Generator Construction
Responsibility for Transmission Upgrades

PJM TOA-AC Meeting
September 12, 2012
Generator Transmission Upgrades

Problem Statement:

✓ A process does not currently exist in the PJM Open Access Transmission Tariff (OATT) or Operating Agreement (OA) to allow PJM to assign construction responsibility to a generator who owns a network facility which requires a baseline reliability upgrade through the RTEP process

✓ Also, there is no mechanism for cost recovery
Generator Transmission Upgrades

Background and Current Process:

• PJM occasionally assigns construction responsibility to a TO for a network facility that is owned by a generator

• The TO responds to PJM that while it does not own the facility (usually a breaker or other station equipment) it will provide all required information with respect to the facility
Generator Transmission Upgrades

Background and Current Process (continued):

• Sometimes the generator disagrees that it is responsible to replace the facility identified by PJM
  – Old legacy agreements never contemplated this

• Also, there is no mechanism for the generator to be reimbursed for the cost of the upgrade by the responsible customers
Recent Examples

• Replace ECRRF 138 kV tie-breaker (b0814.22)
• Replace Tosco 230 kV breakers (b1539-b1540)
• Upgrades at Eagle Point Generating Station
• Upgrades at Bergen Generating Station
  – In this case, PJM assigned the upgrades to PSEG Power but sent the construction letter to PSE&G
• GenOn/Mirant and GenOn/Reliant
• Retail Customers (PVSC and NJ Transit)
Two Issues Need to be Addressed

• Need to confirm that generators have an obligation to build

• Need to develop a cost recovery mechanism
Potential Solutions

• Change OATT to Allow Recovery by Generator
• Generator Signs TOA and Becomes a TO
• Develop OA Language to Require Generator to Upgrade Facility
• Continue Status Quo to Resolve Between Transmission Owner and Generator per Existing Interconnection Agreement
• Other Solutions???
Questions ???