



Planning Committee Meeting

FERC Order No. 1000 Project Proposal Fees

Fran Barrett
PJM Planning Committee
July 9th, 2015

- 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
- FERC found the proposal unduly discriminatory and preferential because it required a fee for all greenfield projects but not for upgrades below \$20M.
- On February 26th, the MRC and MC endorsed a PJM recommendation to accommodate the FERC identified deficiency and to add a \$20M threshold provision to all projects. All projects exceeding this level (whether greenfield or Upgrade) shall pay a fee.

As PJM prepared the filing package and considered recent data from windows conducted since the initial filing, it was apparent that the \$30,000 fee may now exceed the financial needs arising from the internal labor and external consulting costs associated with competitive windows expected during the ~ 2 year test/pilot period.

This conclusion is based upon the:

- increased number of projects under this amended approach, coupled with
- the most recent data collected from the limited 2014 windows

- In light of this, PJM Staff has:
 - reviewed and projected likely dispersion of projects affected by the new threshold
 - employed the current window proposal data available
 - recognizing the data set is limited as PJM and window participants gain experience with this process, and
 - sought to develop a revised fee structure for PC, MRC and MC consideration

- Maintain all RPPTF developed terms approved by the MRC regarding the proposal fee
- Amend the fee structure to add a tiered approach to the filing package where there is:
 - No fee (\$0) for any proposed projects (upgrade and greenfield) below \$20M
 - \$5,000 fee for any proposed projects (upgrade and greenfield) greater than \$20M and less than \$100M
 - \$30,000 fee for any proposed projects (upgrade and greenfield) greater than \$100M

- July 23 - Markets and Reliability Committee - seek formal MRC endorsement
 - Pending MRC endorsement, submit to MC for consideration and endorsement

Questions?