



Transmission Expansion Advisory Committee Meeting

2009 Market Efficiency Analysis Results Update

February 10, 2010

- As part of the 2009 cycle of Market Efficiency analysis, two projects tested as economic projects against criteria of section 1.5.7 of Schedule 6 of the PJM Operating Agreement.
 - Addition of Conemaugh 500/230 KV transformer and new line from Conemaugh-Seward 230kV in Penelec zone
 - Addition of second CLOVER 500/230 KV transformer in Dominion zone
- Both projects met the criterion necessary for inclusion into RTEP as an economic project



2009 Market Efficiency Results

- Recommend Conemaugh 500/230 kV transformer and Conemaugh-Seward 230 kV line for inclusion in RTEP as economic project.
 - Detailed results presented at the 11/18/2009 TEAC
 - Expected in-service date is 2014
 - Expected Cost = \$21 million

Cost Allocation

ACEC	3.7%
AEP	0.0%
APS	6.3%
BG&E	16.8%
COED	0.0%
DP&L	0.0%
DPLC	0.0%
DQE	0.3%
JCPL	12.6%
METED	6.9%
PECO	11.5%
PFNNFI FC	0.0%
PEPCO	0.5%
PPL	15.4%
PSEG	20.5%
RECO	0.7%
VIEP	0.0%
Neptune	1.7%
GE VFT	3.0%
Total	100%

- Defer recommendation of 2nd Clover 500/230 kV transformer as RTEP upgrade
 - Validate congestion analysis results with results from PJM/Duke/TVA Study
 - Constraint relieved by upgrade is sensitive to PJM interchange to the south
 - PJM/Duke/TVA study will have a more complete/robust model of PJM-South interchange

- For informational purposes only, sensitivity analysis performed on Conemaugh 500/230 kV transformer and Conemaugh-Seward 230 kV line.
 - CO2 at +/- 10%
 - Gas/Oil at +/- 10%
 - Load at +/- 3%

For informational purposes only, all sensitivity scenerios met the criterion necessary for inclusion into RTEP as an economic project (i.e. Benefit/Cost ratio >1.25)

	Benefit/Cost Ratio		
	Low	Base	High
CO2	4.37	4.82	4.99
Gas/Oil	4.36	4.82	5.92
Load	4.54	4.82	6.56