

Proposed Language Change for IARRs for RTEP Upgrades

Markets and Reliability Committee January 19, 2011



- Preliminary determination for RTEP IARRs currently required within three months of approval of first RTEP plan containing upgrade.
 - RTEP plan looks ahead five years.
 - IARRs are not effective until actual in-service date of upgrade.
 - Five year advance determination of RTEP IARRs is not practical considering the network will be significantly different in five years.
 - Many RTEP upgrades change or can be removed within five year period which results in unnecessary analysis for RTEP IARRs.
 - Preliminary determination unnecessary as RTEP IARRs are automatically allocated and transmission upgrade not dependent on IARR analysis.

2 PJM©20



Schedule 12A (iv) current:

(iv) Preliminary and Final Determinations of Available Incremental Auction Revenue Rights: For each Incremental Rights-Eligible Required Transmission Enhancement, within three months of the approval of the first Regional Transmission Expansion Plan containing such facility, the Transmission Provider shall produce a non-binding estimate of the Incremental Auction Revenue Rights, determined in accordance with this subsection (a), that is anticipated to be made available by such facility. No later than forty-five (45) days prior to the in-service date of such facility, the Transmission Provider shall determine the final quantity of Incremental Auction Revenue Rights associated with such facility.

Schedule 12A (iv) proposed:

(iv) Determination of Available Incremental Auction Revenue Rights: For each Incremental Rights-Eligible Required Transmission Enhancement, within three months prior to the FTR planning period in which the Eligible Transmission Enhancement comes in-service, the Transmission Provider shall determine in accordance with this subsection (a), the available Incremental Auction Revenue Rights associated with such facility.

3 PJM©2010