

Process to Create New LDAs for RPM Base Residual Auction

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Planning Committee
August 12, 2009

- FERC ordered PJM to review LDA determination methodology.
- At July 13 PC meeting, PJM recommended to continue to use the currently defined 23 LDAs that are used for load deliverability testing in RTEP and RPM processes.
- PJM also recommended development of Super-LDAs to address persistent transmission constraints.
 - A Super-LDA may include an existing LDA or LDAs and portions of other existing LDAs.
 - A method of forecasting load in Super-LDAs that include portions of Transmission Zones needs to be developed.
 - The current RPM clearing process should be checked to assure it works with Super-LDAs that overlap the existing LDAs.

- **RTEP Market Efficiency Analysis**
 - Utilize existing market efficiency analysis to identify constrained facilities
 - Facility constraints that are not resolved by an existing approved RTEP upgrade would be identified for further consideration
 - PJM will propose a new LDA when annual market efficiency analysis identifies persistent congestion on a 500kV or above facility or interface for multiple years beyond the next BRA

- **RTEP Long Term Planning**
 - Utilize long-term planning analysis to identify potential future constrained facilities or clusters of facilities
 - Screen for potential facilities using thresholds than are currently used in RTEP studies
 - Analysis would be updated annually based on approved RTEP upgrades
 - 500 kV and above facilities that advance more than three years between RTEP cycles would be identified for further consideration
 - If the driver for a 500 kV facility advancing more than three years is linked to a specific event (e.g. significant generation retirement), it would be dismissed from further consideration

- Once a facility has been identified (see proposed methods on previous slide), d-fax analysis would be used to determine busses included in the proposed LDA
- Model used to determine the load bus d-fax would include all approved RTEP upgrades
- Establish a d-fax cutoff based on one of the existing LDAs
 - Lower DFAX cutoff would expand the LDA
 - Higher DFAX cutoff would shrink the LDA
 - DFAX cutoff would be established based on analysis of specific topology

Conceptual Timeline to Implement a New LDA Each Year

Task	Committee	Meeting
Trigger identified		September
Identify new LDA	PC	October
Introduce the new LDA	MRC	October
MRC approval	MRC	November
MC approval	MC	November
File the details for the new LDA with FERC		December 1
FERC approval		February 1
Post Planning Parameters for Delivery Year BRA		February 1

Task	Committee	Meeting
Propose the process, timeline	PC	8/12/09
Report to CMEC	CMEC	8/24/09
Methodology/Identify new LDA or LDAs if needed **	PC	10/21/09
Introduce final method	MRC	10/28/09
Final method/Confirm new LDA or LDAs if needed	PC	11/11/09
Target MRC approval	MRC	11/18/09
Target MC approval	MC	11/19/09
File the method, process, and new LDAs if needed with FERC		12/1/09
FERC approval		2/1/09
Post Planning Parameters for 2013/2014 BRA		2/1/09

** PC and CMEC will be briefed of the progress at the September meetings.