



Order 890 FERC Technical Conference

Comments on PJM Straw

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Pittsburgh, PA

Old Dominion Electric Cooperative



PJM Regional Planning

- PJM has done a good job so far
 - RTEP evolved over years
 - Generation Interconnection
 - Merchant Transmission
 - Market Efficiency
 - Move from minimalist to holistic reliability planning (change from 5 year to 15 year plan)
 - Expanded TEAC
 - Established Stakeholder Process
- Good Start; Need More



Opportunities

- More detail required for both regional as well as local planning; more work required for local than regional
- Straw provides focal point to communicate concepts and direct consensus changes into the OATT and OA
- Existing PJM Authority already in place; just enhance OATT and OA



Opportunities

- Existing Committees
 - Members
 - Final stakeholder input to independent PJM Board
 - Planning
 - Criteria, Assumptions, Limited Local Process
 - TEAC
 - Regional Plan; Limited Local Plans; Transparency; Openness
 - TOAC
 - Not all stakeholders; Signatories to the TOA



Considerations

- Tariff and OA will need sufficient detail so there is no mistake as to what is intended
- Even so, there will be many processes and details below the tariff level for tariff interpretation and implementation
- Shoot for what is achievable; balance openness and tariff detail with ability to get work done and avoidance of unduly burdensome process



Considerations

- Dispute Resolution at various points in process
- Open, Collaborative, Cooperative Process is best;
 - Required information exchange can serve as a fallback for circumstances where parties will not or can not cooperate.



Consider:

- PJM runs regional process
- PJM establishes and oversees local process
 - PJM sets forth the process where the local transmission owners must ***offer*** and facilitate open process for facilities to be included in the RTEP
 - TO still responsible for local; drink horse, drink



PJM Regional Process

- Planning Committee (Enhanced Role)
 - Open to all Stakeholders
 - Provides advice and assistance related to regional planning technical procedures, criteria, and technical analysis.
 - Reviews alternative solutions to remedy planning criteria violations
 - Develops scenario analysis assumptions for regional modeling
 - Evaluates and establishes required process for local planning
 - Other



PJM Regional Process

- TEAC (Enhanced Role)
 - Open to all Stakeholders
 - Reviewing body for regional plans
 - Assure local plans resulting from TO Collaborative complies with process (PJM has authority but delegates local planning to TOs if collaborative process requirements are met)
 - Focus on regional projects
 - Other



PJM Regional Process

- PJM Planning Department (enhanced authoritative role)
 - Meetings with TOs open to all Stakeholders
 - Independently identifies optimal regional solutions
 - Leads inter-regional participation where zones collaboratively address violations through multi-zone solutions
 - Oversee entire process
 - Focus technical efforts on evaluating regional facilities
 - Facilitates PC and TEAC; participates in Local Collaborative
 - Other



PJM Regional Process

- PJM Planning Department (enhanced analysis role)
 - Establishes reliability and economic criteria for all OATT facilities
 - Identifies planning violations and triggers and validates results with TOs.
 - Proactively develops alternative solutions for stakeholder consideration when:
 - More than one solution set is highly feasible and appropriate
 - More holistic solutions rather than incremental solutions are warranted
 - Requested by stakeholders
 - Independently identifies optimal regional solutions
 - Leads inter-regional participation where zones collaboratively address violations through multi-zone solutions
 - Other



PJM Local Process

- Transmission Owner Collaborative Process (New Role)
 - TO must offer and facilitate; however, meets 890 compliance even if local stakeholders do not wish to participate
 - Develop local enhancement plans in collaboration with local stakeholders
 - If process is followed, projects go into the RTEP



PJM Local Process

- Devil is in the details
- “Right” level of participation suited to audience;
 - Local Commission and other decision-makers will want a higher-level, policy-based view
 - Local Transmission Customers will want to understand every detail
 - CEII and confidentiality concerns
 - PJM must participate to assure Regional and Local plans are well coordinated and to provide valuable input
- Critical to balance openness with confidentiality and reasonableness. Cannot become so “process oriented” that the planners can’t do their essential jobs



PJM Local Process

One Approach:

1. The local TO and affected Transmission Customers would review the model, loads, local criteria and assumptions used in addition to PJM's criteria. This information (which would include DSR and generation dispatch scenarios) would be posted for review by all local stakeholders (CEII and confidentiality addressed) and updated as needed.
2. Larger community of stakeholders would review posted assumptions



PJM Local Process

One Approach:

3. Local TO would facilitate meeting to gather stakeholder input and finalize assumptions
4. The local model would be updated and be sent to PJM to evaluate for PJM and regional reliability council violations.
5. The local TO and affected Transmission Customers would then evaluate the violations identified by PJM and ensure the model was correct.



PJM Local Process

One Approach:

6. The local TO and Transmission Customers would develop solutions to reliability violations and mutually agreed upon local economic improvements. This information would be posted.
7. This plan would be presented to the larger community of local stakeholders
8. The local TO and affected Transmission Customers would evaluate up to **X** alternatives requested by the larger community



PJM Local Process

One Approach:

9. The original plan, as modified by any alternatives considered and accepted would be submitted to PJM TEAC and included as part of the RTEP.
 - Alternatives not accepted would include the opposing views (disputed projects).
10. TEAC would review all disputed projects and provide parties another forum for discussion.



PJM Local Process

One Approach:

11. PJM Board would review the Transmission Expansion Plan and Order accordingly

- Would review and determine which regional as well as local disputed projects will be ordered.
- Rejected projects would be identified with reason for rejection
- Note that consensus local projects incorporated in the RTEP in accordance with 890 principles and PJM process are included if process followed
- Cost Allocation is submitted to FERC within 30 days of RTEP approval, as currently



Waterfall Approach

Addresses:

Coordination

Openness

Transparency

Information Exchange

Comparability

Attempts to Balance Openness and
Work Process Requirements



Waterfall Approach

- Still need:
 - More clarity within the process:
 - Alternatives as considered early-on
 - Dispute resolution
 - Economic Planning
 - More detail on each step
 - More detail on information exchange



Next Steps

- Continue to use Straw to communicate concepts and map agreement changes
- Continue to identify and document modeling requirements for information exchange requirements
 - Fallback if collaboration not successful and independent assessments are required
- Best situation is cooperative collaboration



Results

- Transmission expansion plan that has addressed “need” issue
 - Decision-makers, opinion leaders at table
 - Alternatives considered
 - Independent third party evaluation
 - Support NEITC and FERC backstop authority
- Get right amount of transmission built to assure reliable operation and support competitive wholesale markets

