (0.01%) / Dominion (39.95%) / EKPC (0.45%) / PEPSCO (20.88%)
b2752.4	Upgrade terminal equipment and required relay communication at TMI 500 kV: on the Beach Bottom – TMI 500 kV circuit	AEP (6.46%) / APS (8.74%) / BGE (19.74%) / ComEd (2.16%) / Dayton (0.59%) / DEOK (1.02%) / DL (0.01%) / Dominion (39.95%) / EKPC (0.45%) / PEPSCO (20.88%)
b2749	Replace relay at West Boyertown 69 kV station on the West Boyertown – North Boyertown 69 kV circuit	ME (100%)
b2765	Upgrade bus conductor at Gardners 115 kv substation; Upgrade bus conductor and adjust CT ratios at Carlisle Pike 115 kV	ME (100%)
b2950	Upgrade limiting 115 kV switches on the 115 kV side of the 230/115 kV Northwood substation and adjust setting on limiting ZR relay	ME (100%)
b3136	Replace bus conductor at Smith 115 kV substation	ME (100%)
b3145	<a href="#"><u>Rebuild the Hunterstown – Lincoln 115 kV Line No. 962 (approx. 2.6 miles). Upgrade limiting terminal equipment at Hunterstown and Lincoln</u></a>	<a href="#"><u>AEP (16.60%) / APS (8.09%) / BGE (2.74%) / Dayton (2.00%) / DEOK (0.35%) / DL (1.31%) / Dominion (52.77%) / EKPC (1.54%) / OVEC (0.06%) / PEPSCO (14.54%)</u></a>

# Attachment C

Revisions to the  
PJM Open Access Transmission Tariff

(Clean Format)

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**Mid-Atlantic Interstate Transmission, LLC for the Metropolitan Edison Company Zone  
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