



# Proposed Reforms Regarding Non-incumbent Developers

## Primary Power Order

1. **Petition for Declaratory Order**
2. Non-incumbent transmission developer seeks to be eligible to propose and be designated to build project under PJM's RTEP and seek cost based rates.
3. Finding: Tariff permits, but does not require, PJM to designate such entity to propose, construct, own and finance RTEP project as a baseline reliability or economic project.
4. PJM would have to "adequately justify" its action if it denied the sponsor of the project the right to construct and receive economic benefit.
5. To the extent PJM believes that additional Tariff language would be helpful in processing such filings, PJM may make a section 205 filing to clarify its Tariff.

## Central Transmission Order

1. **FPA Section 206 Complaint**
2. Non-incumbent transmission developer alleged that Schedule 6 of the OA and Schedule 12 of the Tariff are unjust, unreasonable and unduly discriminatory.
3. Finding: Consistent with the finding in Primary Power, if approved through the RTEP, Central Transmission, a non-incumbent transmission developer, is eligible under the Tariff and Operating Agreement to be designated to construct its economic enhancement project and seek Schedule 12 cost rate treatment.
4. Complaint dismissed
5. Commission found that ordering Tariff and Operating Agreement changes under section 206 is unnecessary.
6. See # 5 under Primary Power

## NOPR (Dkt # RM10-23-000)

1. **Rulemaking**
2. Elimination of ROFR from Tariff
3. Revise Tariff to demonstrate that RTEP has established appropriate **qualifying criteria**, included in the Tariff, for determining an entity's eligibility to propose an RTEP project, e.g., necessary financial and technical expertise to construct, own, operate and maintain transmission facilities.
4. Modifications to proposed projects. Tariff must have mechanism to determine which proposal the modified project is most similar to with the sponsor of the most similar project having the right to construct and own .
5. Project not included in RTEP. If sponsor resubmits project in future planning cycle, sponsor would have right to develop over 5-yrs.
6. Non-incumbent developer must have opportunity comparable to incumbent TO.

- Commission proposes to revise the Order No. 890 requirements regarding local and regional transmission planning processes to require each TP to:
  - Amend its OATT to explicitly provide for *consideration of public policy requirements* established by state or federal laws or regulations that may drive transmission needs.
  - After consulting with stakeholders, a TP may include in the RTEP process additional public policy objectives *not specifically required* by state or federal laws or regs.
- Proposed requirement would supplement (not replace) existing requirements with respect to consideration of reliability and economic planning.
- Commission does not propose to identify public policy requirements, rather NOPR proposes to *require each TP* to:
  - coordinate with its customers and stakeholders to identify public policy requirements established by state or federal laws or regs. appropriate to include in its local and regional transmission planning process.
  - Specify in its OATT the procedures and mechanisms for evaluating projects proposed to achieve public policy requirements established by state or federal laws or regs.
- This proposed requirement would not establish an independent obligation to satisfy public policy requirements established by state or federal laws or regs.