

Important that non-incumbent TO's be able to build projects b/c the need for transmission will be great in each state.

If a party has the capability to build and can improve the grid, it is in everyone's best interest to let them build.

The real issue is the socialization of the cost of non-incumbent projects

Protection, fairness and equity issue – contractual right.

Seek cost rated rates, for submitted projects to be studied, to become a PJM TO, to apply to become a public utility in those states

Issues include separation of proposal and right to build, how it would be included in regulatory process, how to evaluate projects that are submitted.

Focus on process

Aspect of planning vs. rights, what are the obligations

Reliability/safety, question of access and who will secure facility

Complications arise should non-incumbent construct transmission

Support transmission development, could increase competition, more creative ideas may be generated, complexities associated with doing this, are the obligations the same, interest is in vetting this

If non-incumbent becomes PJM members, concerns should be alleviated

Should there be a separation in evaluating market efficiency vs. reliability projects?

Standards of construction considerations

Future legal considerations/issues

What level of project can be considered?

Criteria for selecting a project (robust process/pre-mortem)

Interface for non-incumbent project – concern for coordination

What authority under state law would non-incumbent sites their facilities?

Concern from customer – select the most robust, cost effective project

Process for a back stop project for incumbent TO should a project fall through?

Rights for building on public right-of-way, need to be a public utility to build

Justification for sponsorship/selection of a project, consideration for state laws

All PJM rules must be abided by for incumbents and non-incumbents

Financing arrangements

State regulatory authorities – are we regulating deregulated companies? How does this play out at the state and federal level?

What constitutes a different project?

Criteria to establish the first-in position

Interested in seeing what constitutes a proposal and the timing of the proposals (together/staggered) – emphasize importance of queue

Plan in place should non-incumbent not finish project – incumbent TO should be allowed to consider whether they complete project

Threshold in place to be met rather than reassessing a decision

Ensure all laws are considered and who makes that determination

- who qualifies and based on what

Distinction between the level playing field for the planning process and the level playing field for the construction and maintenance aspect – may be dissimilar

Entitlement issue attached to sponsorship

