

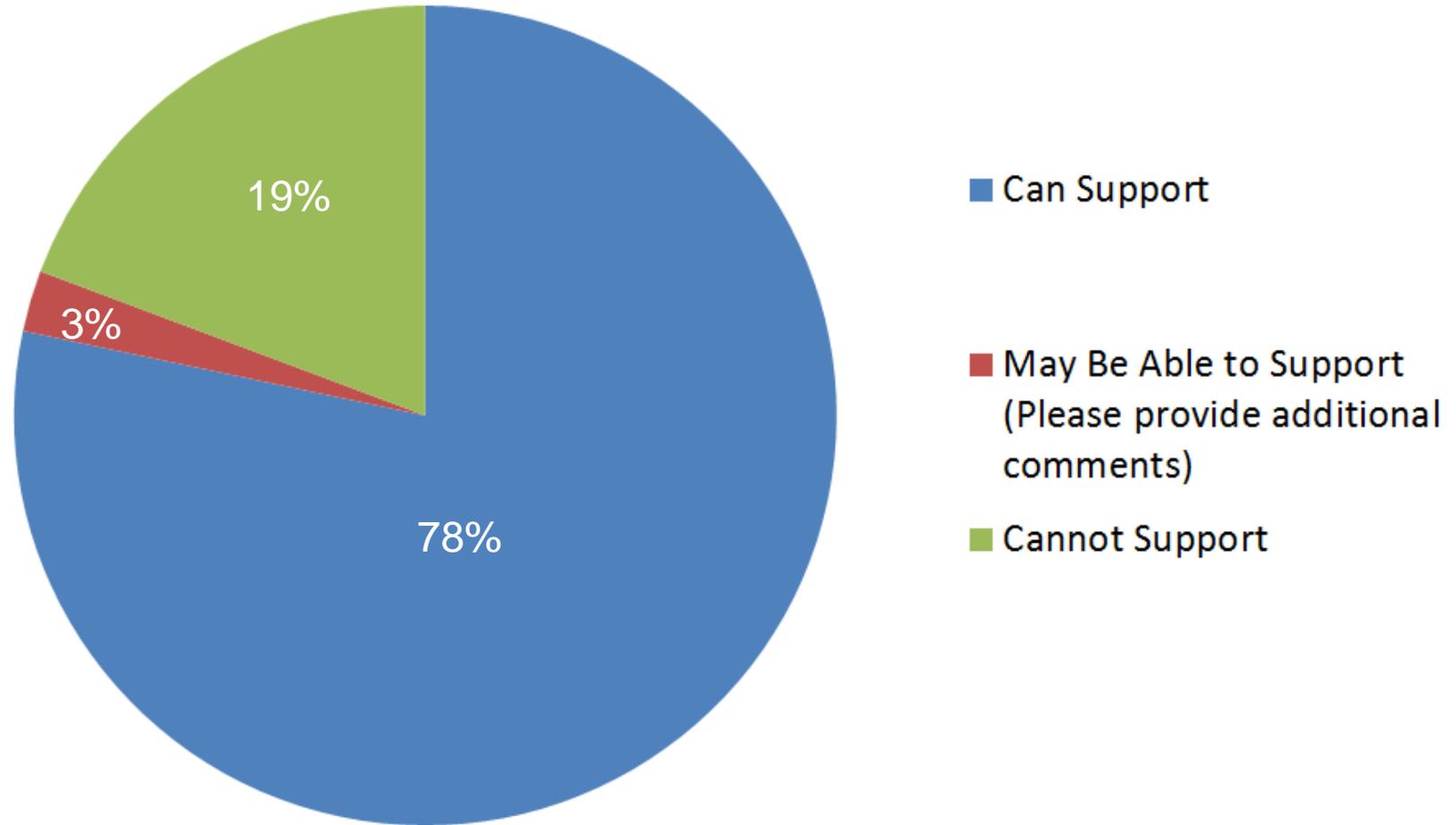


MEPETF Non-Binding Poll Results

- Poll responses are non-binding and intended to solicit feedback on potential support for key design components
- Total Unique Responders – 10
- Total Companies – 79

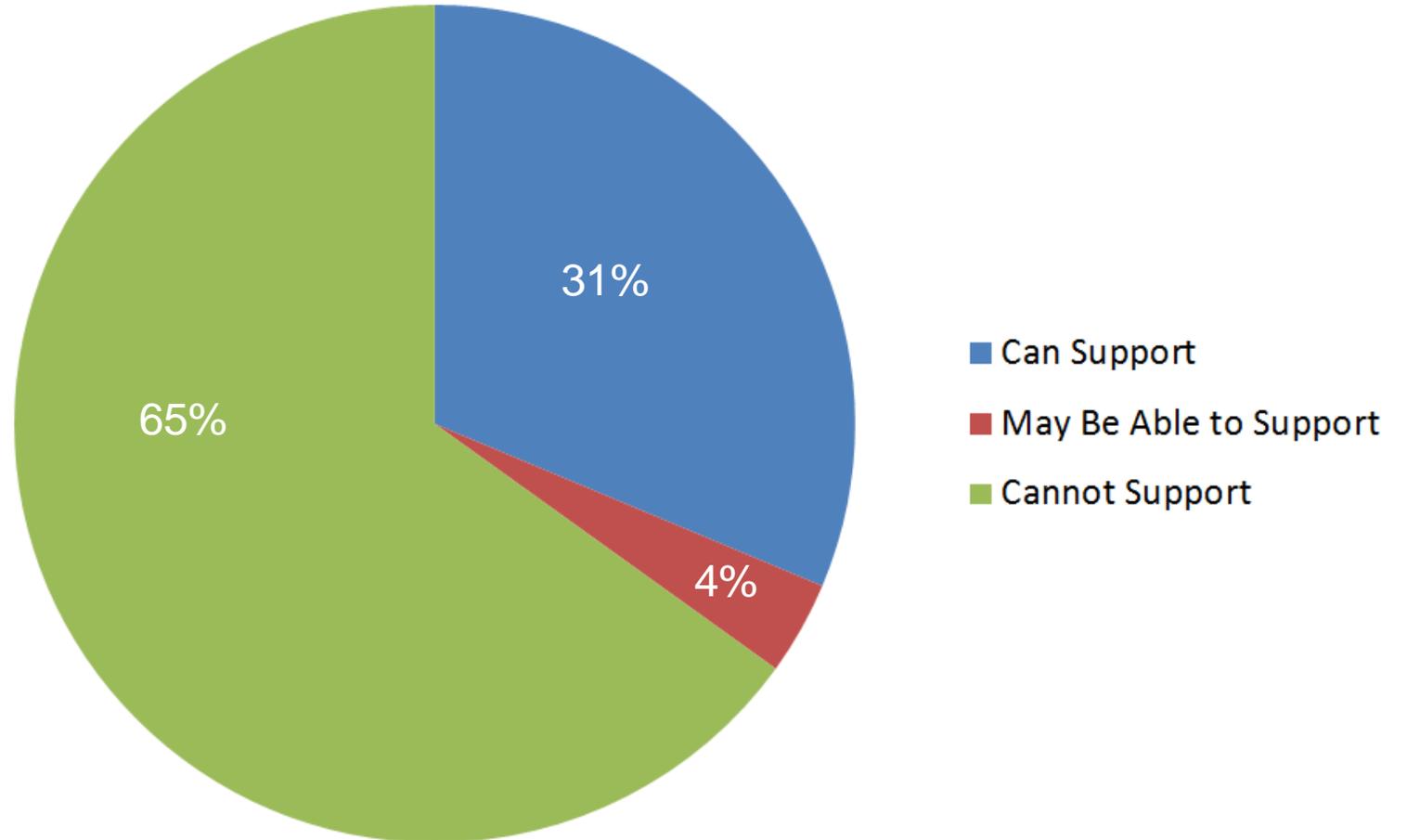
1. How do you prefer PJM model FSA units?

- Consider all FSAs and Suspended ISAs at the time of case build (Status Quo)



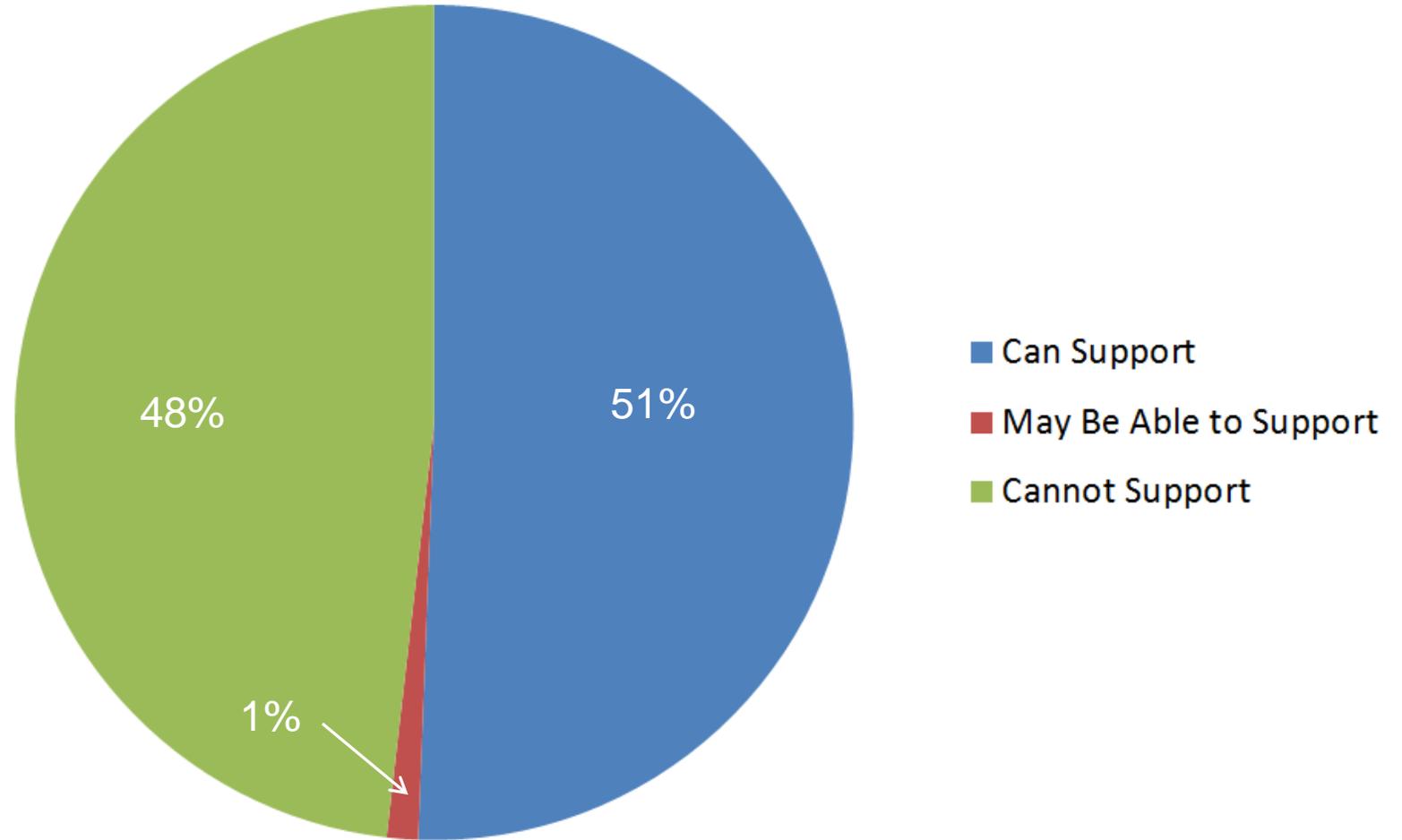
1. How do you prefer PJM model FSA units?

- By default, exclude from the Base Case the FSAs and Suspended ISAs at time of case build, unless needed to meet reliability requirement, which is consistent with the PJM Reliability base case



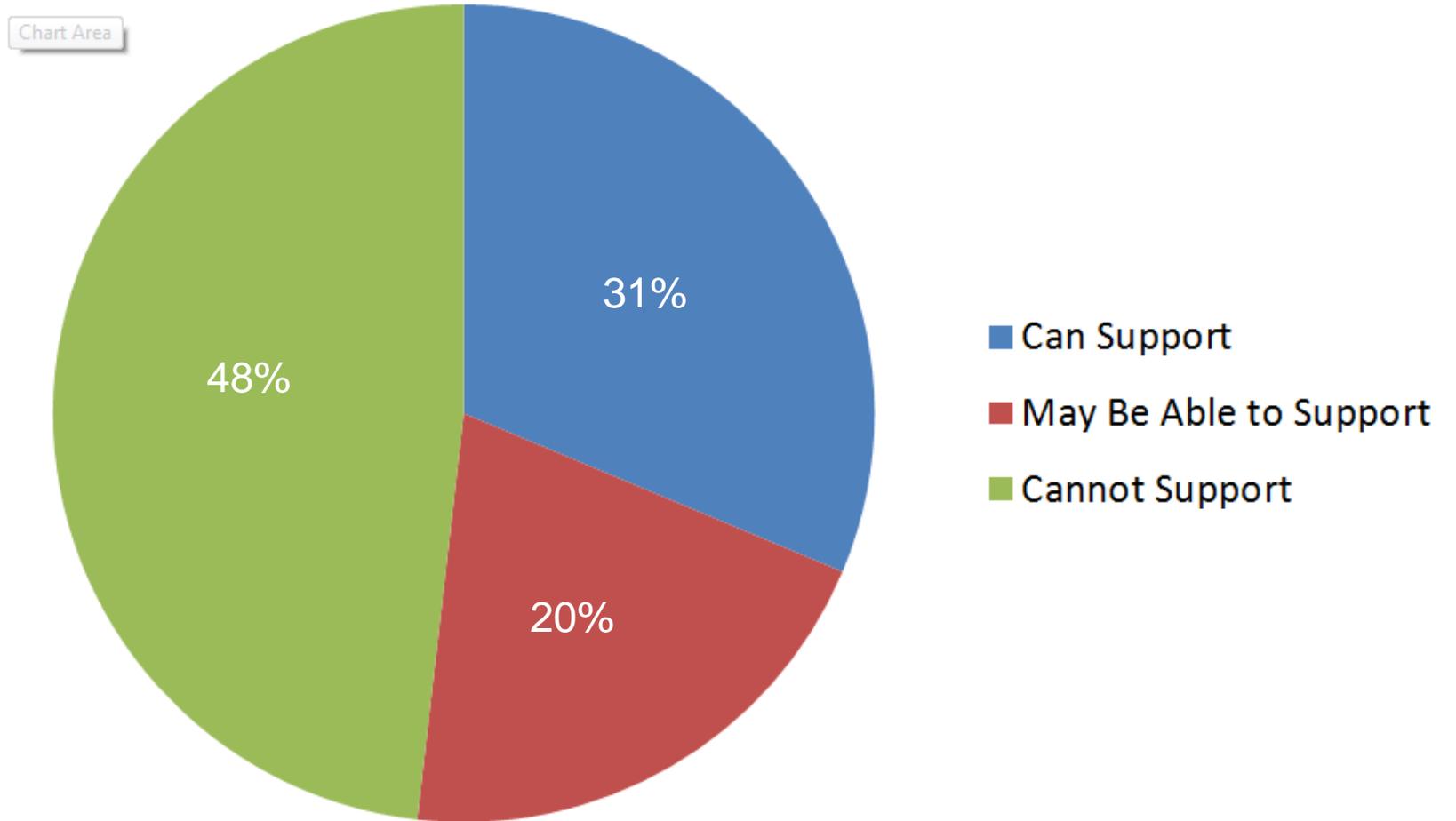
1. How do you prefer PJM model FSA units?

- Include FSA and suspended ISAs based on commercial probability.



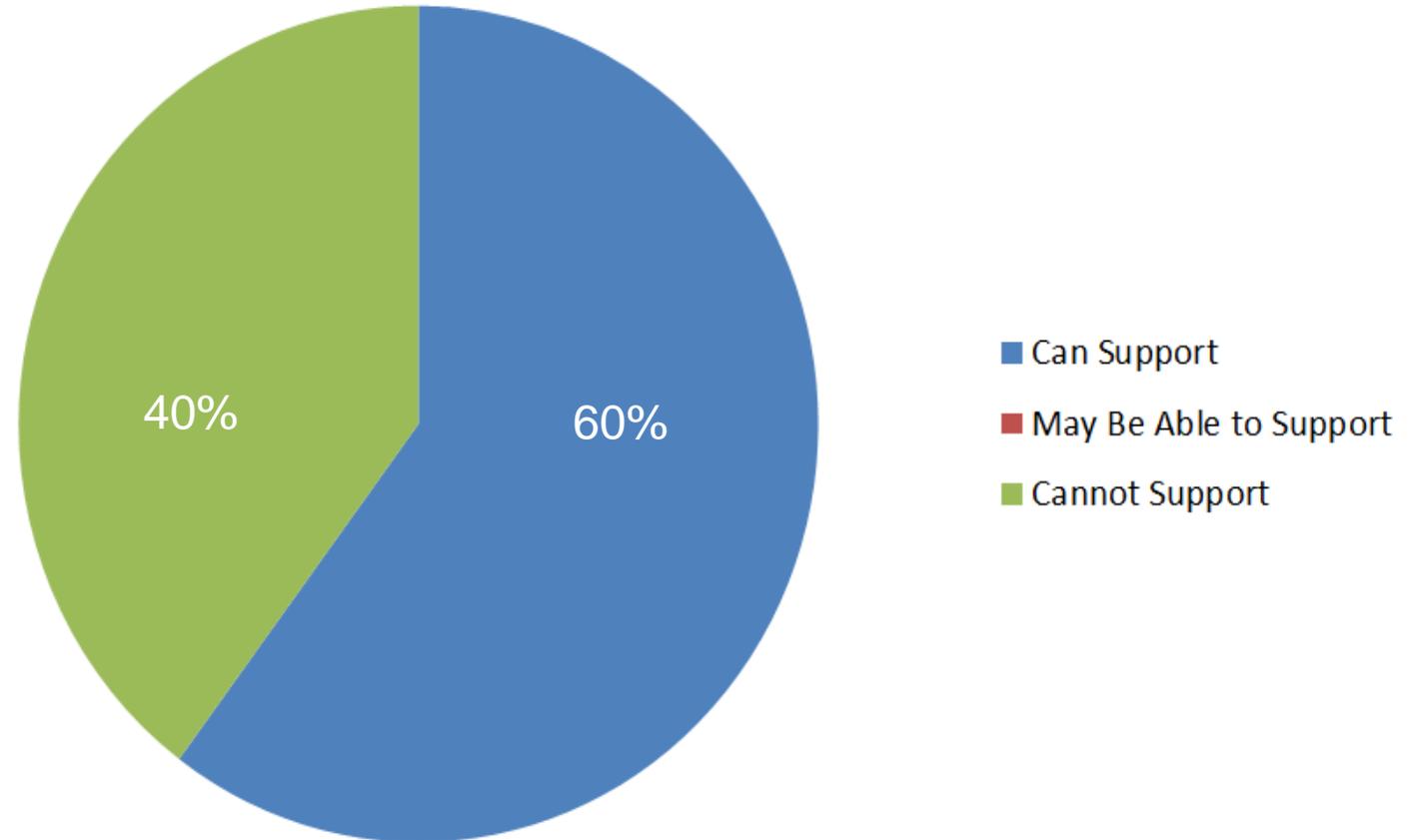
1. How do you prefer PJM model FSA units?

- Include FSA, suspended ISAs and ISAs not yet in-service based on commercial probability.



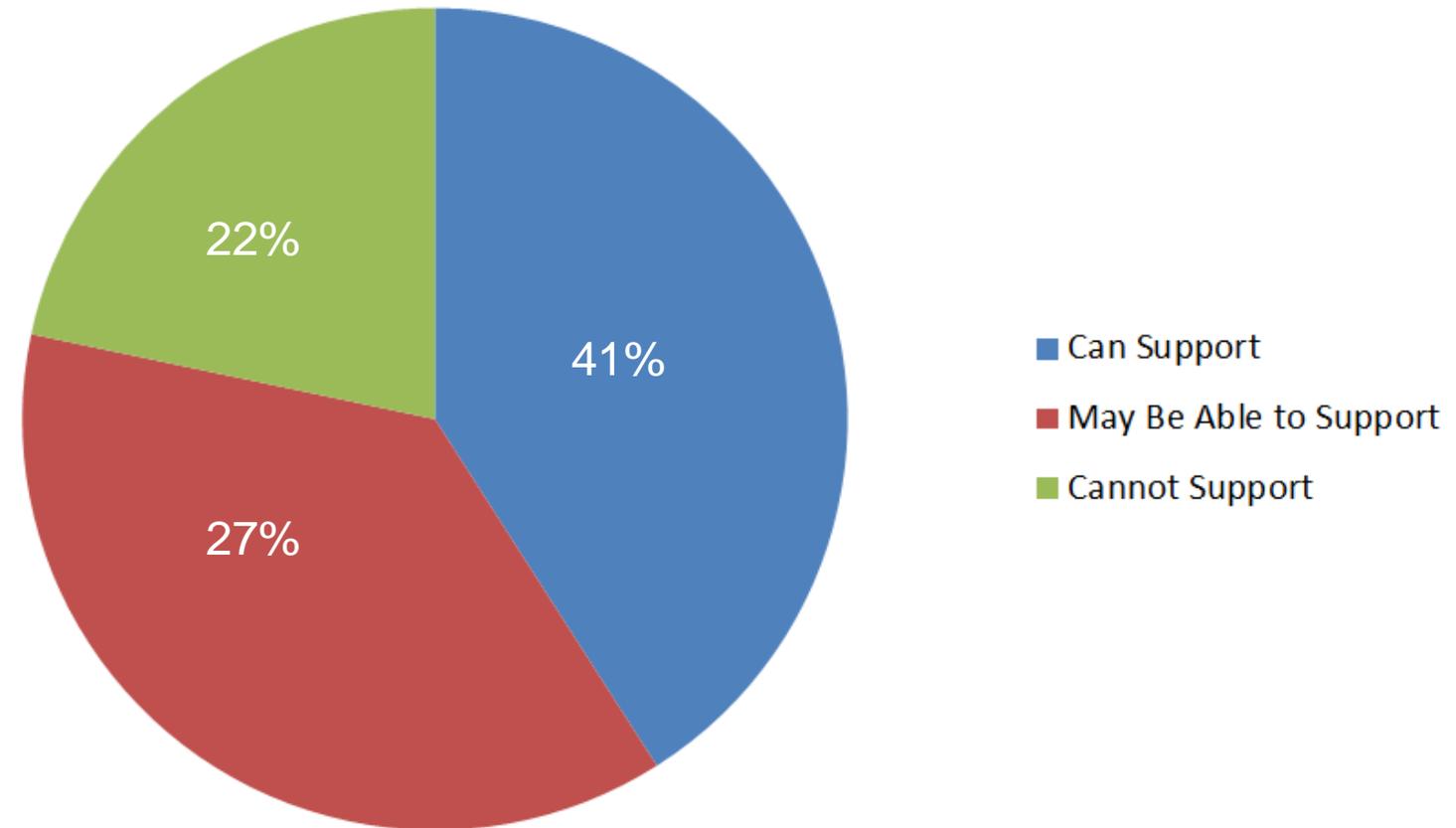
2. How do you prefer PJM to reevaluate market efficiency projects?

- Costs and benefits of new economic-based enhancements or expansions to be evaluated annually to ensure these projects continue to be economical (Status Quo).



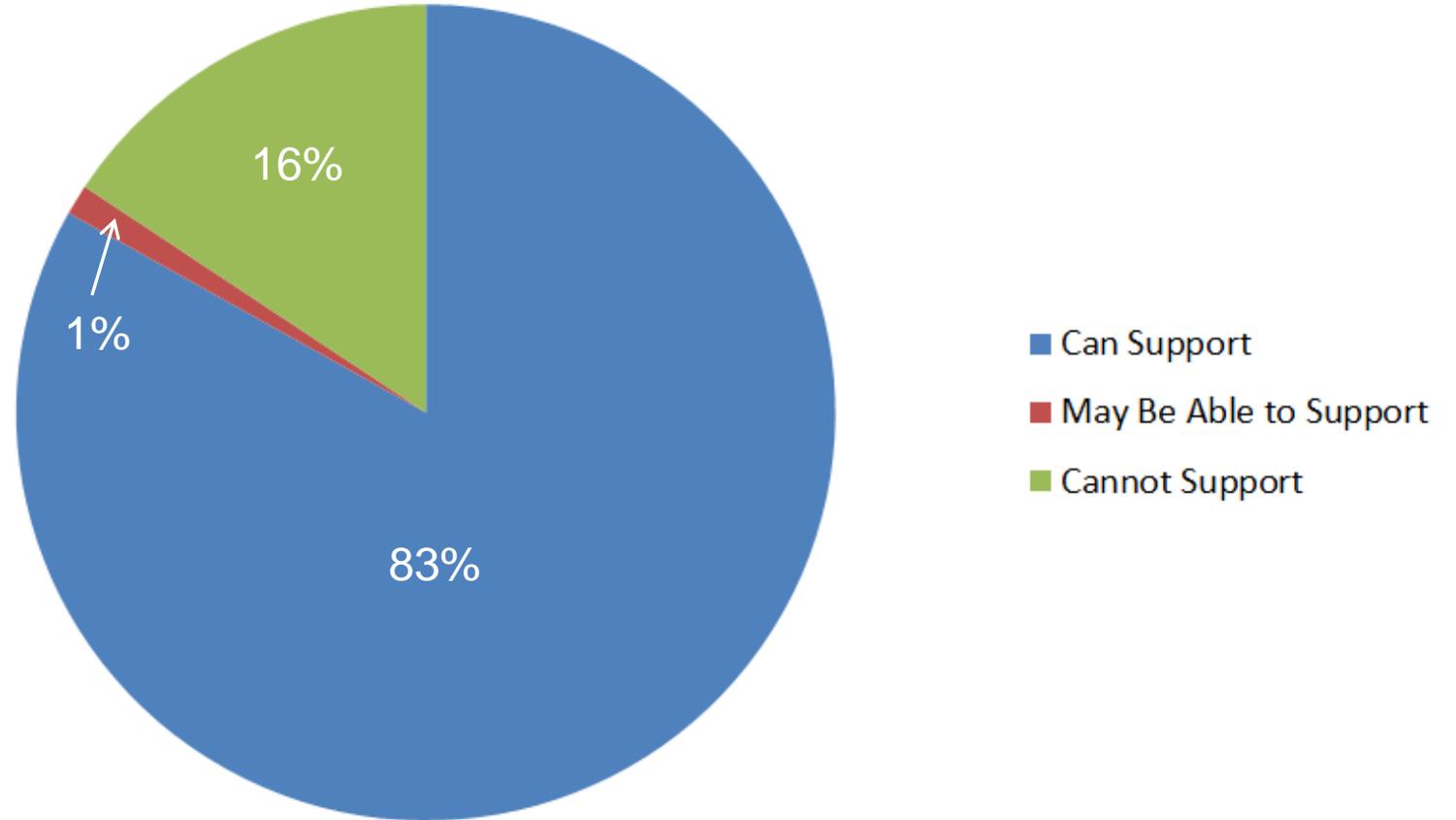
2. How do you prefer PJM to reevaluate market efficiency projects?

- PJM will only reevaluate projects with a capital cost of \$50M or higher. For projects with a cost less than \$50M, if project cost increases such that the B/C ratio (given the original benefits) falls below 1.25, then PJM will study the impacts of cancelling the project.



3. What is your preferred method for calculating benefits for Regional Targeted ME Projects?

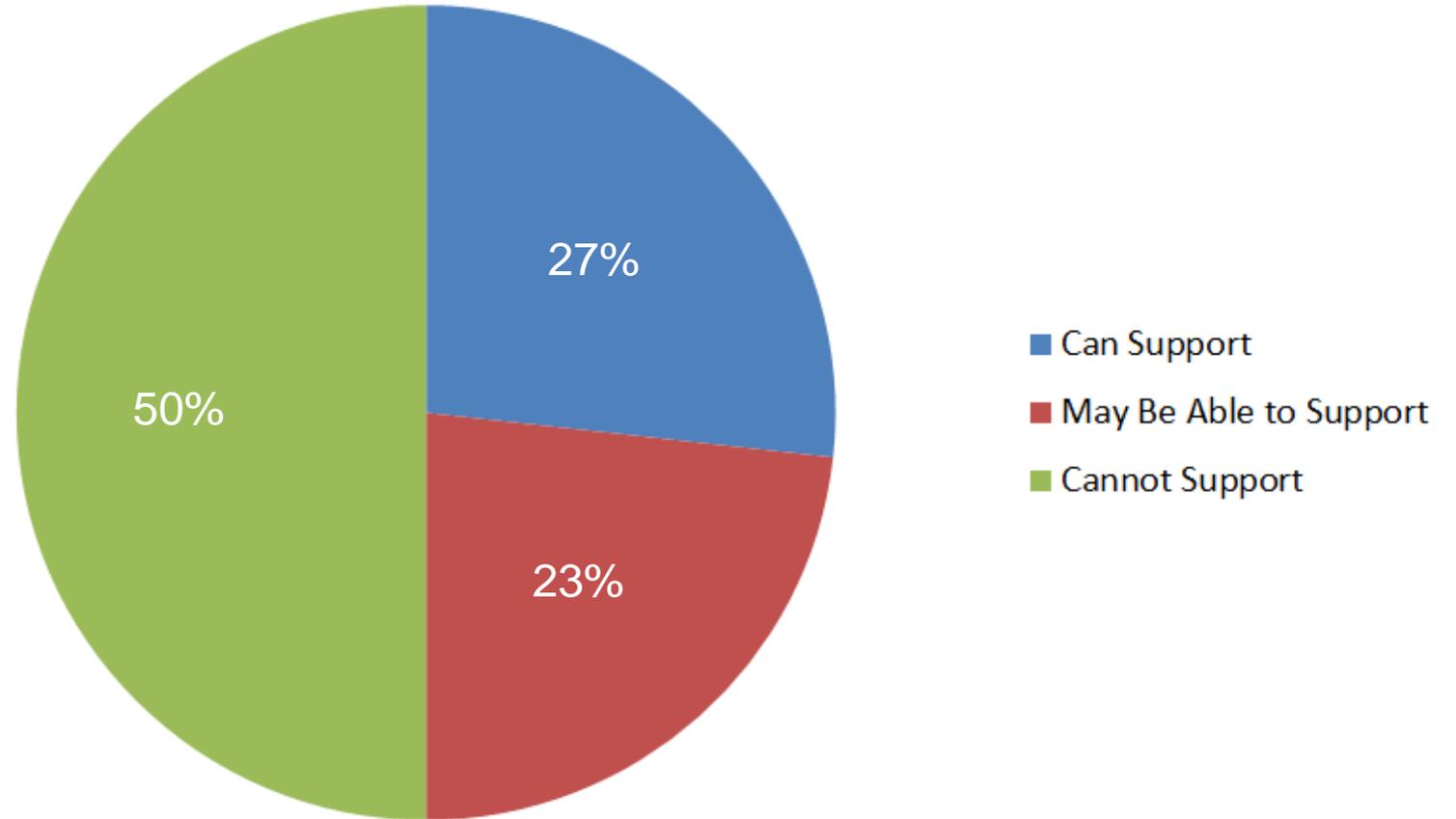
- Average of past 2 years of historical congestion (DA + Balancing), adjusted for outage impacts (Consistent with Interregional TMEP process passing threshold).





3. What is your preferred method for calculating benefits for Regional Targeted ME Projects?

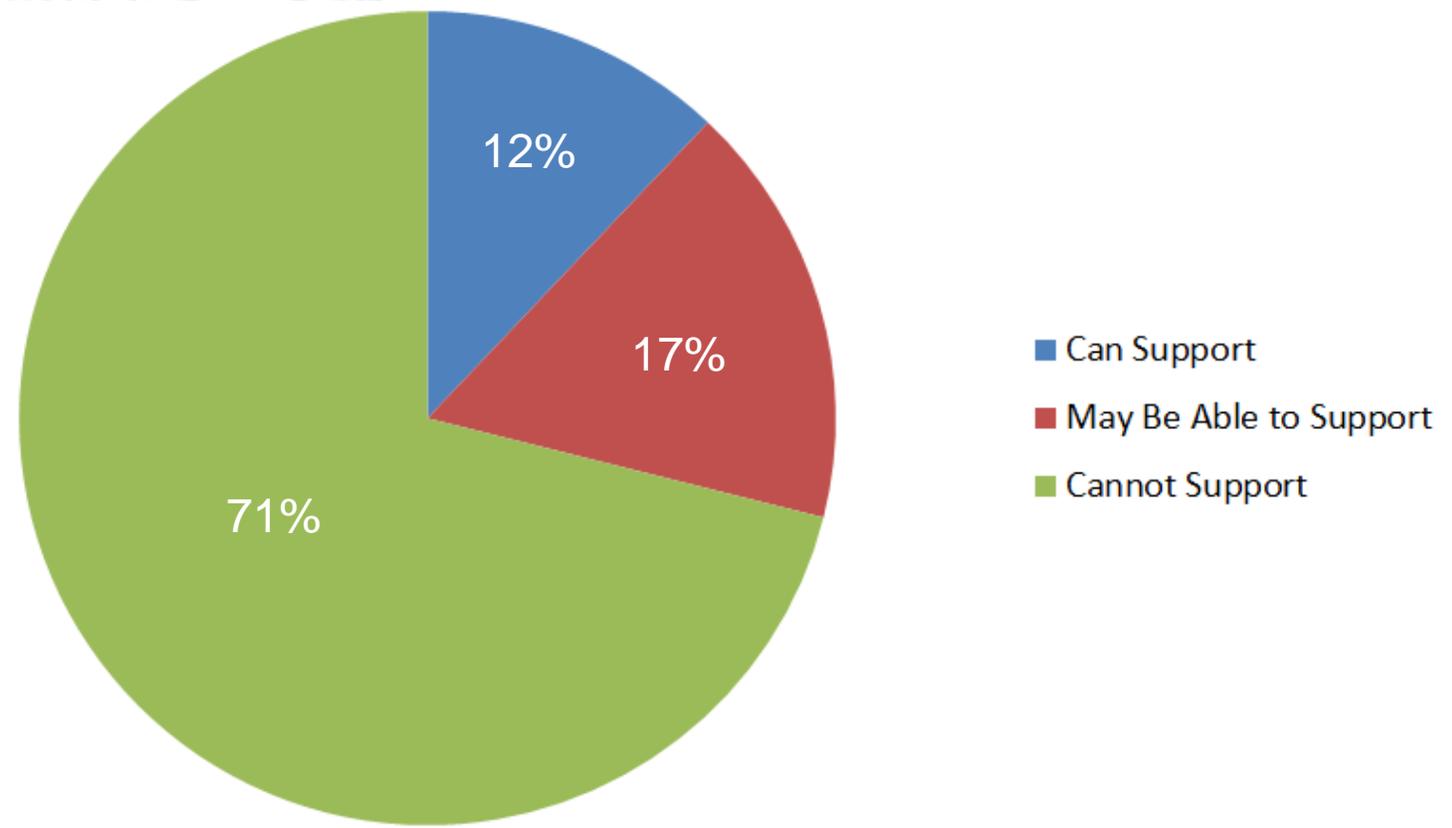
- Use same benefit calculation used in the Regional Market Efficiency Process. PROMOD analysis must be conducted to calculate





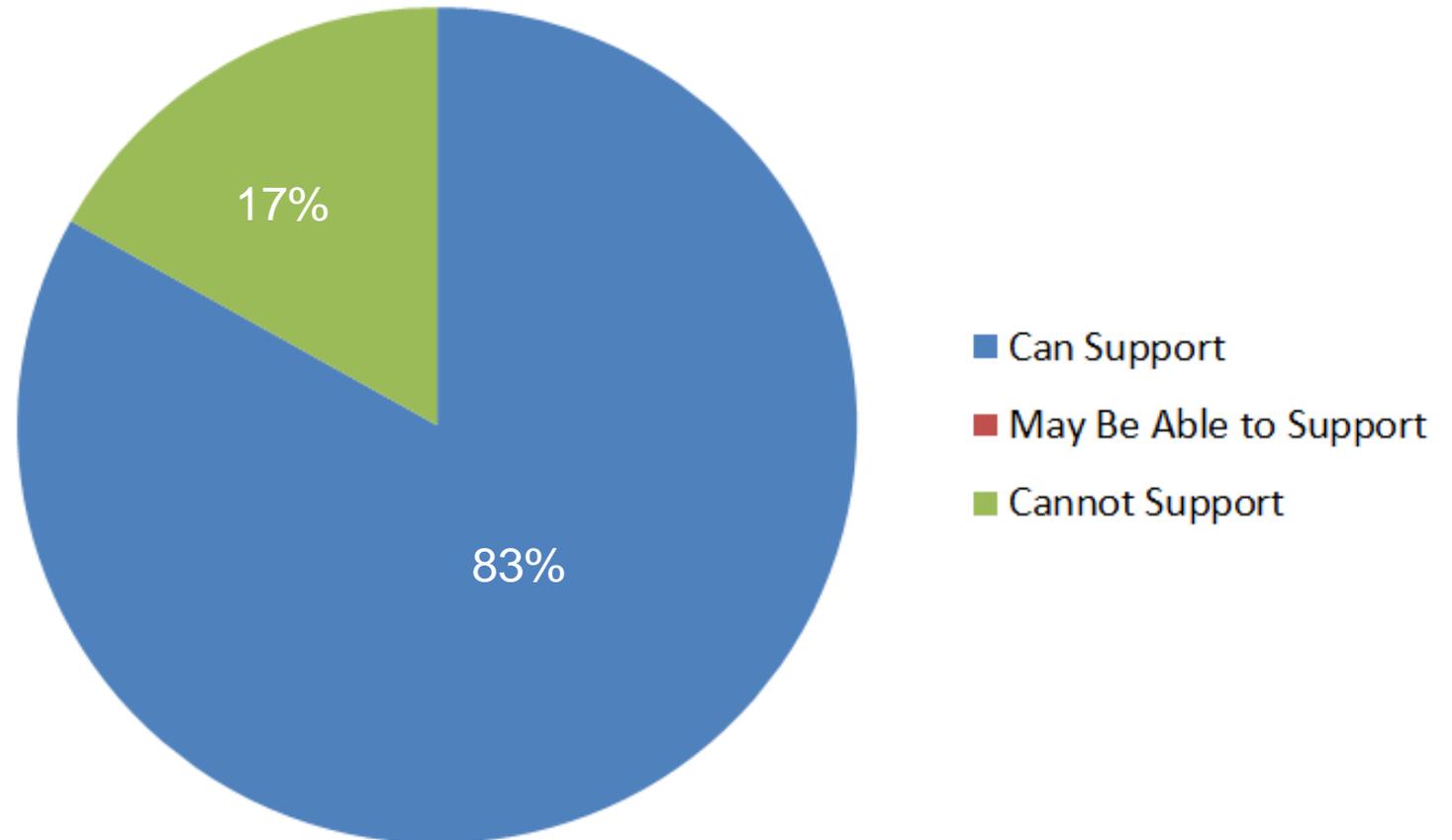
3. What is your preferred method for calculating benefits for Regional Targeted ME Projects?

- Use same benefit calculation used in Regional MEP. DA software (Probe) analysis must be conducted to calculate benefits consistent with Market Efficiency Process.



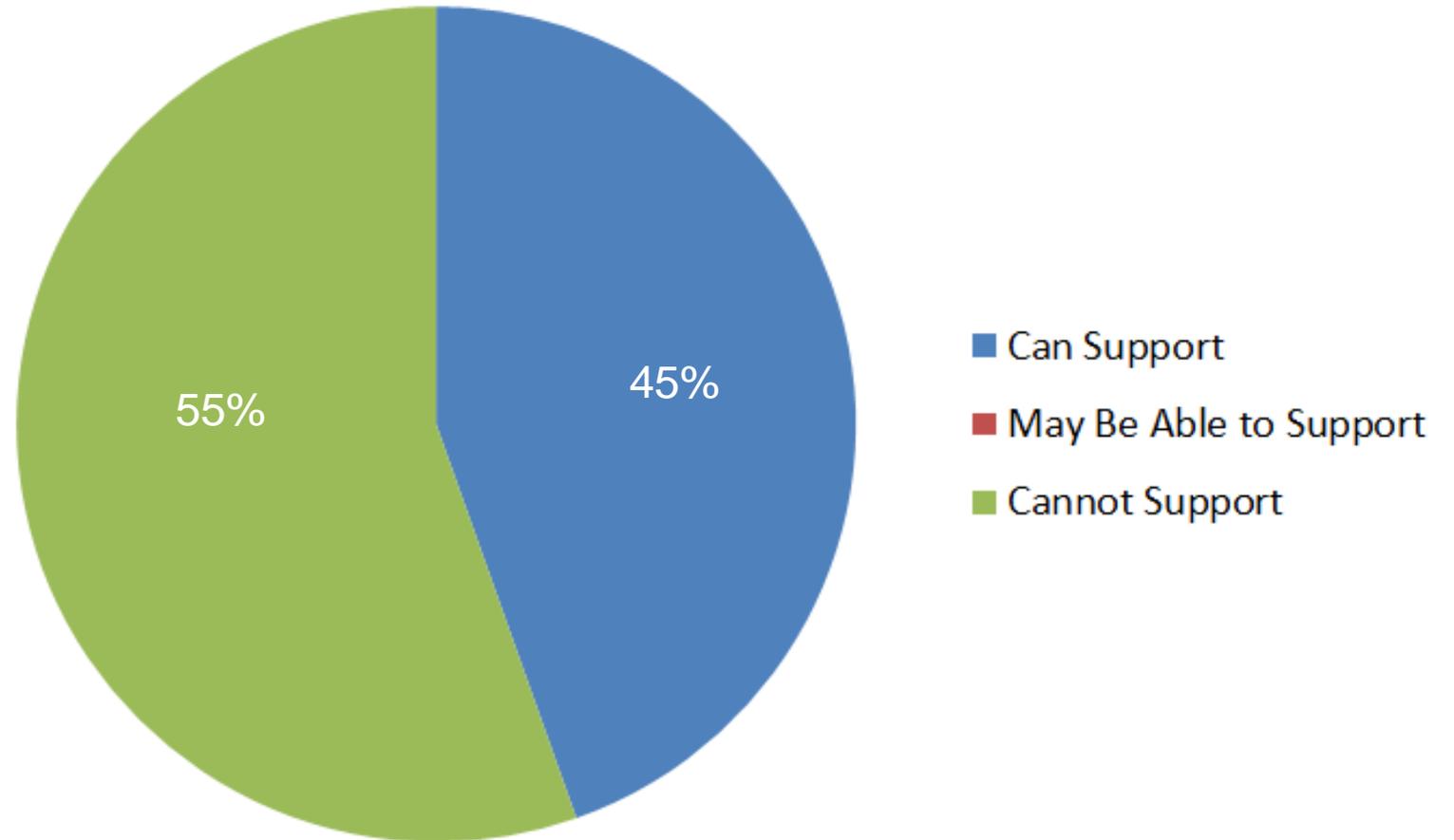
4. What is your preferred method for calculating costs used to compare benefit to cost for RTMEP?

- Project capital cost (no discount or inflation rate (consistent with Interregional TMEP process passing threshold)).



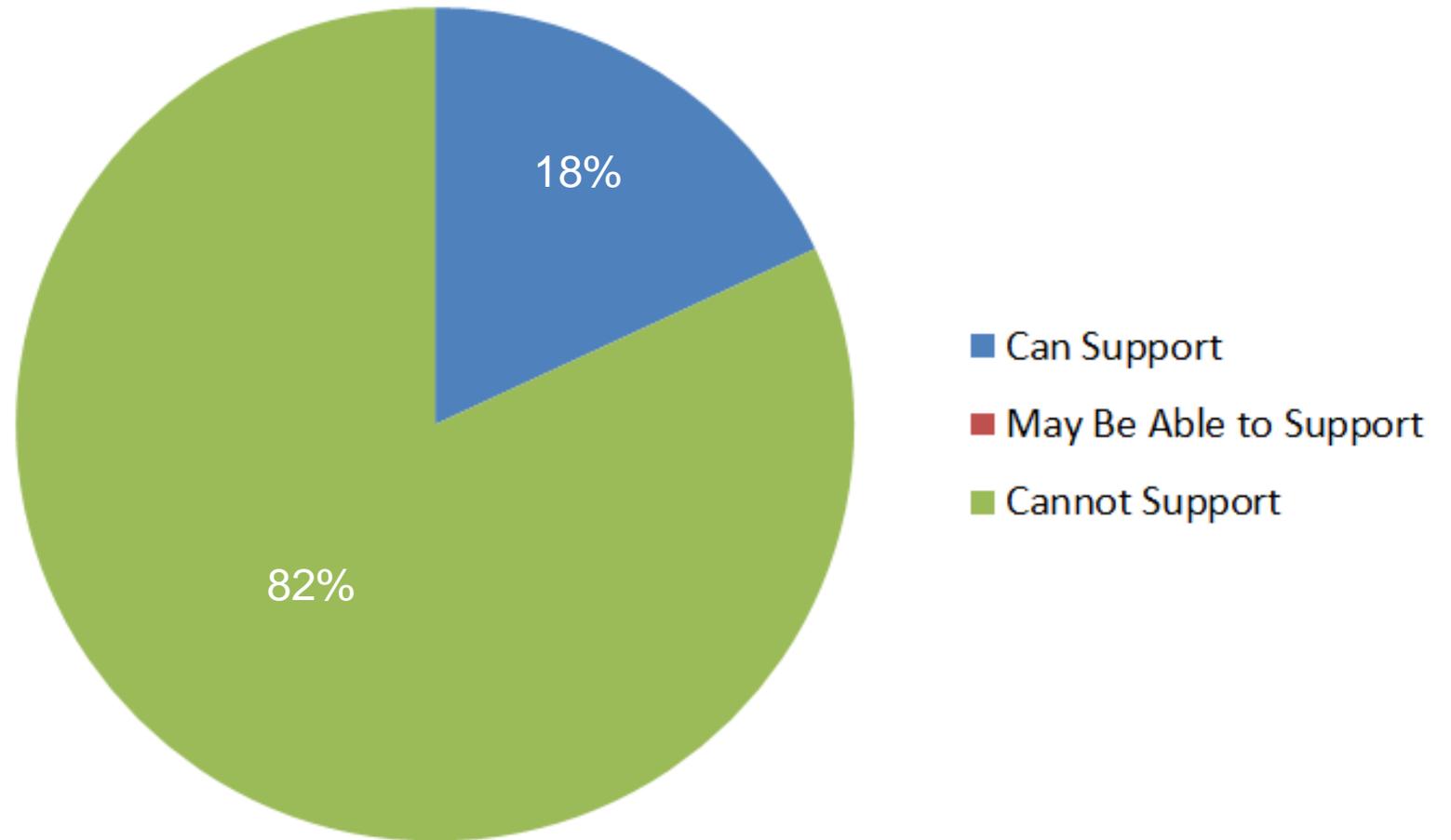
4. What is your preferred method for calculating costs used to compare benefit to cost for RTMEP?

- Present value of full 30-year life based on annual carrying charges.



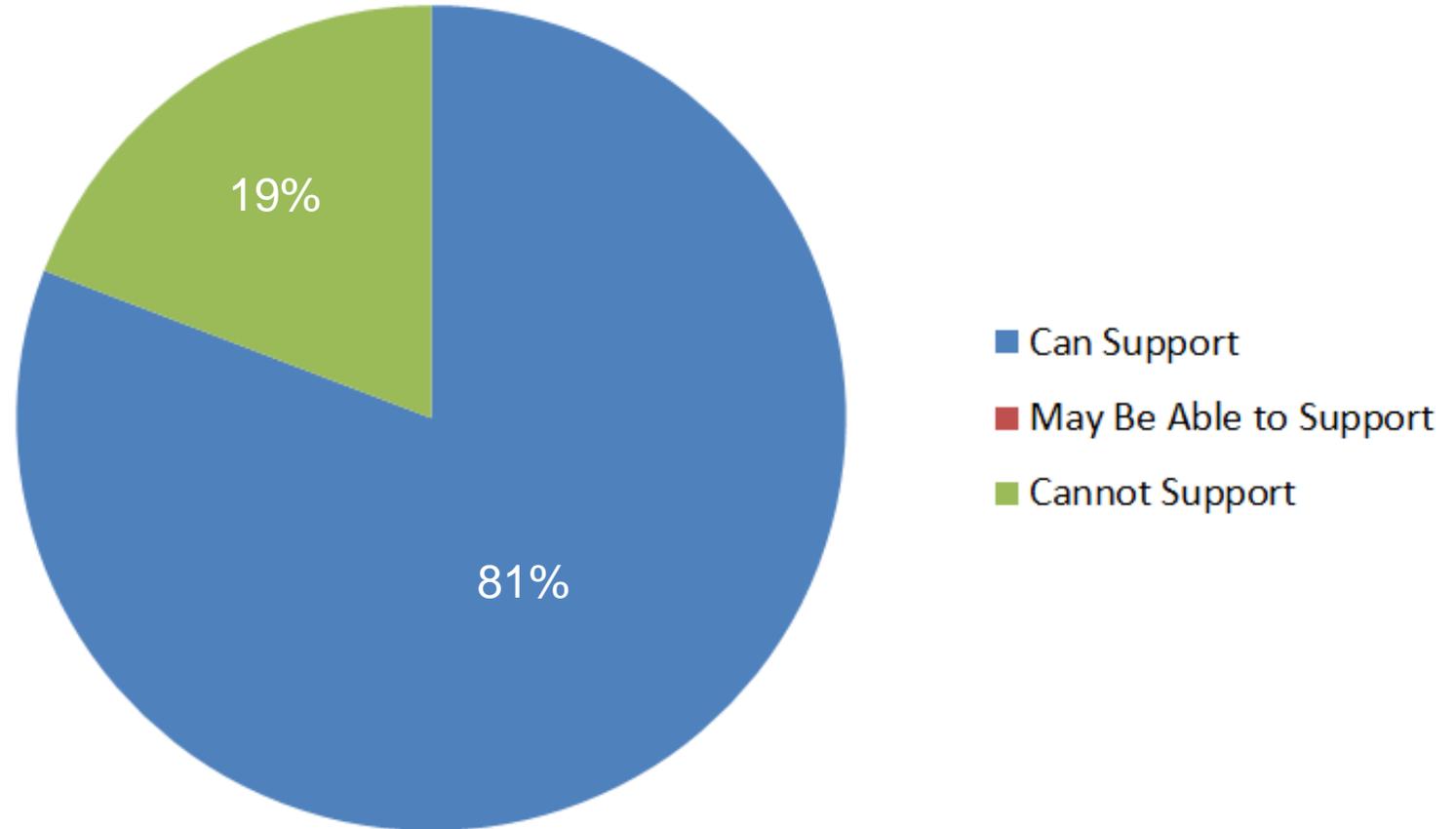
4. What is your preferred method for calculating costs used to compare benefit to cost for RTMEP?

- Four times annual carrying charge.



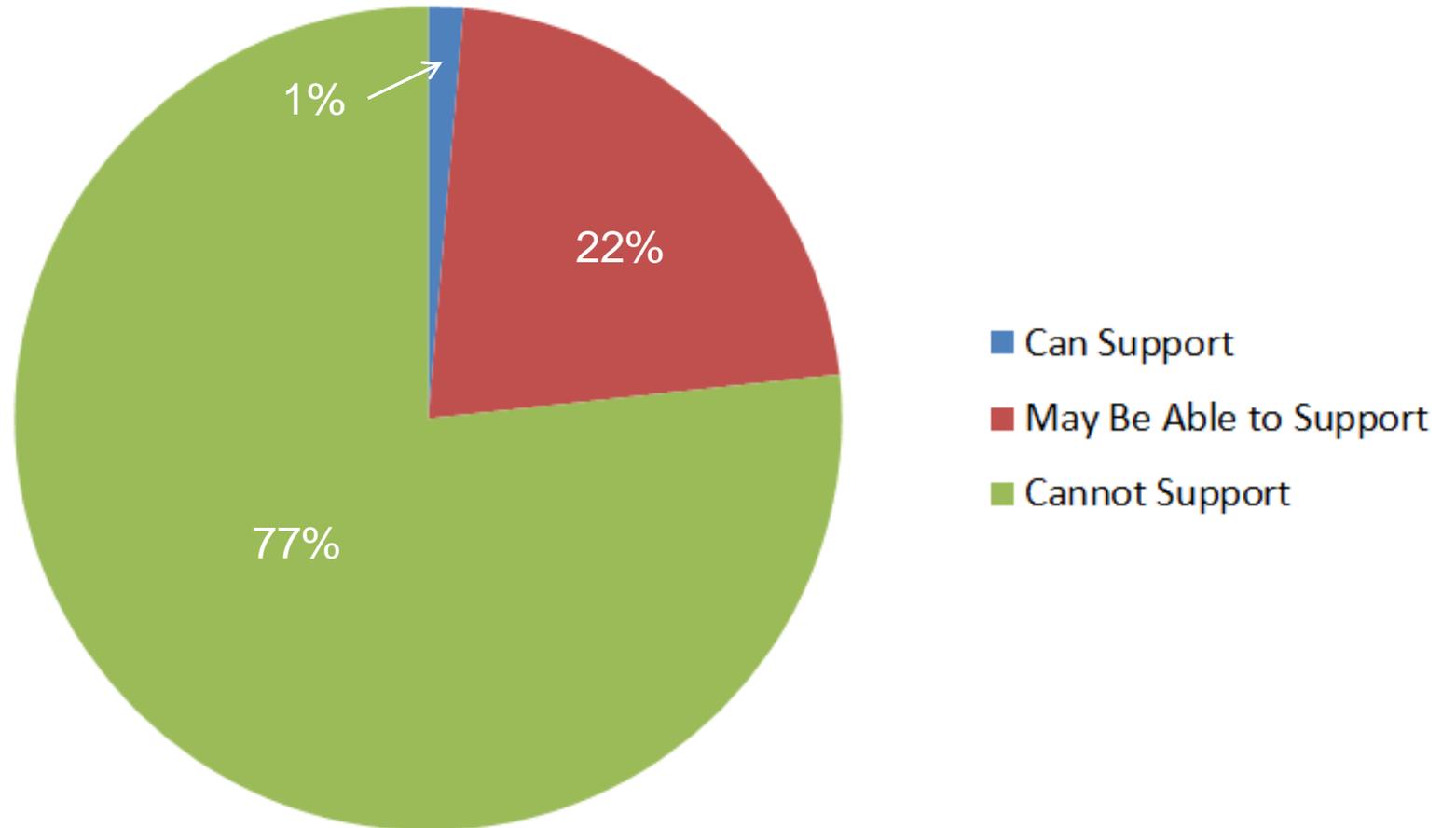
5. What is your preferred passing threshold for Regional Targeted Market Efficiency Projects?

- Four years of benefits (no discount/inflation rate) must completely cover project's capital cost (consistent with Interregional TMEP process passing threshold).



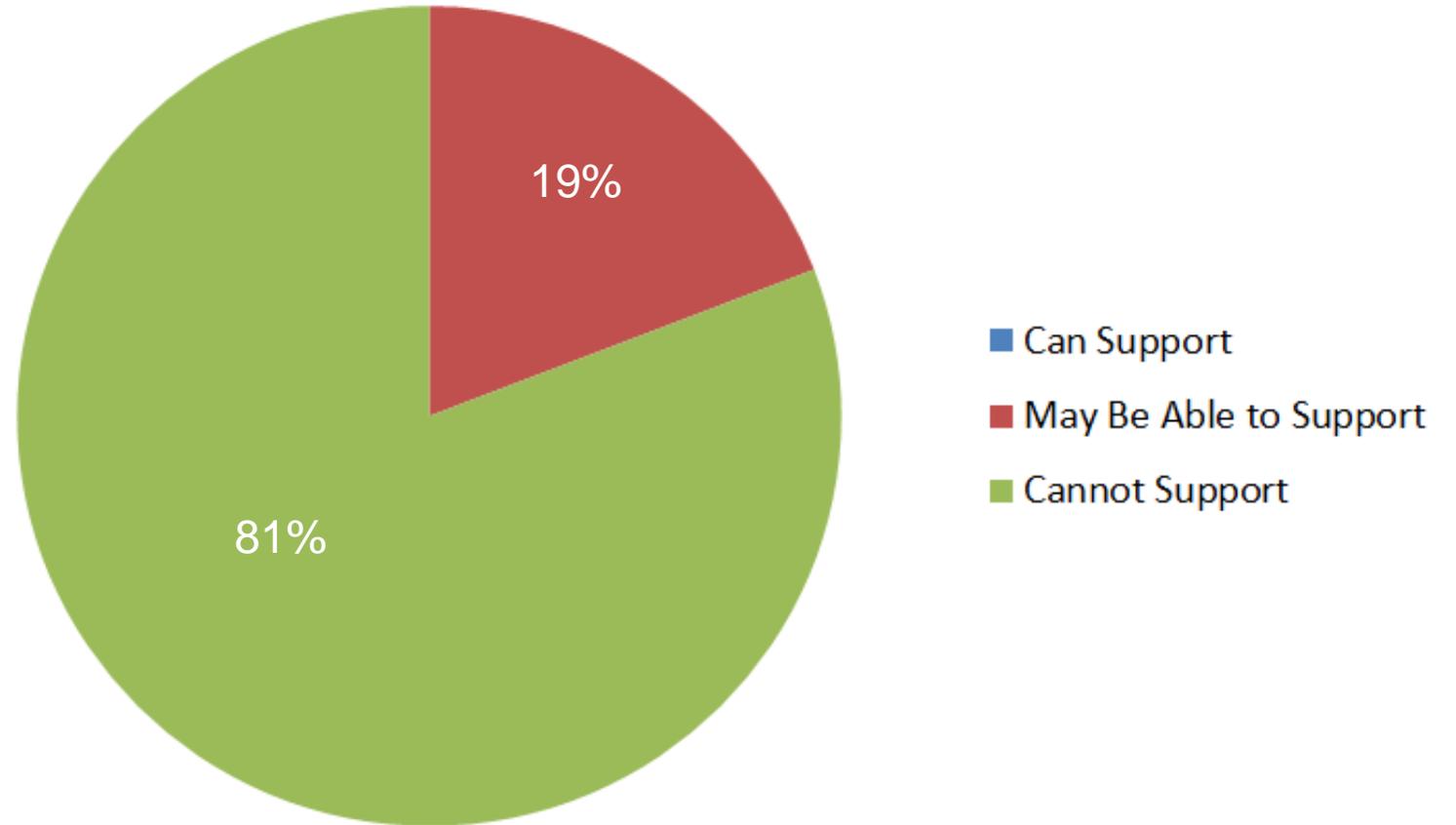
5. What is your preferred passing threshold for Regional Targeted Market Efficiency Projects?

- Four years of benefits (no discount/inflation rate) must exceed 1.25 times project's capital cost.



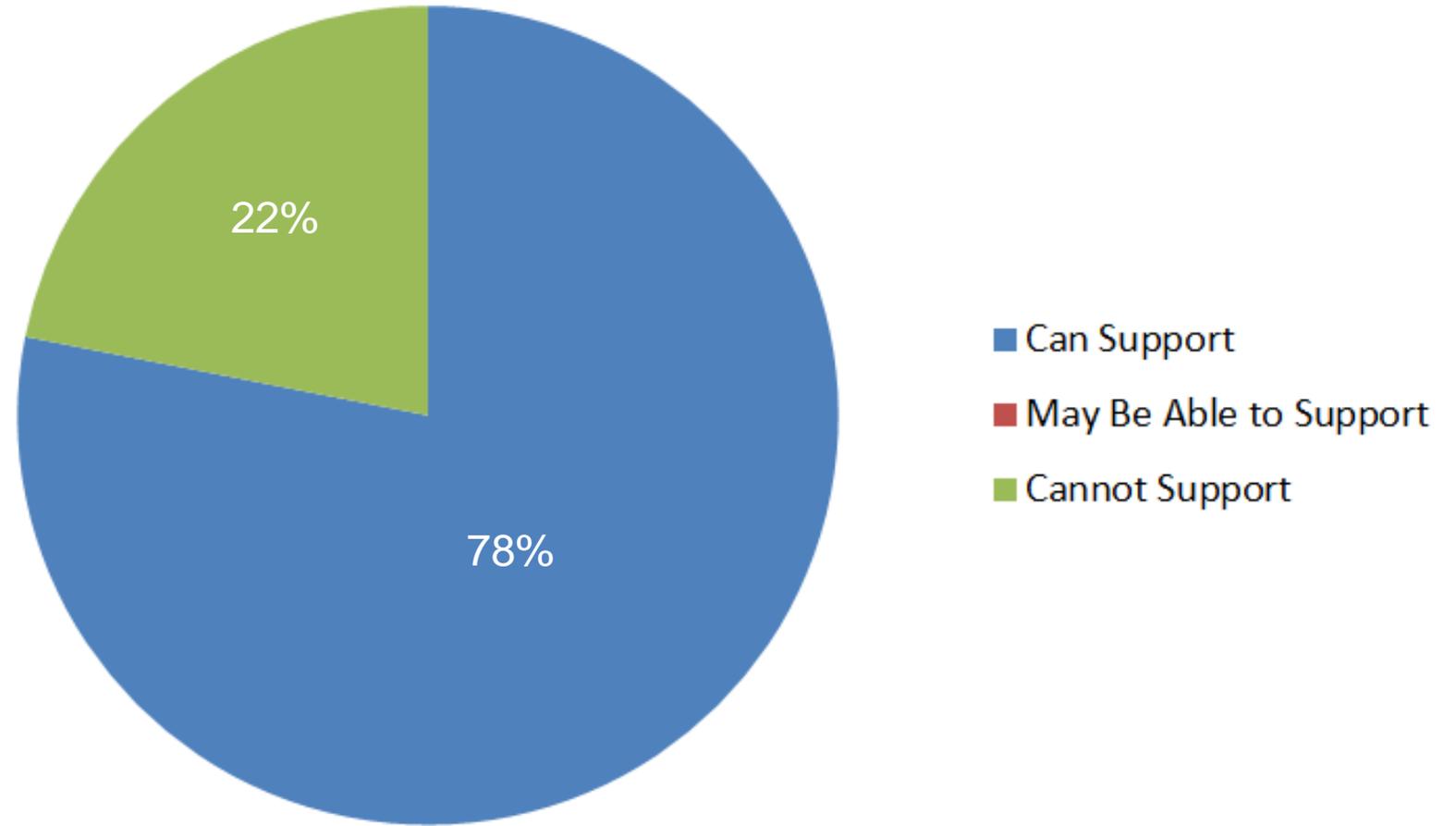
5. What is your preferred passing threshold for Regional Targeted Market Efficiency Projects?

- Four years of benefits from in-service year, capped at 4 years from PROMOD/Probe current year model (no discount/inflation rate) must completely cover project's capital cost.



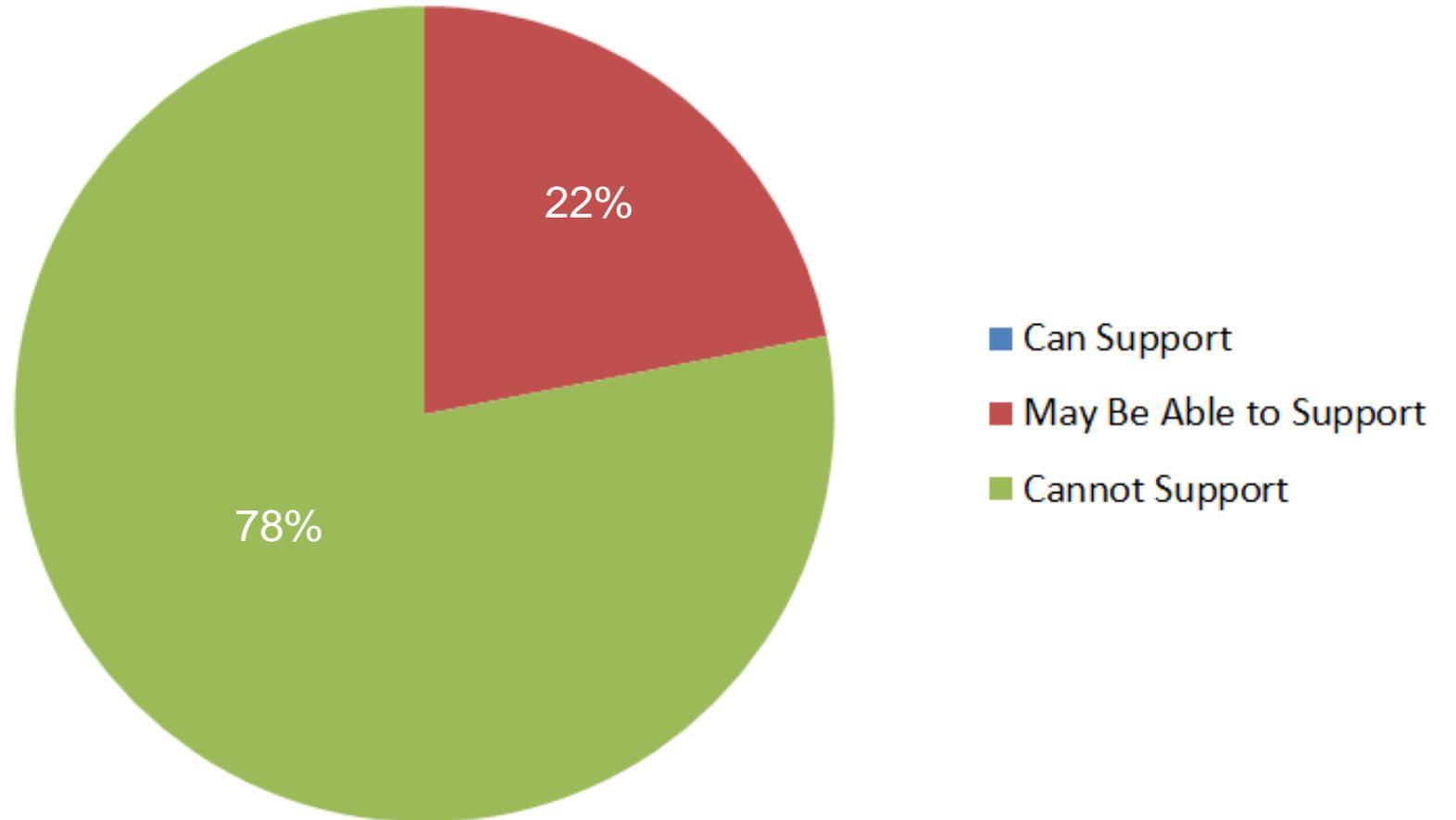
6. What is your preferred calculation period for Capacity regional benefits?

- Calculation period of 15 years (Status Quo).



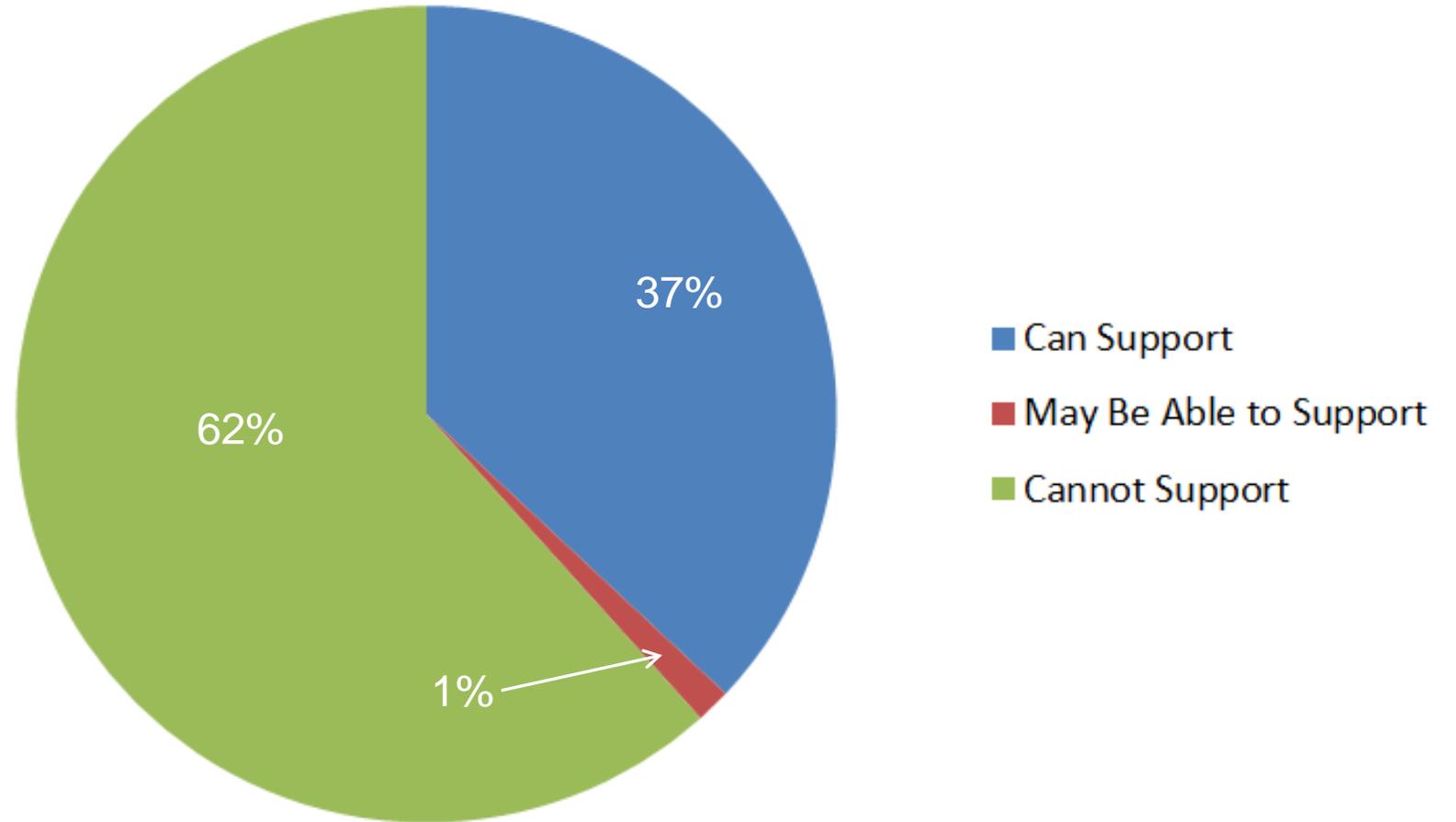
6. What is your preferred calculation period for Capacity regional benefits?

- Calculation period of 2 years (RPM, RTEP).



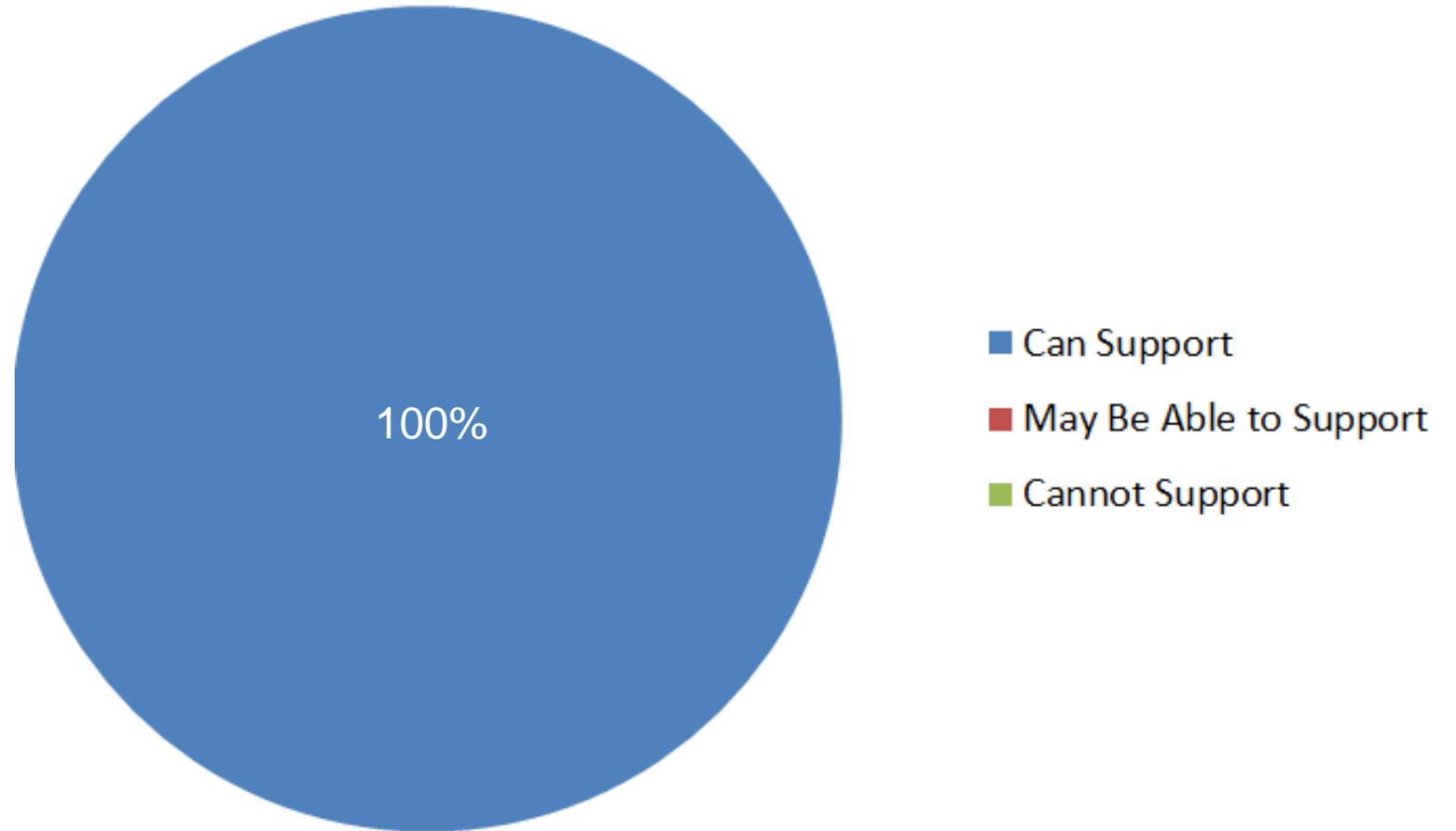
6. What is your preferred calculation period for Capacity regional benefits?

- Calculation period of 6 years.



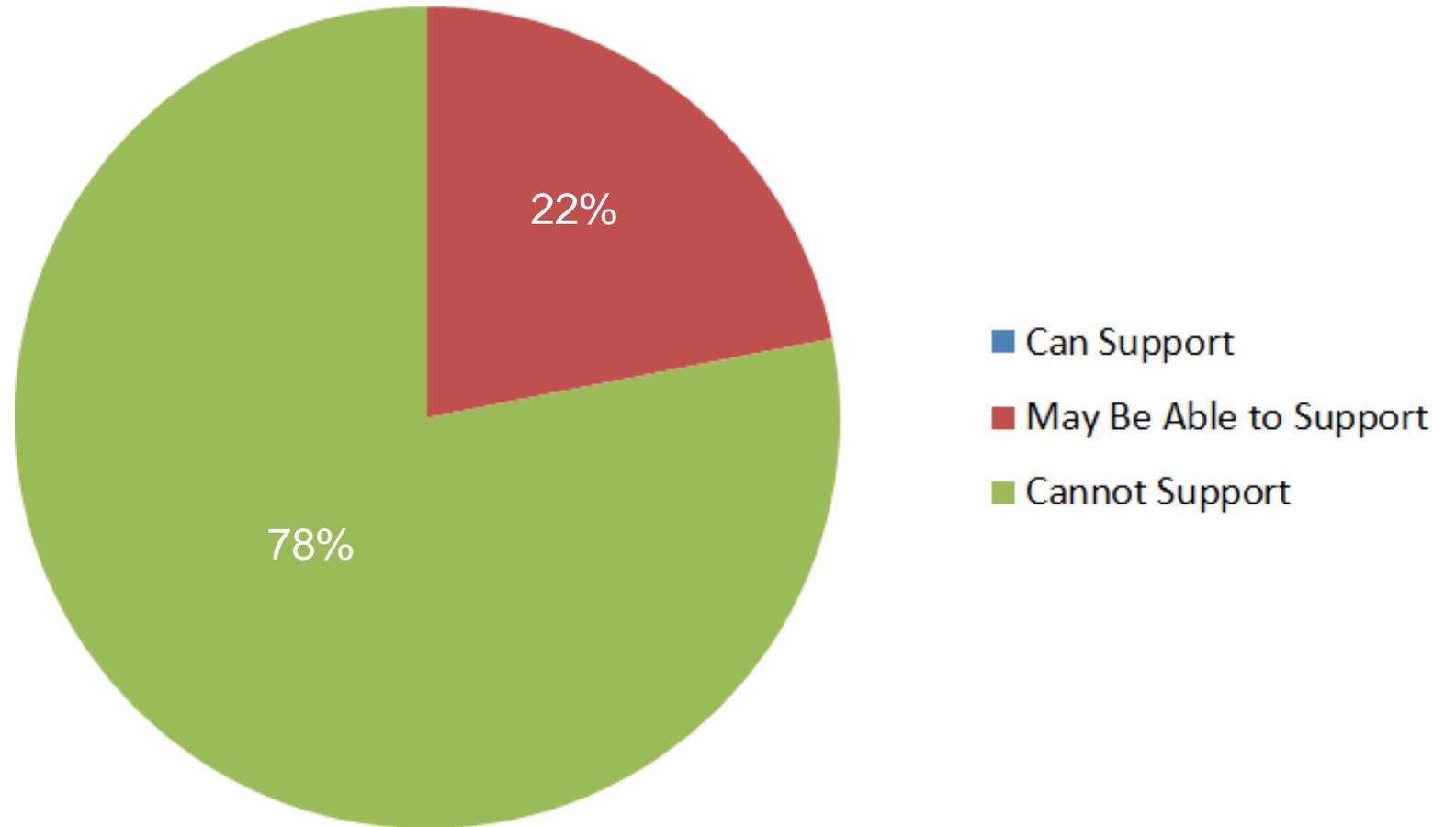
7. What is your preferred calculation period for Capacity lower voltage benefits?

- Calculation period of 15 years (Status Quo).



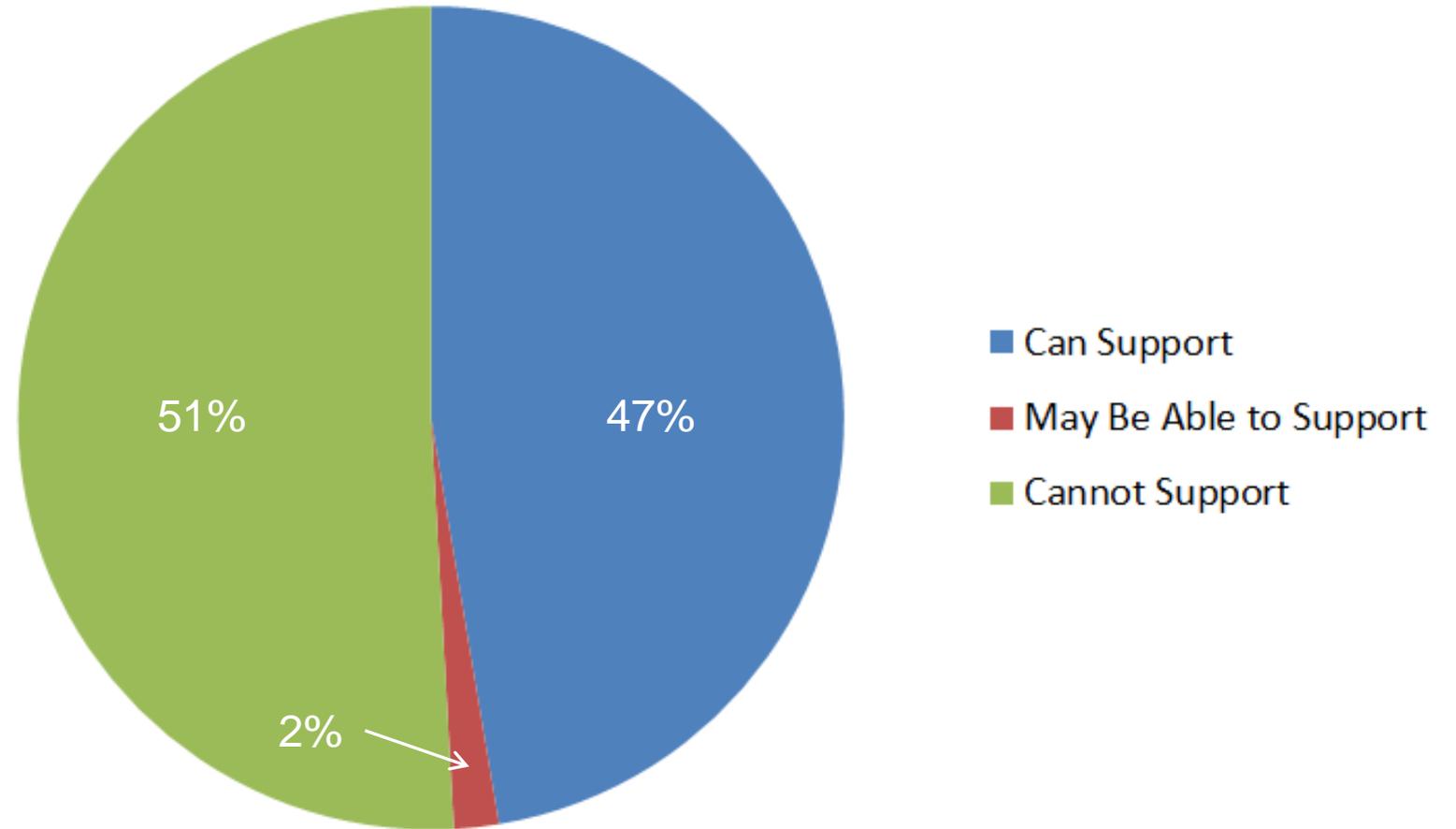
7. What is your preferred calculation period for Capacity lower voltage benefits?

- Calculation period of 2 years (RPM, RTEP).



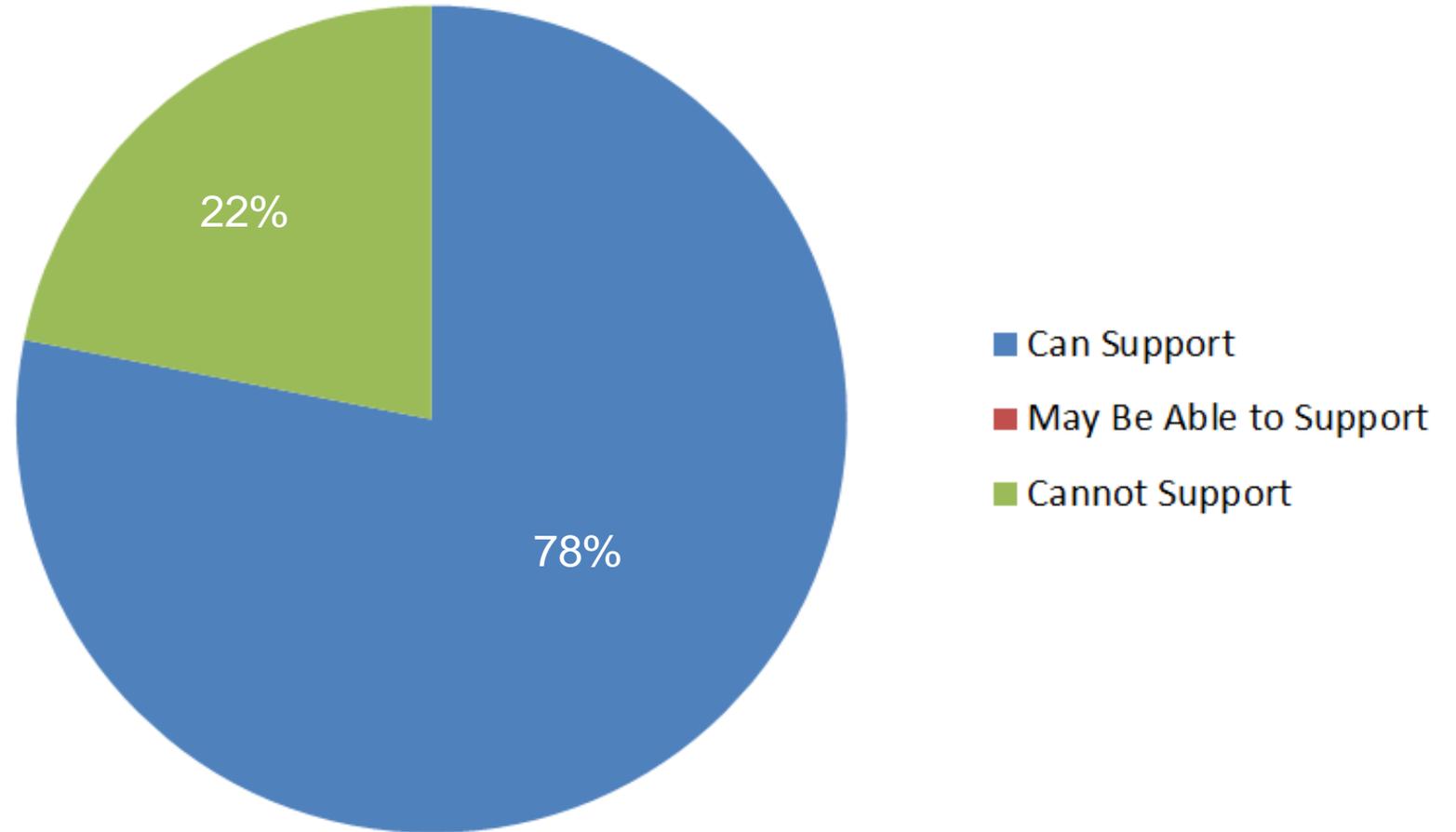
7. What is your preferred calculation period for Capacity lower voltage benefits?

- Calculation period of 6 years.



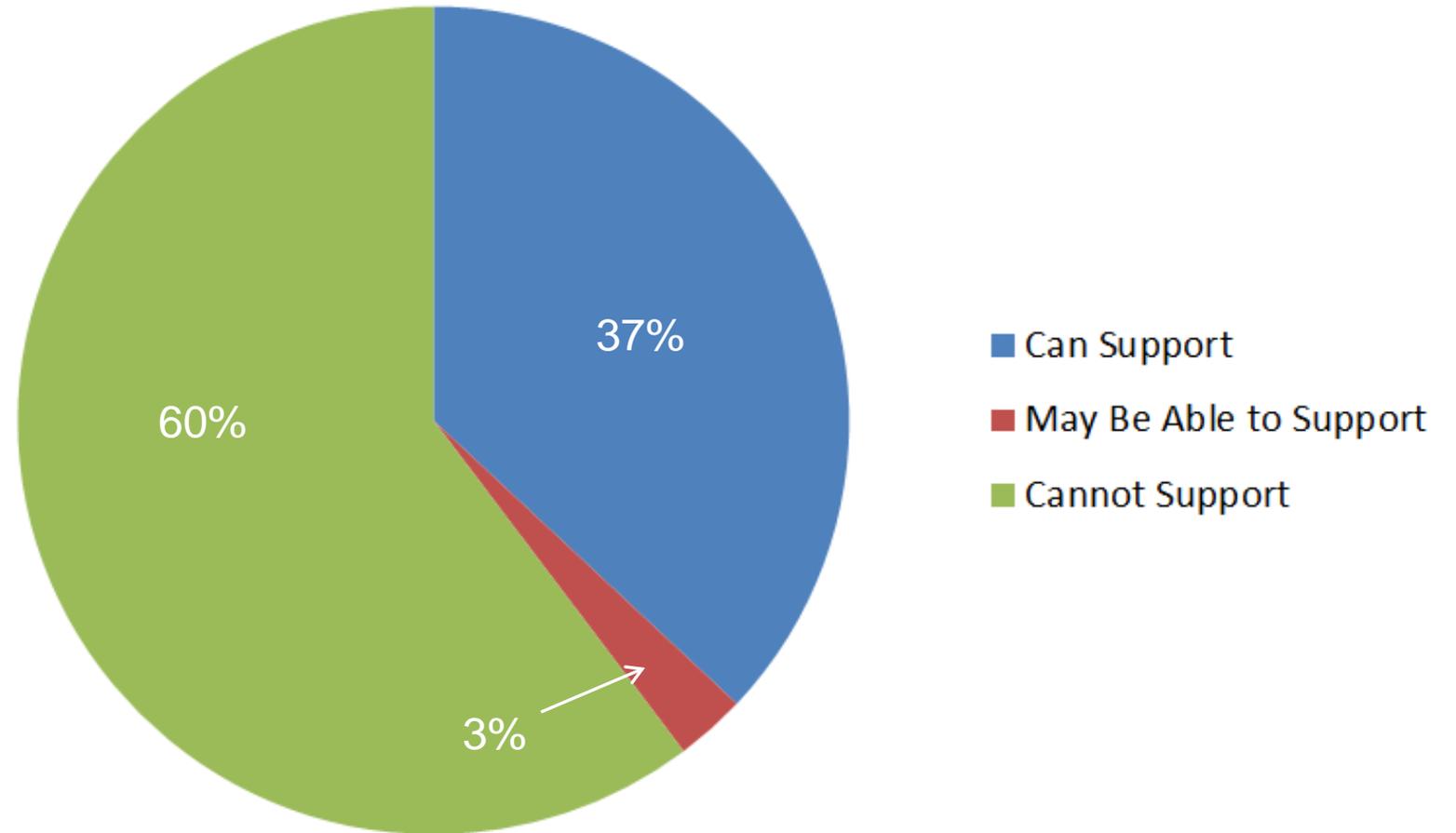
8. What is your preferred calculation period for Energy regional benefits?

- Calculation period of 15 years (Status Quo).



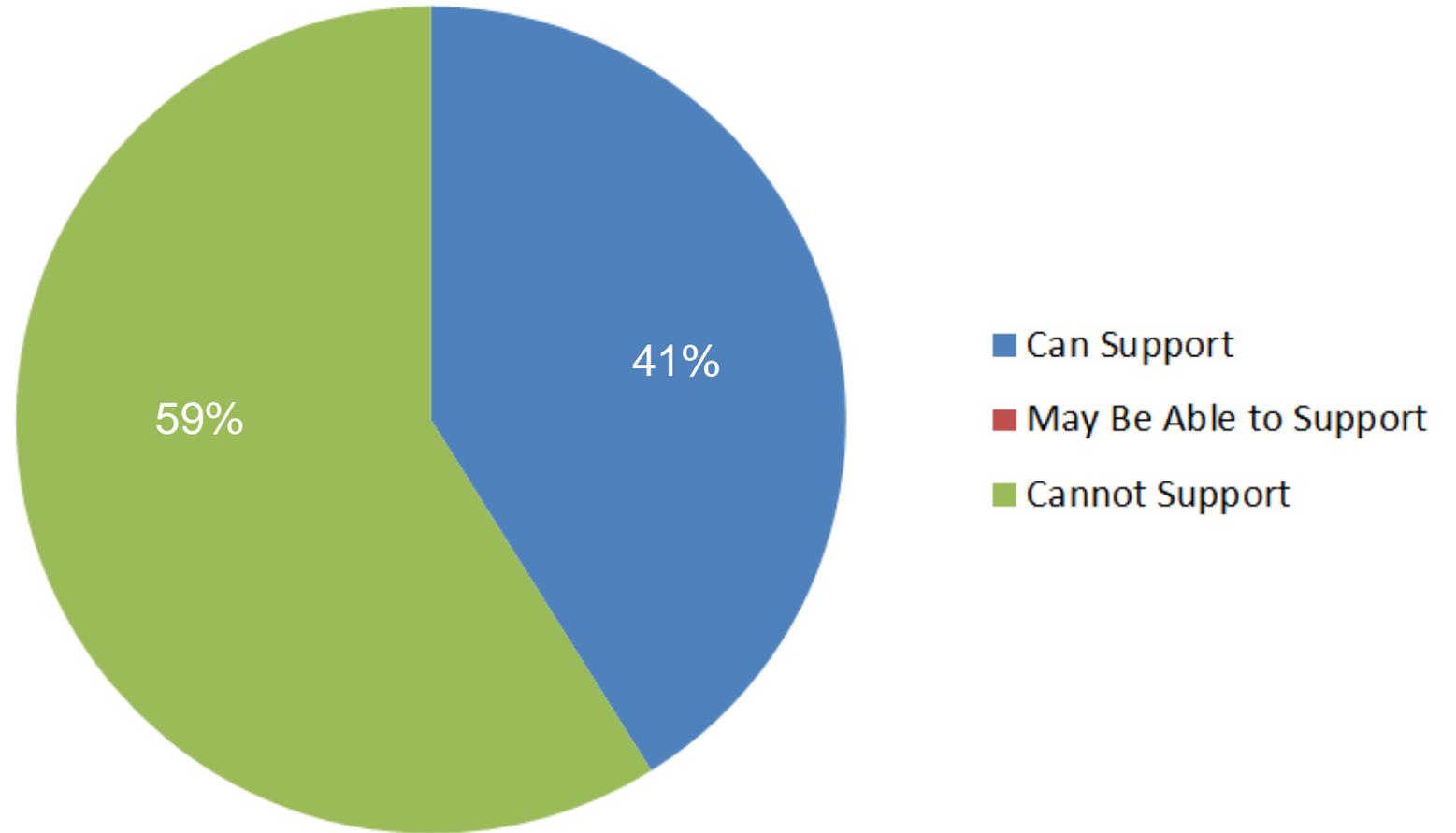
8. What is your preferred calculation period for Energy regional benefits?

- Calculation period of 15 years from in-service year, capped at RTEP+15.



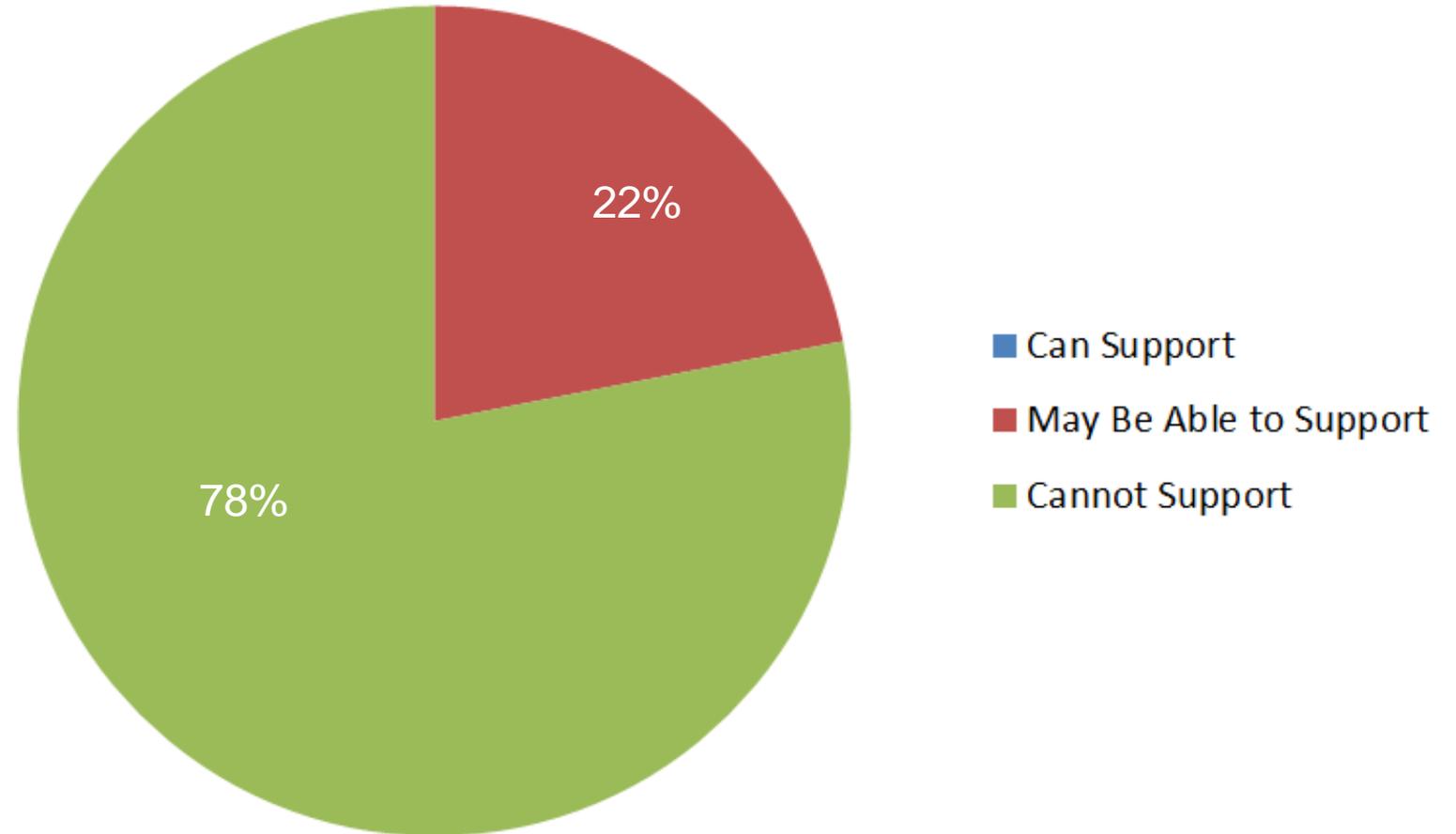
8. What is your preferred calculation period for Energy regional benefits?

- Calculation period of 10 years from in-service year, capped at RTEP+10.



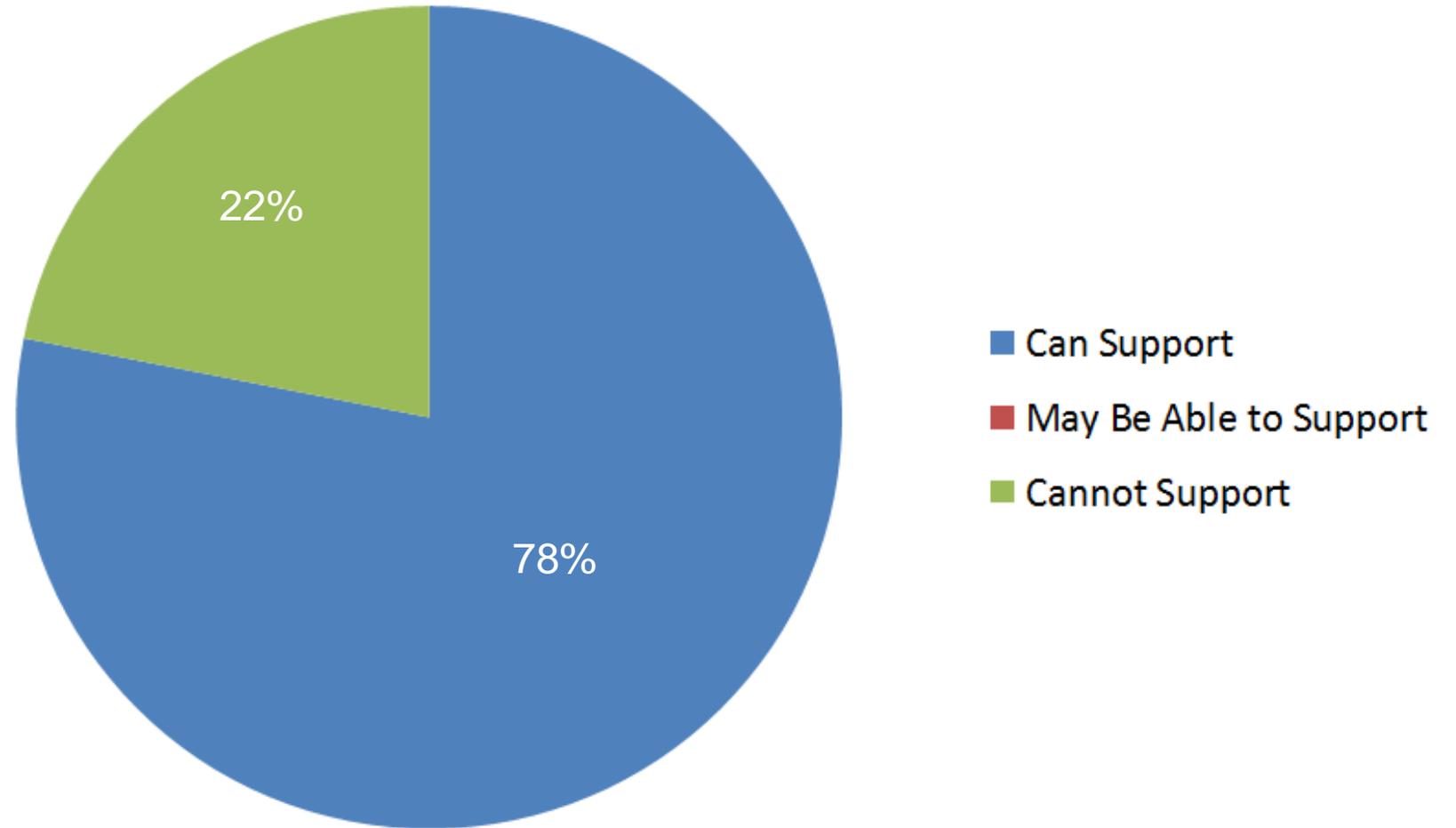
8. What is your preferred calculation period for Energy regional benefits?

- Calculation period of 5 years from in-service year, capped at RTEP+5.



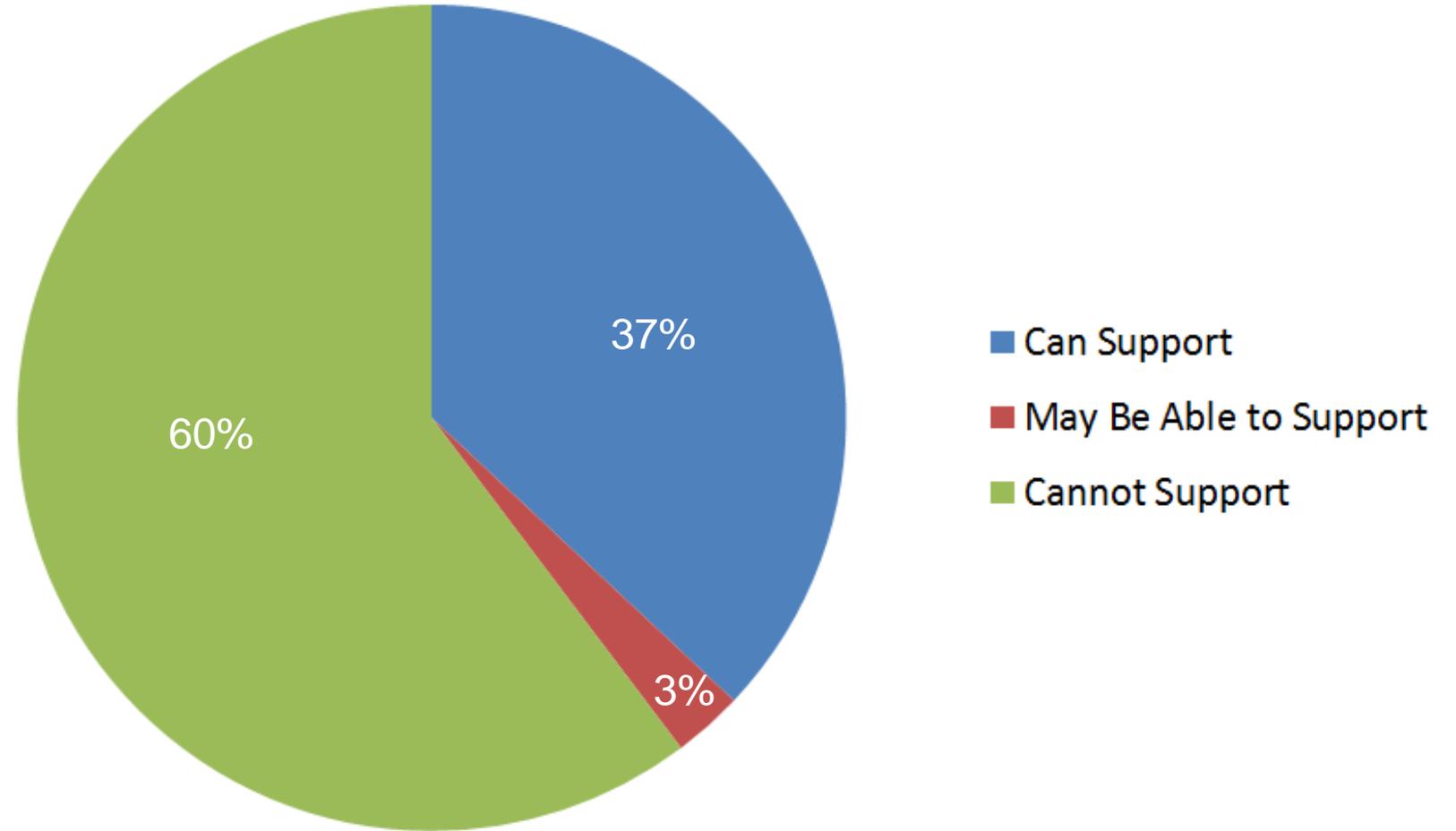
9. What is your preferred calculation period for Energy lower voltage benefits?

- Calculation period of 15 years (Status Quo).



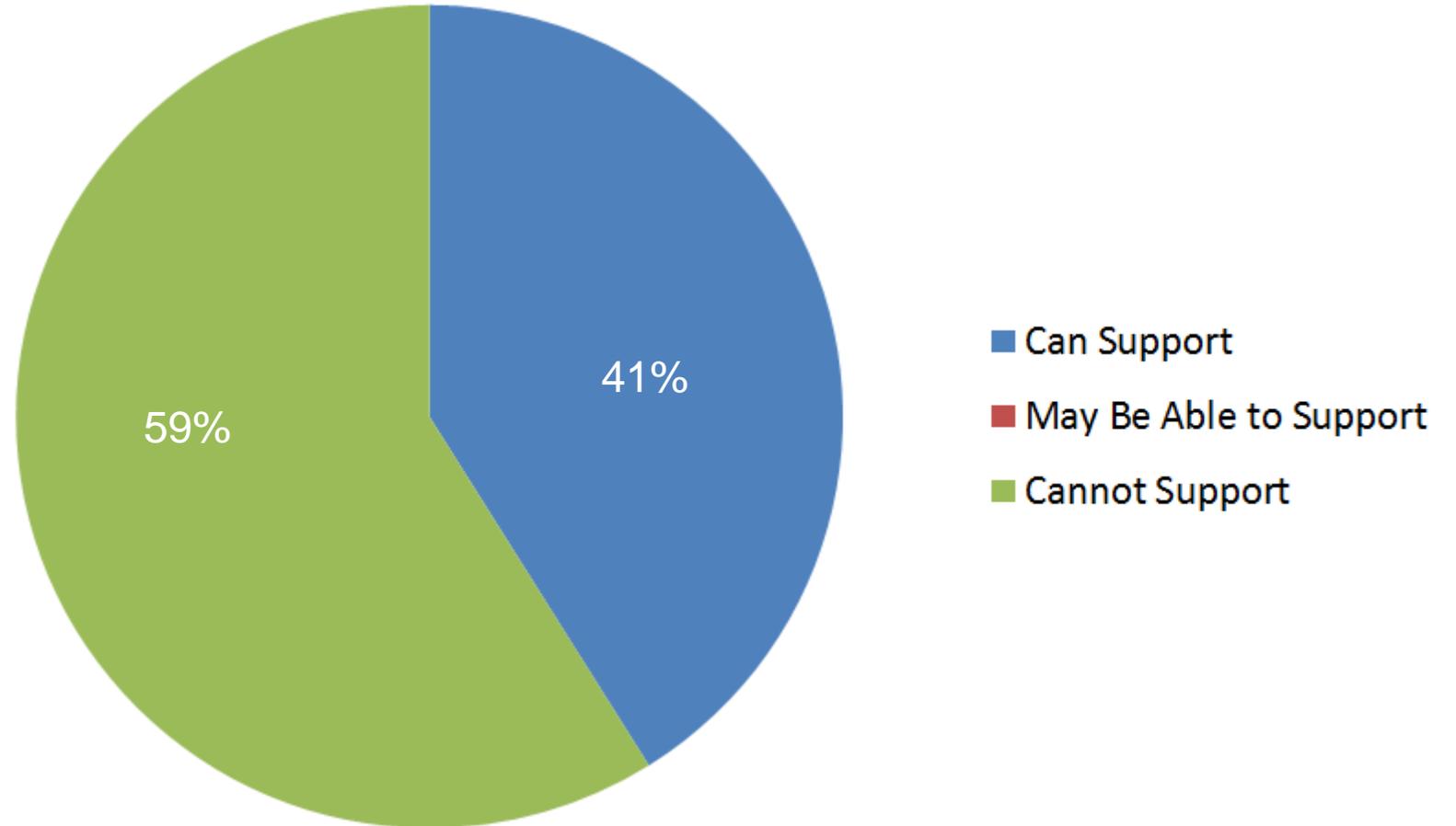
9. What is your preferred calculation period for Energy lower voltage benefits?

- Calculation period of 15 years from in-service year, capped at RTEP+15.



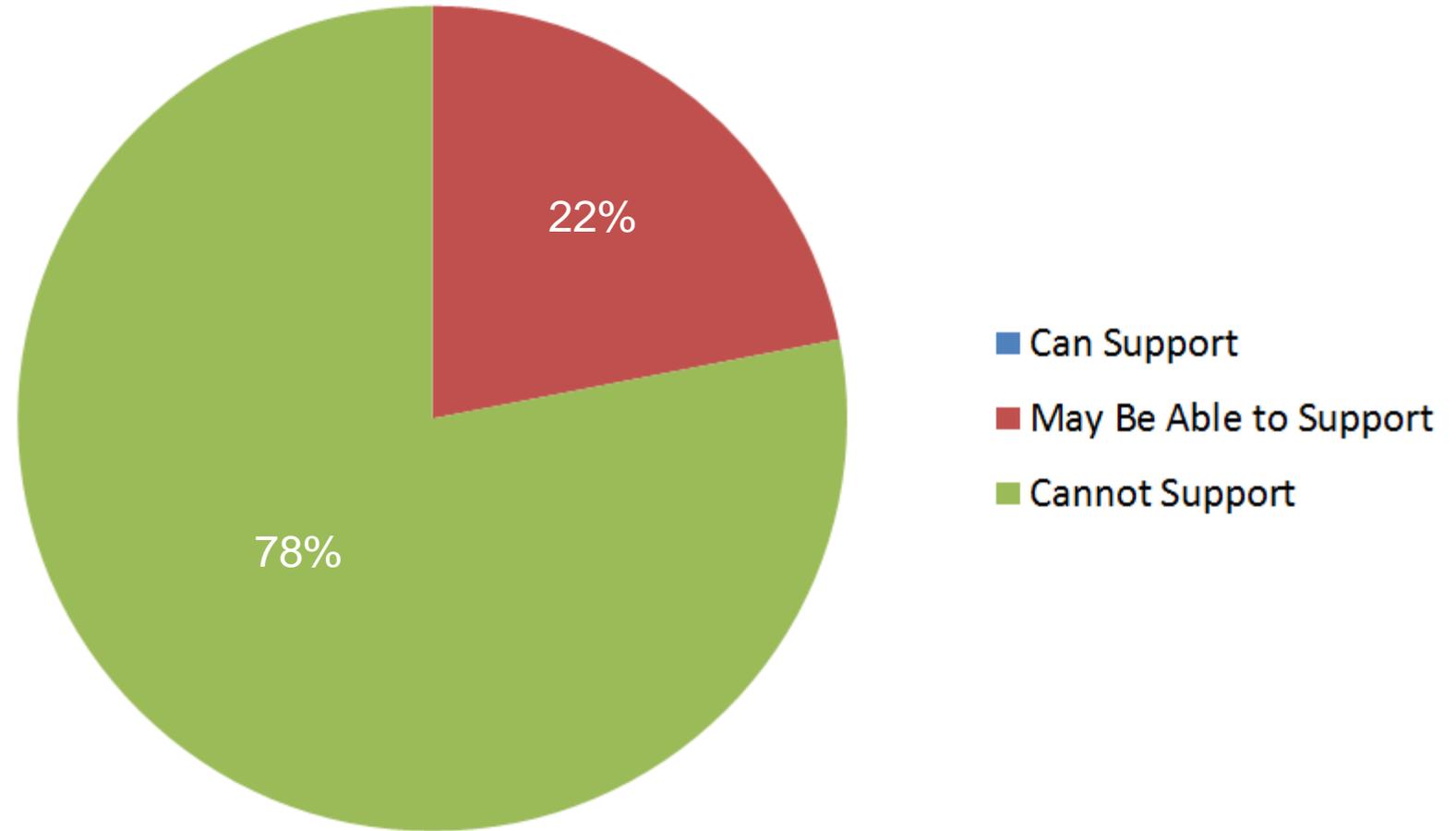
9. What is your preferred calculation period for Energy lower voltage benefits?

- Calculation period of 10 years from in-service year, capped at RTEP+10.



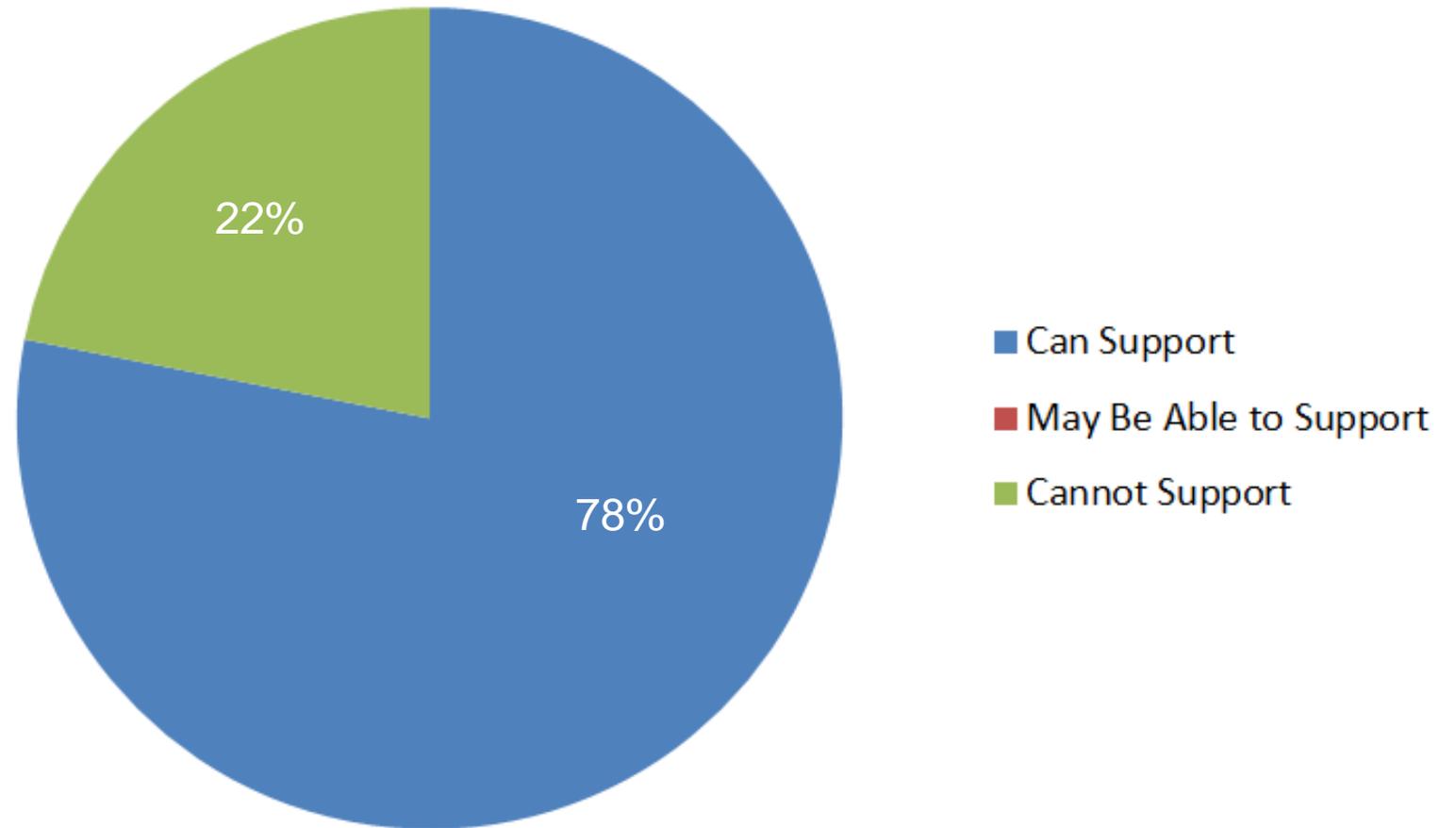
9. What is your preferred calculation period for Energy lower voltage benefits?

- Calculation period of 5 years from in-service year, capped at RTEP+5.



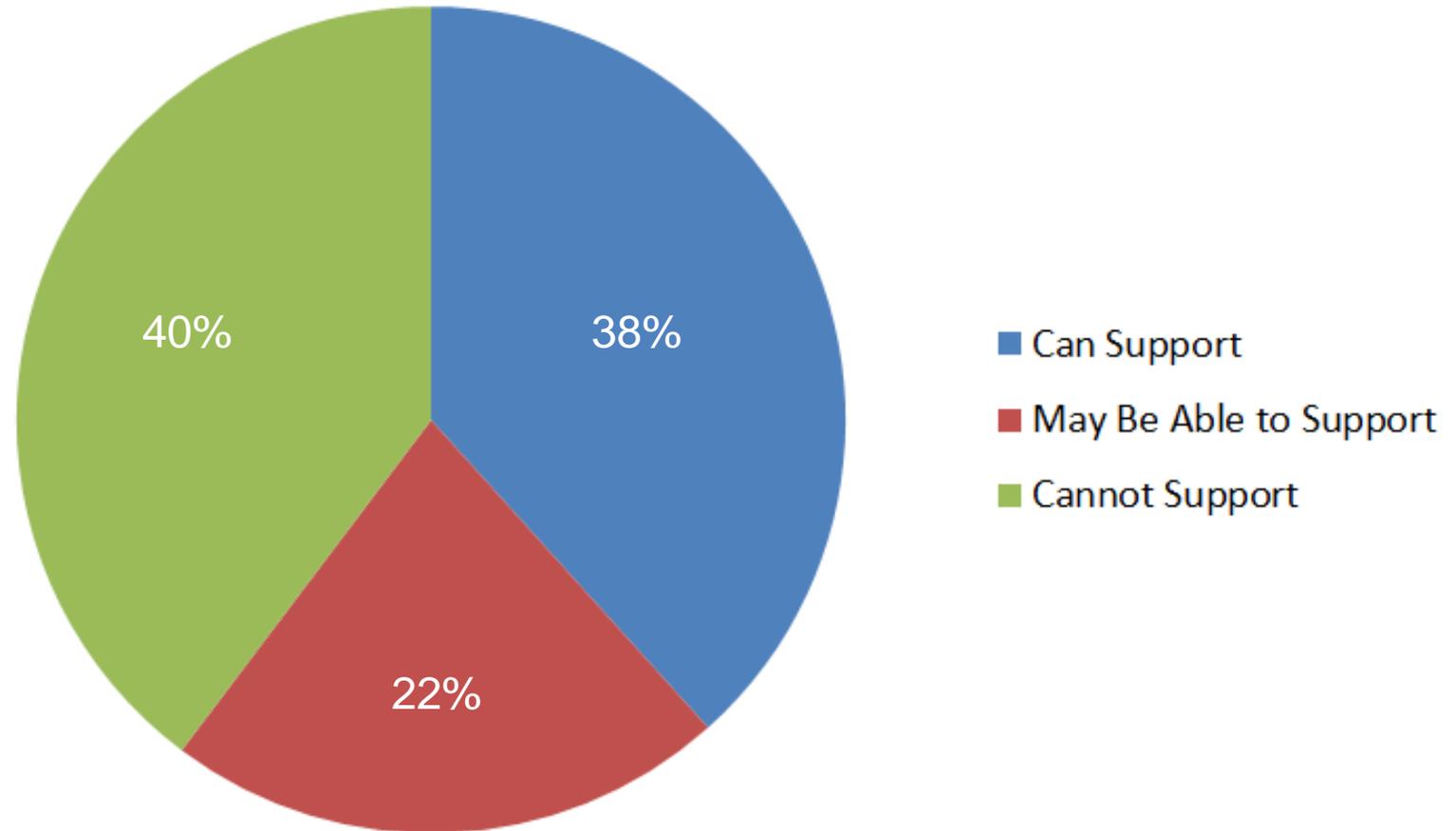
10. What is your preferred option for Energy benefit calculation simulation years?

- RTEP-4, RTEP, RTEP+3 and RTEP+6 (Status Quo)



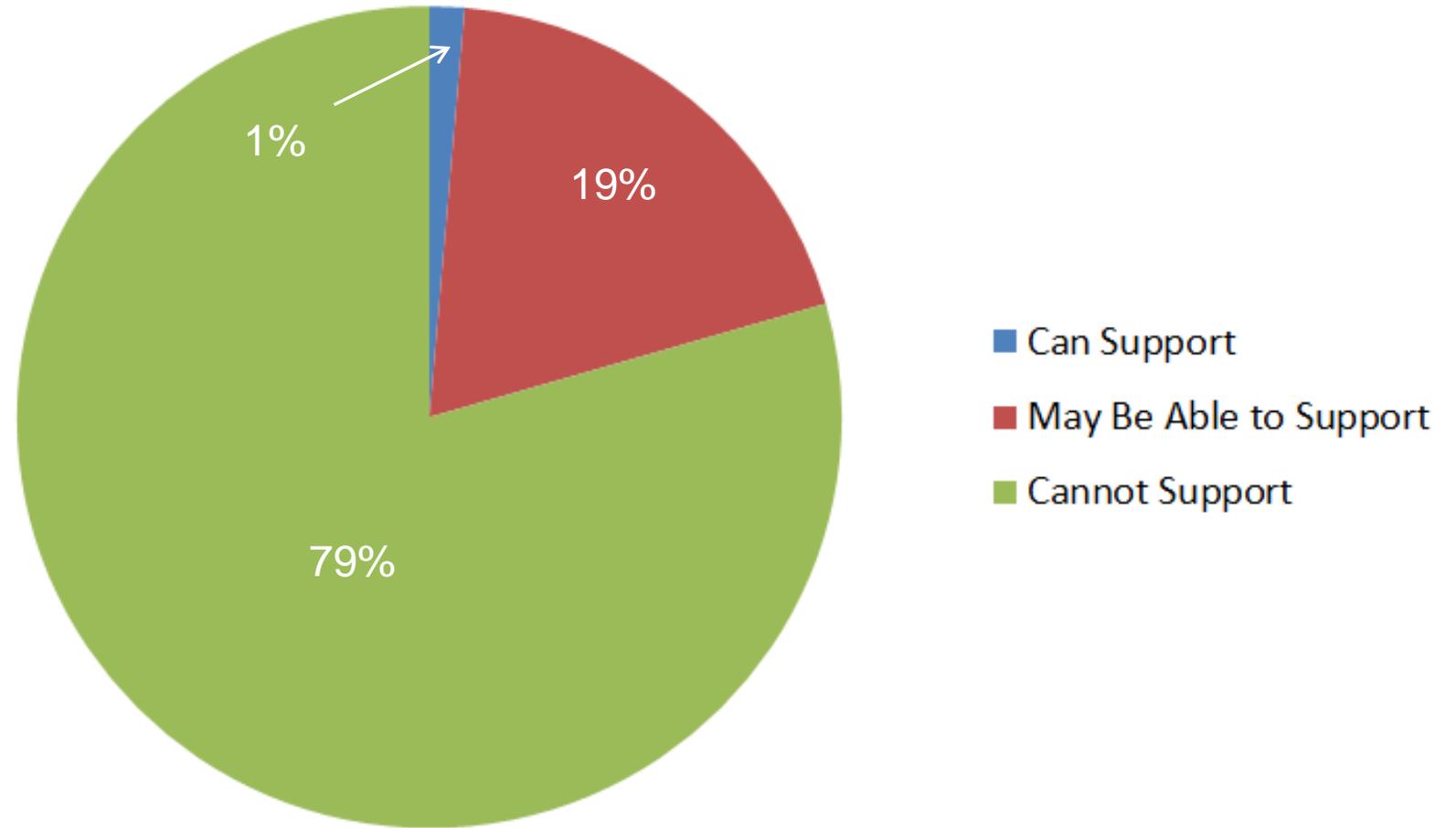
10. What is your preferred option for Energy benefit calculation simulation years?

- RTEP-2, RTEP, RTEP+2.



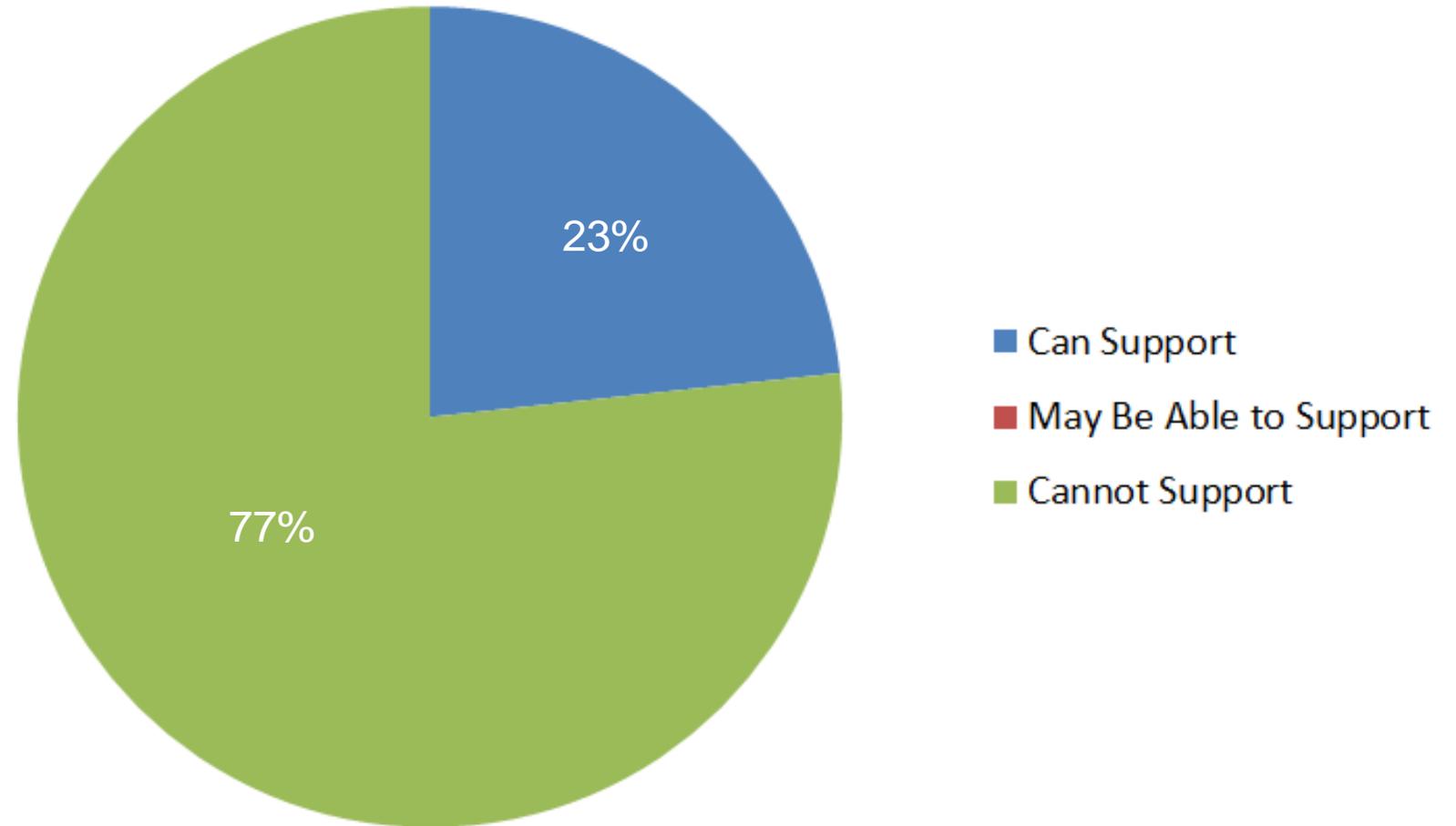
10. What is your preferred option for Energy benefit calculation simulation years?

- RTEP and RTEP+2



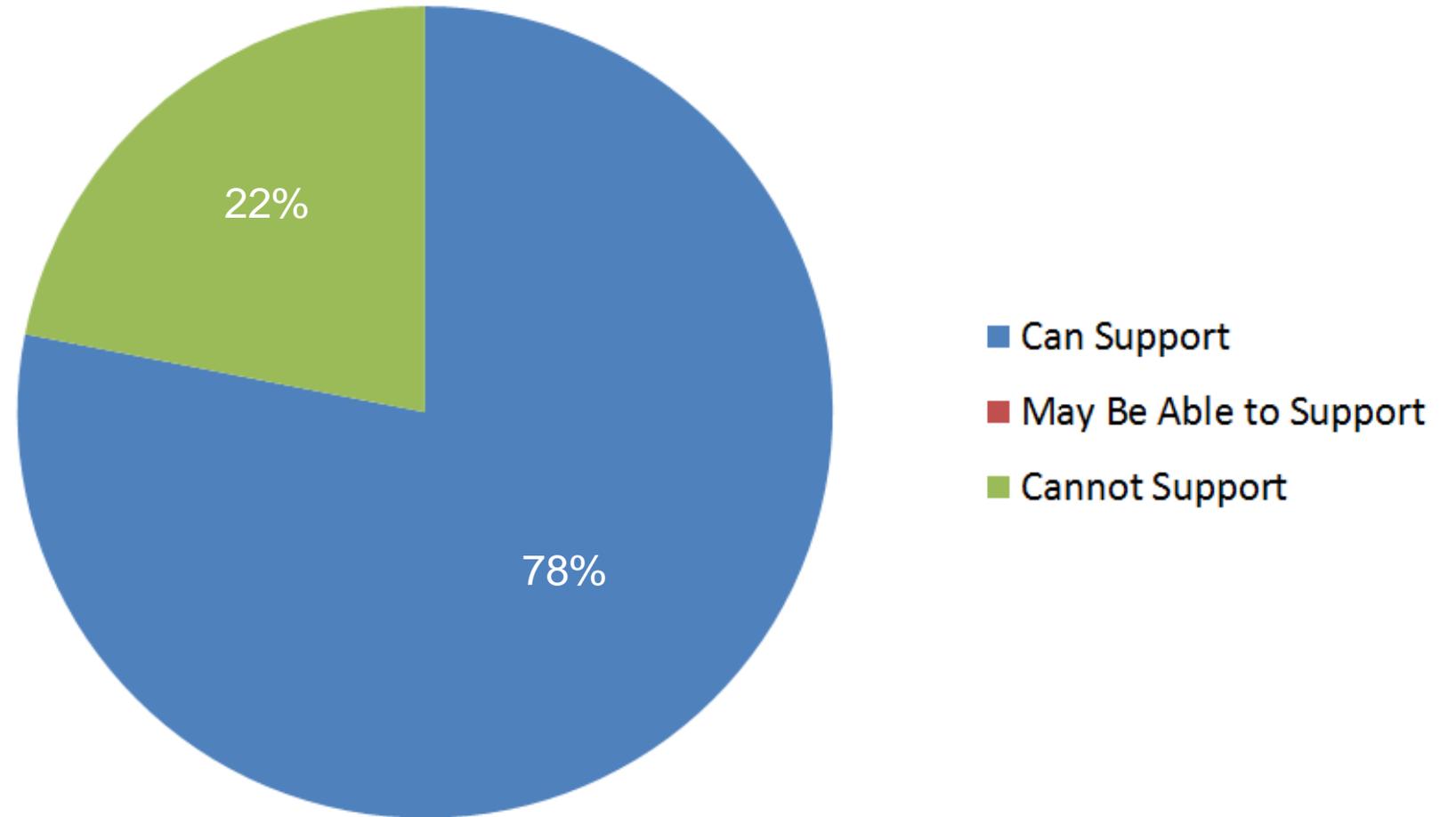
10. What is your preferred option for Energy benefit calculation simulation years?

- RTEP year.



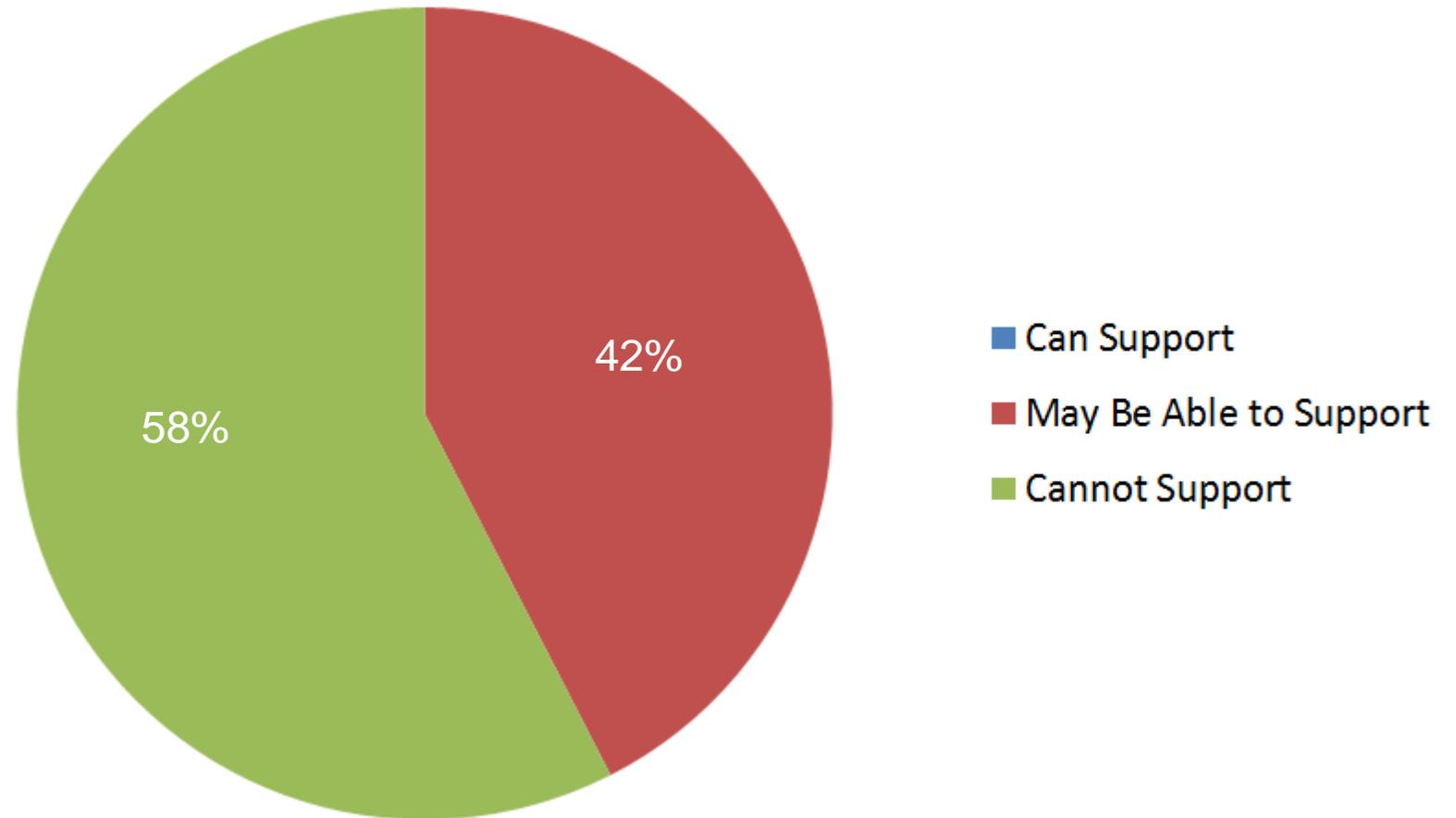
11. What is your preferred option for capacity benefit adjustment for in-service date?

- No adjustments (Status Quo).



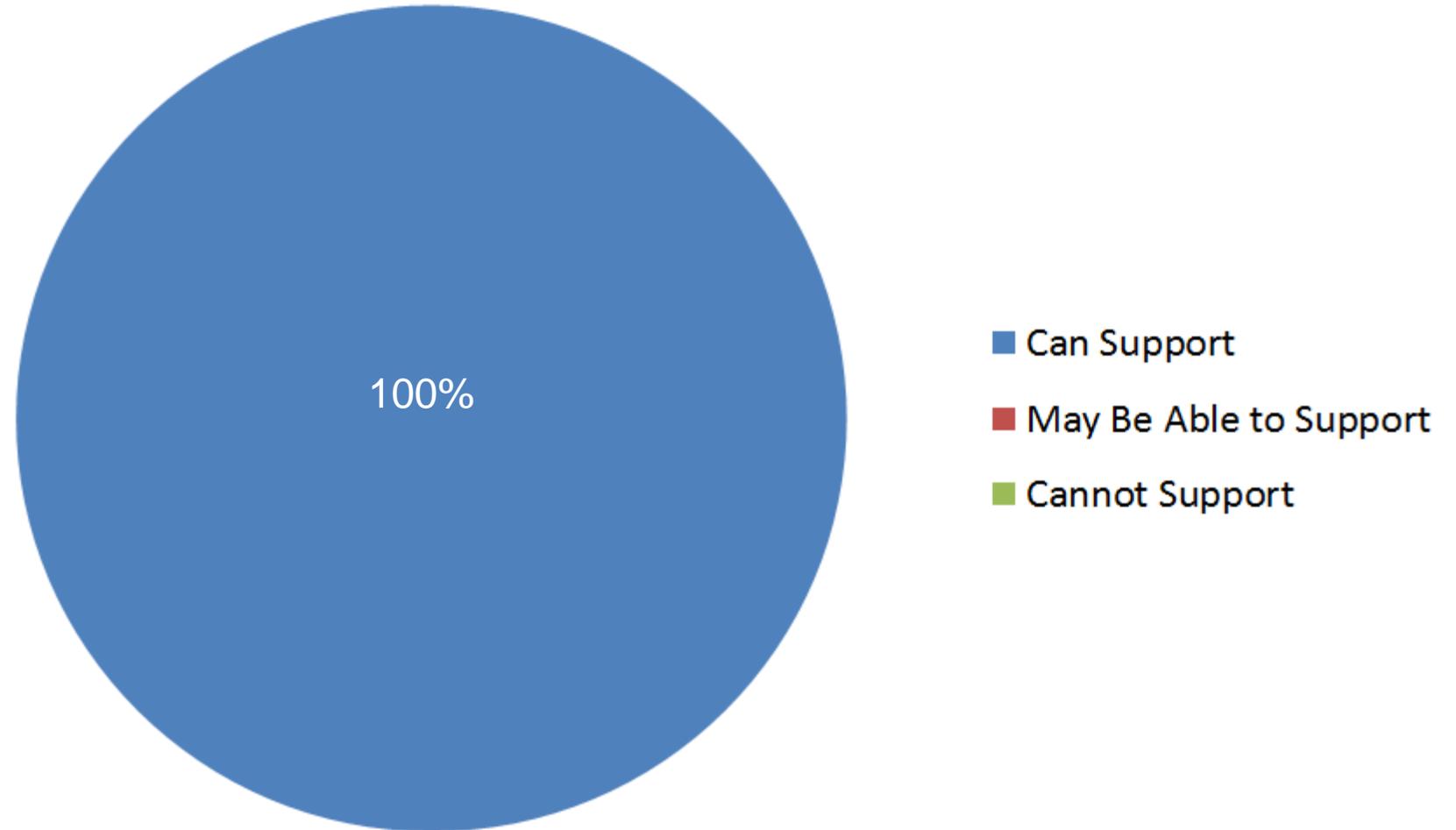
11. What is your preferred option for capacity benefit adjustment for in-service date?

- Capacity benefits of projects that are proposed to be in service later than the RPM year be adjusted to account for any savings forgone due to later in-service date.



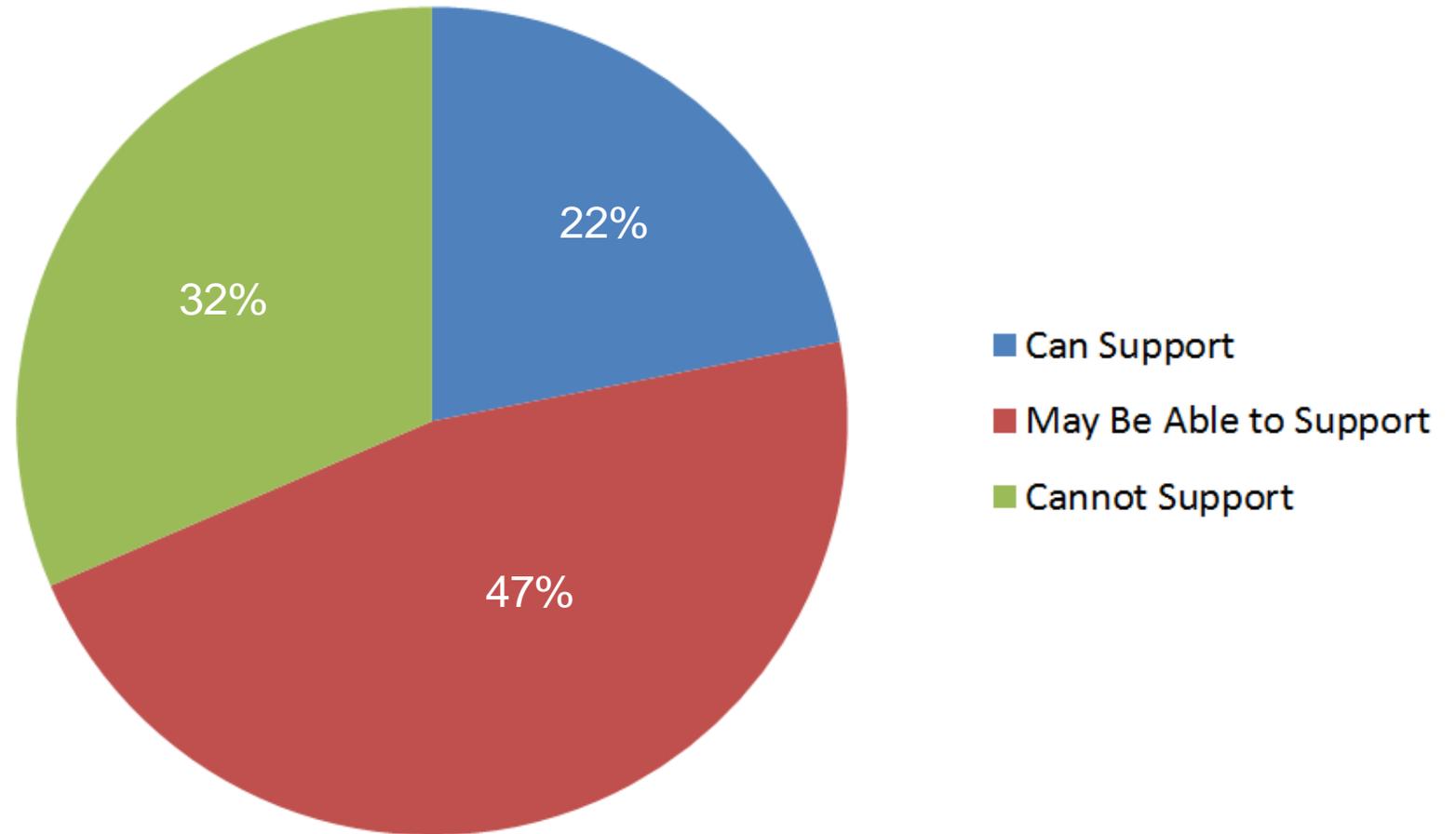
12. What is your preferred option for energy benefit adjustment for in-service date?

- No adjustments (Status Quo).



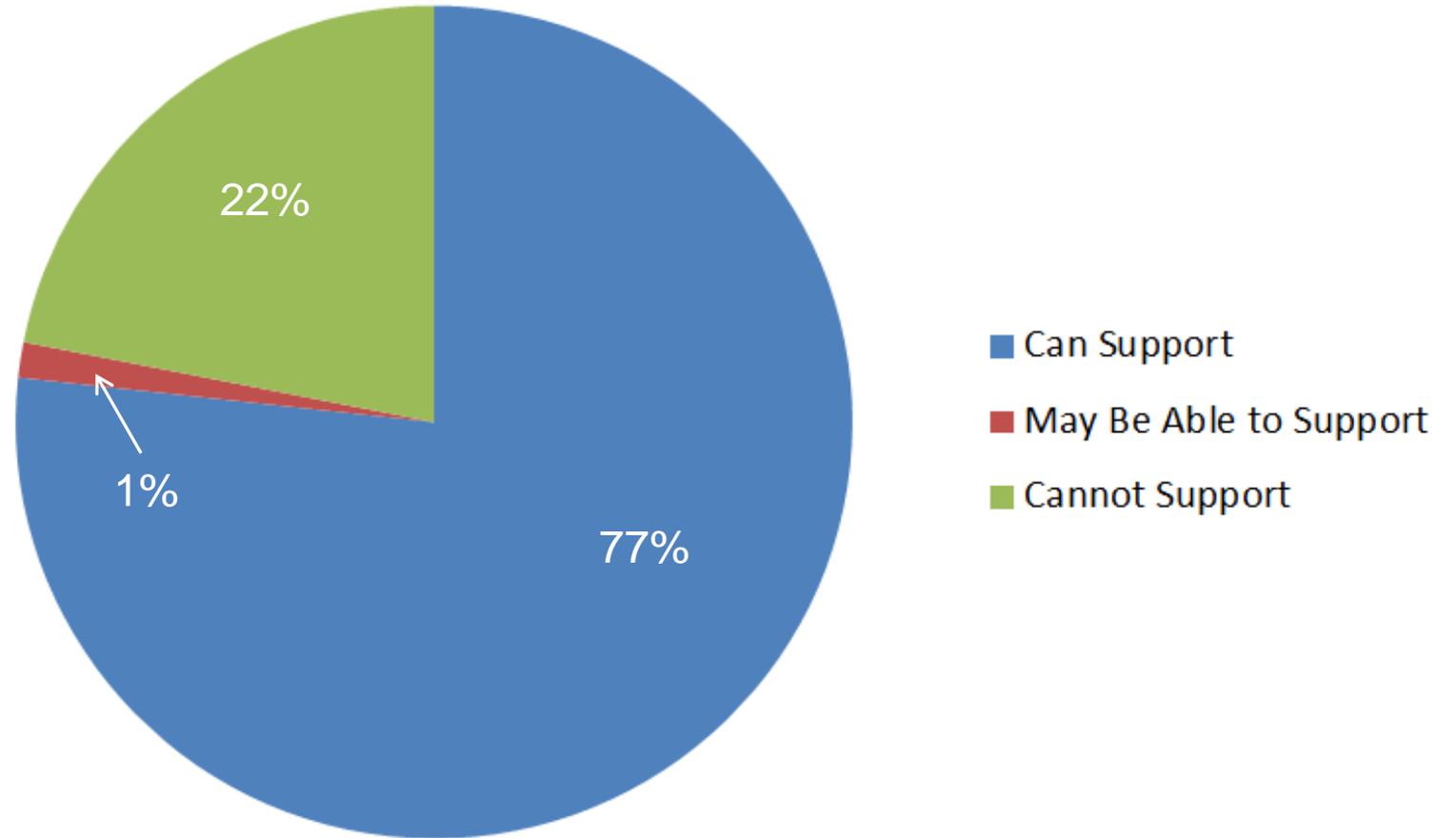
12. What is your preferred option for energy benefit adjustment for in-service date?

- Energy benefits of projects that are proposed to be in service later than the RTEP year will be adjusted to account for any savings forgone due to later in-service date.



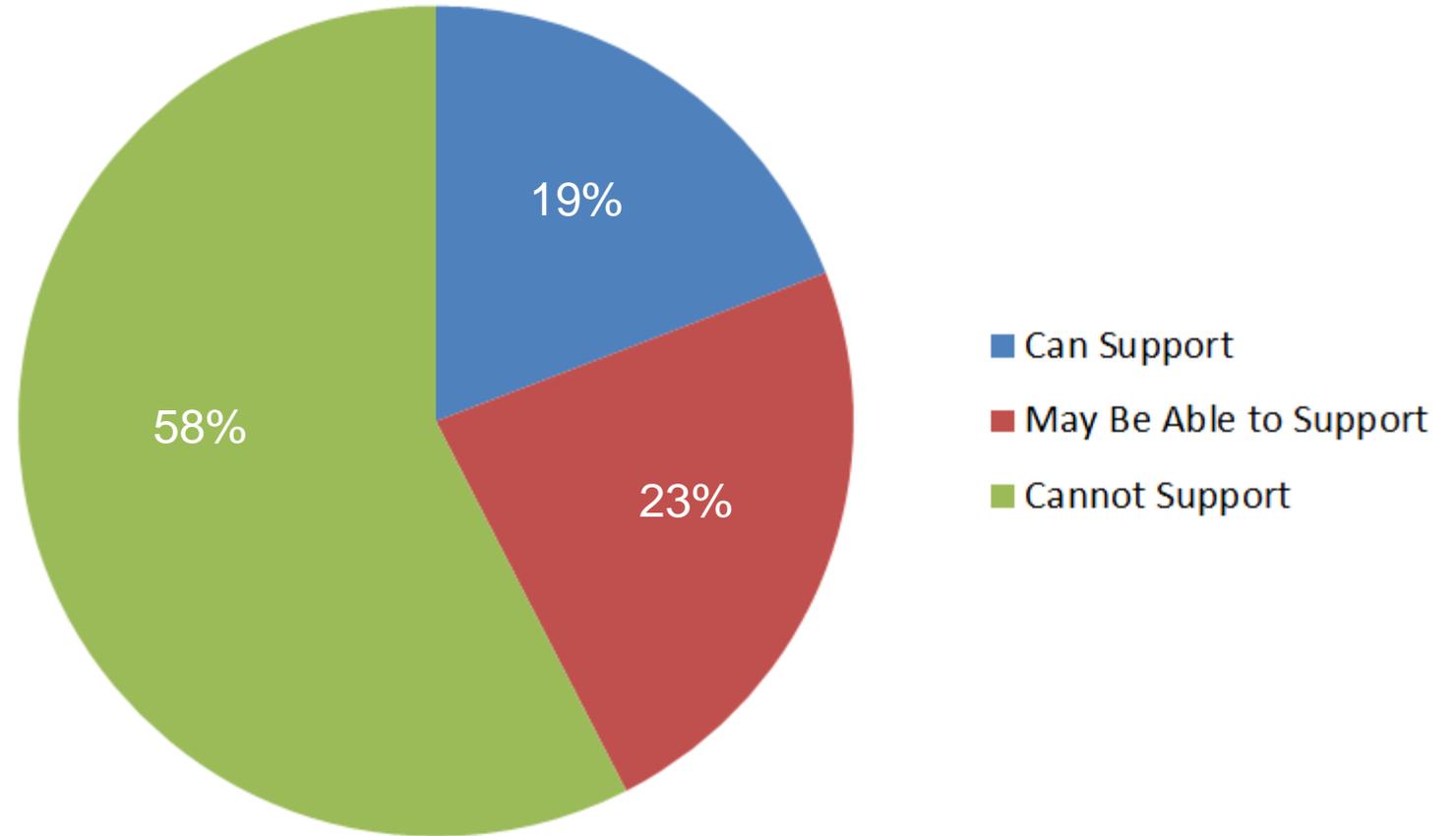
13. How would you like to treat sensitivities for Energy benefit calculation?

- Sensitivities are informational only, they can indicate robustness of projects but projects are not required to pass a threshold (Status Quo).

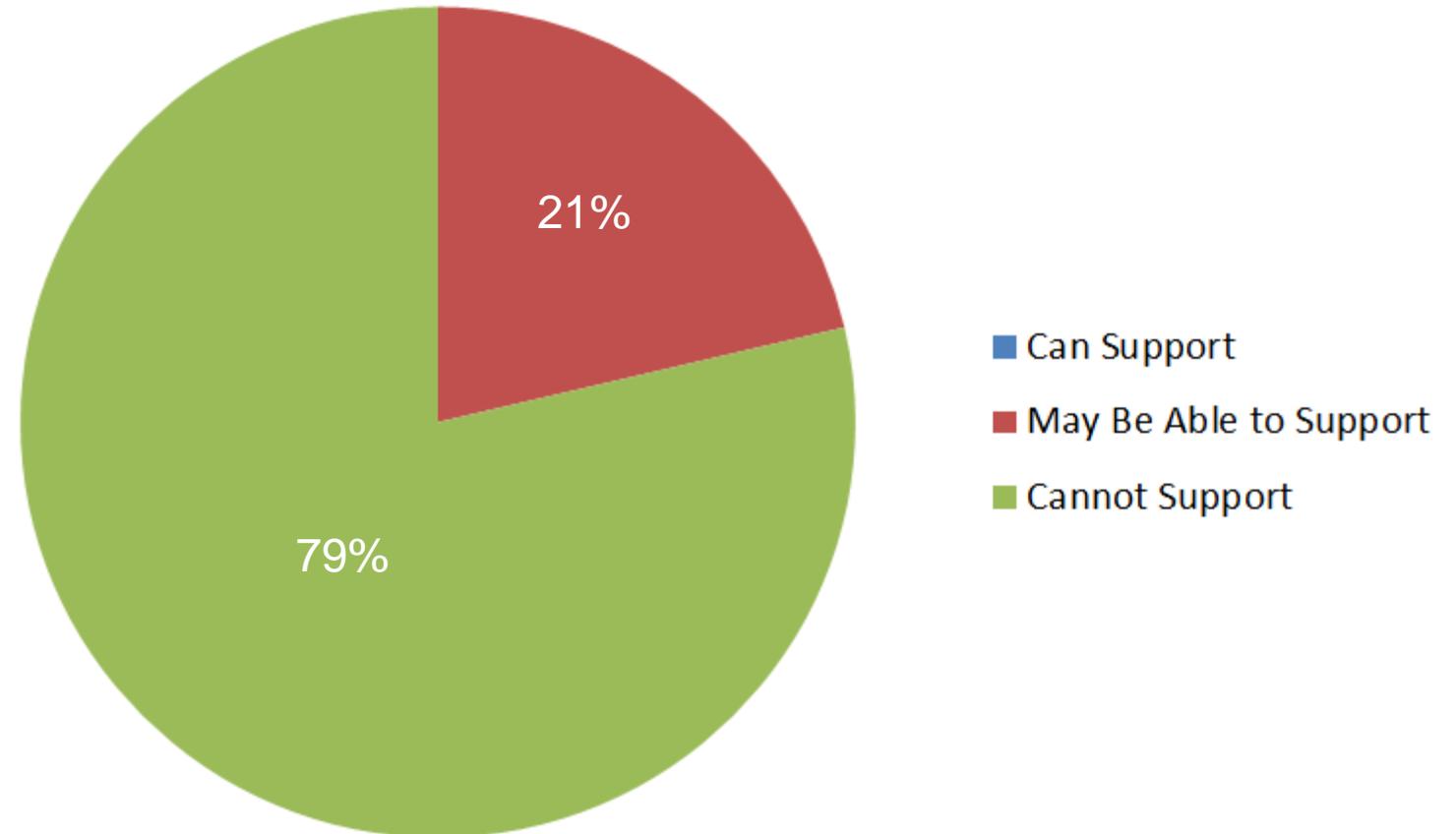


13. How would you like to treat sensitivities for Energy benefit calculation?

- Sensitivities defined prior to the beginning of the window must be used to capture robustness and performance; these mandatory sensitivities must pass a 1.00 B/C ratio for a project to be considered for recommendation to the PJM Board



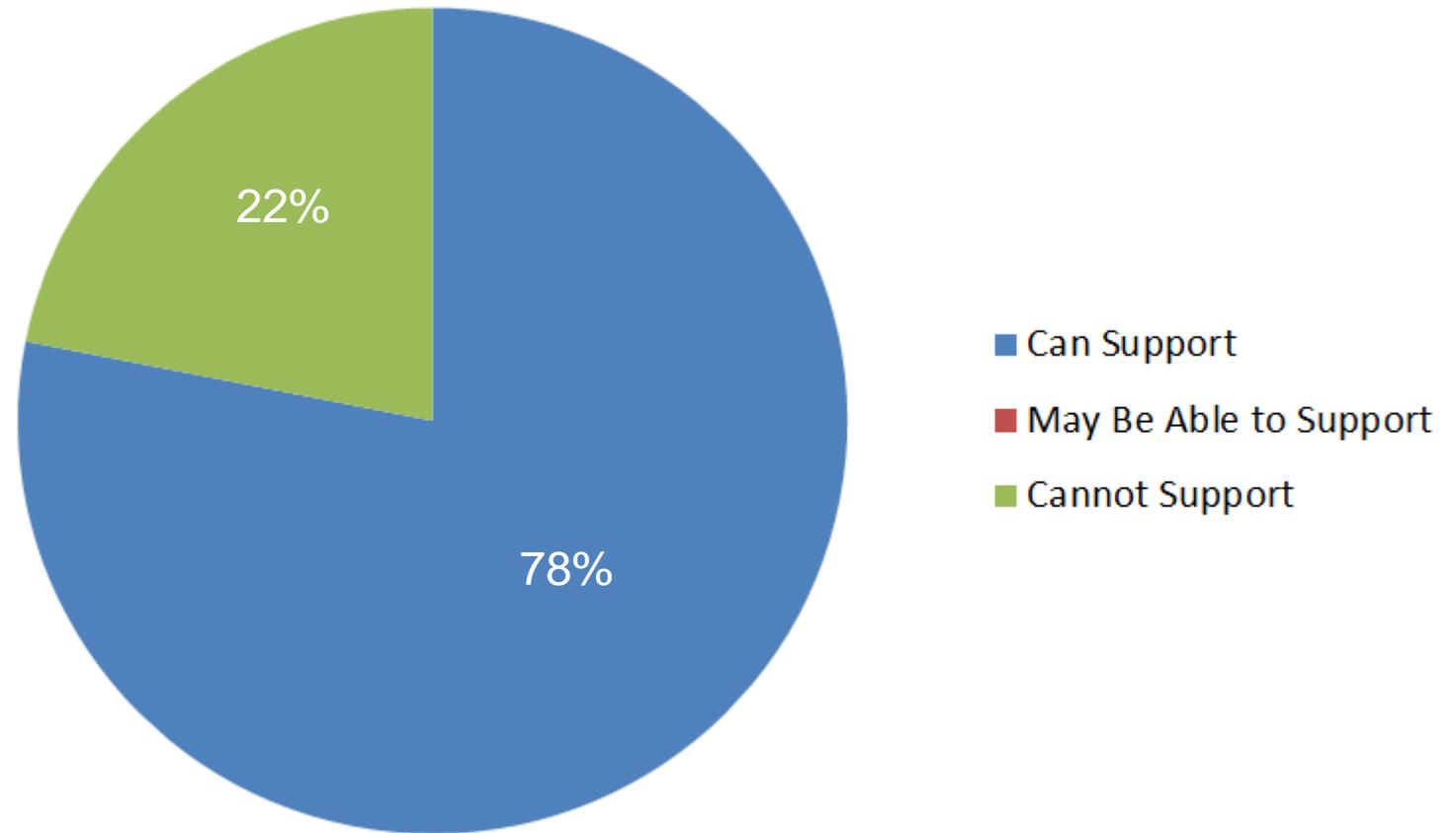
13. How would you like to treat sensitivities for Energy benefit calculation?



- Sensitivities defined prior to the beginning of the window must be used to capture robustness and performance; these mandatory sensitivities must pass a 1.25 B/C ratio for a project to be considered for recommendation to the PJM Board; sensitivities identified during the project evaluation phase can indicate robustness but cannot influence performance of projects. These optional sensitivities are only considered in the project selection process and do not require a passing threshold.

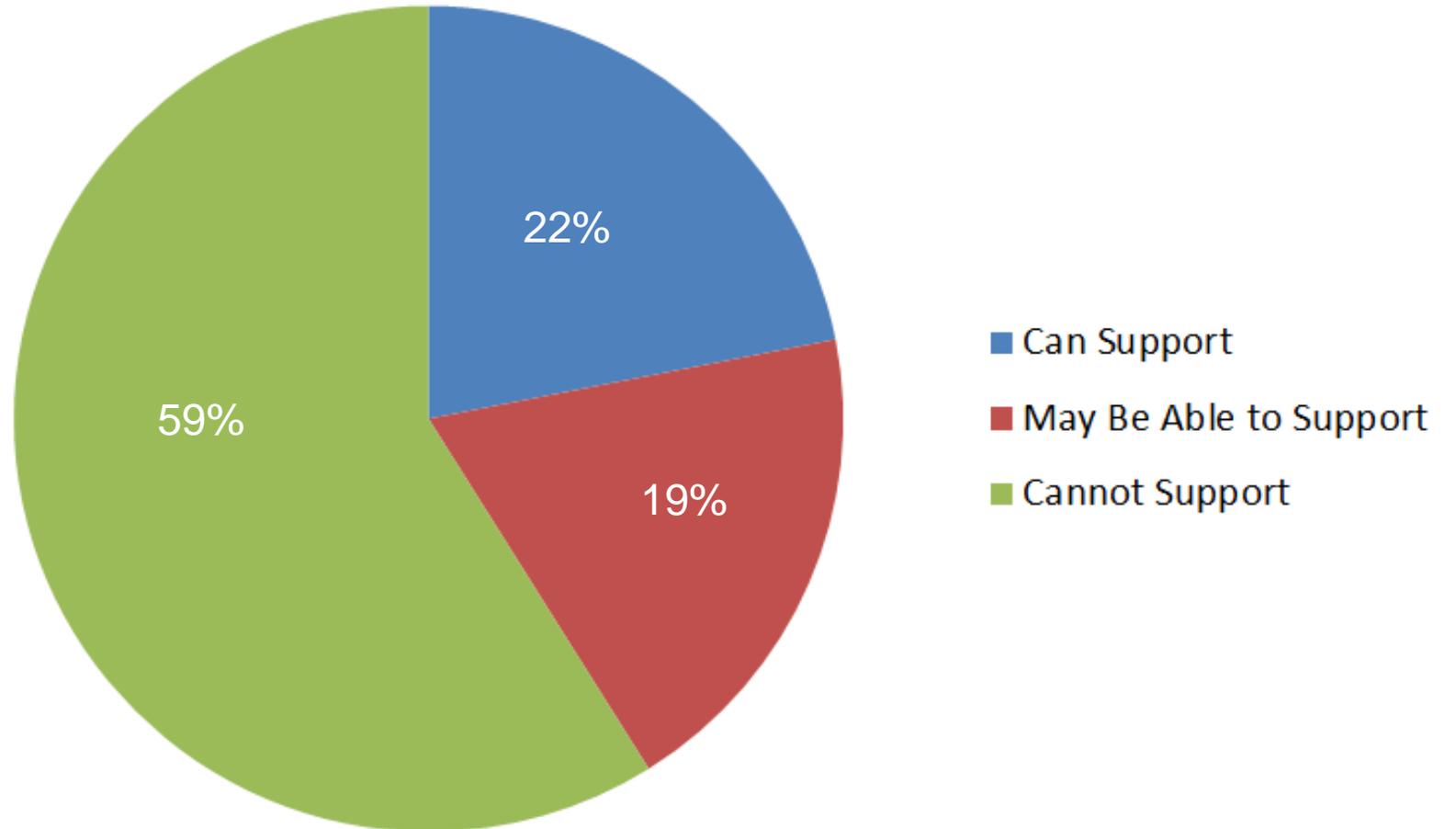
14. What is your preferred method to compute energy market benefits beyond the simulation years?

- Extrapolate utilizing the trend established for simulation years (Status Quo).



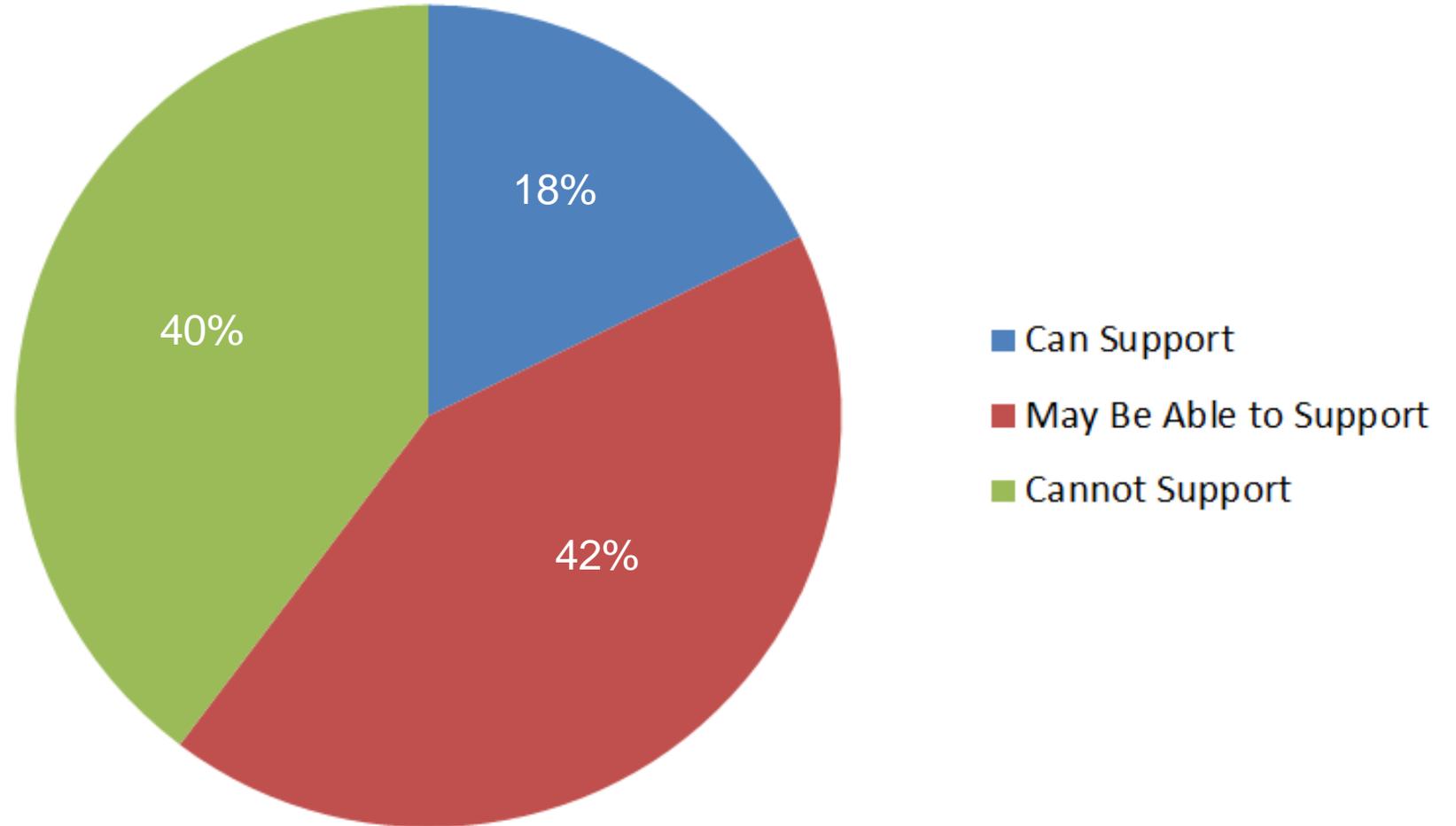
14. What is your preferred method to compute energy market benefits beyond the simulation years?

- Fix benefits beyond simulation years at the last simulation year benefit level (i.e. flat line).



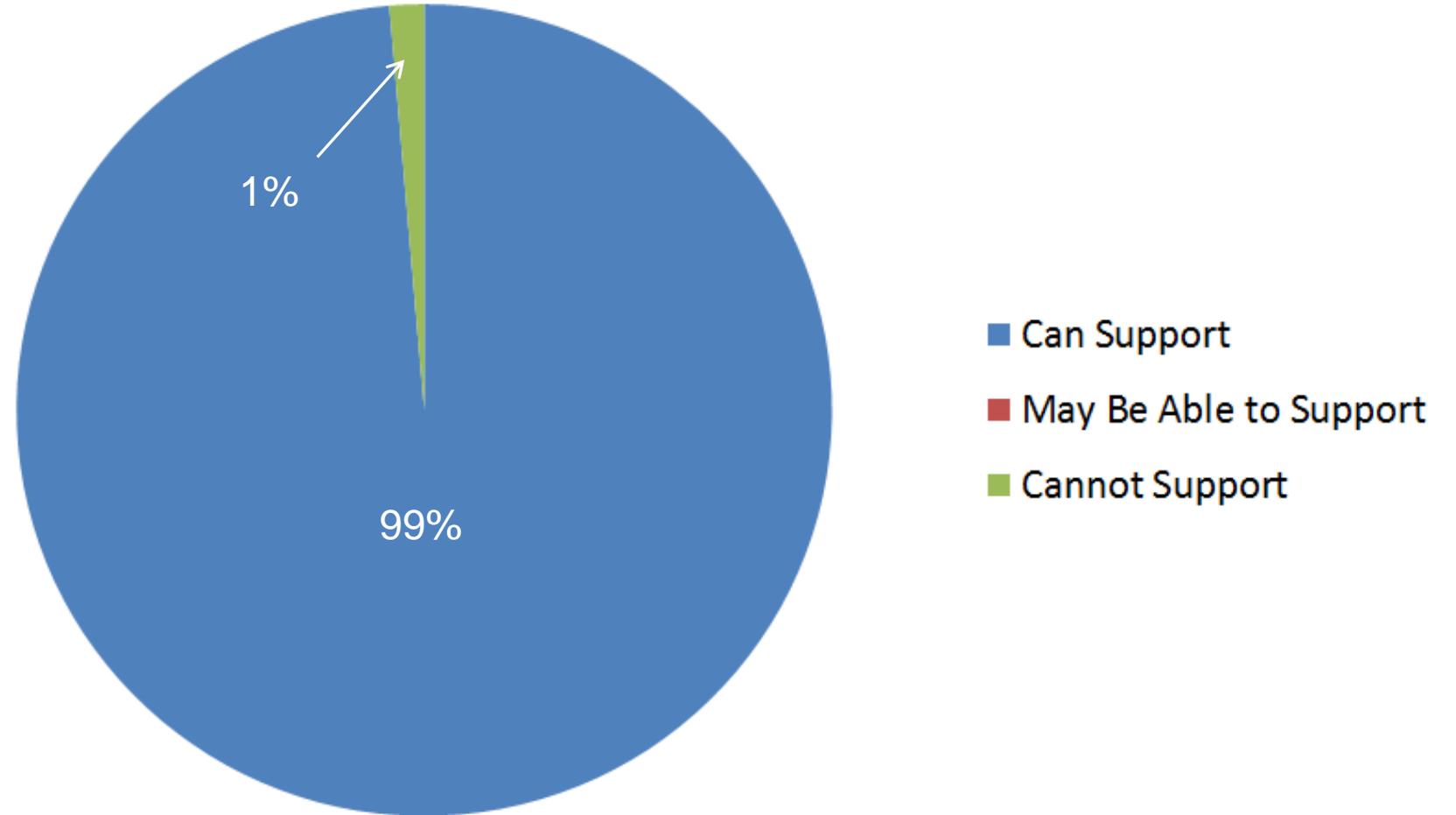
14. What is your preferred method to compute energy market benefits beyond the simulation years?

- Introduce an escalation factor to escalate benefits beyond simulation years (i.e. 3% escalation).



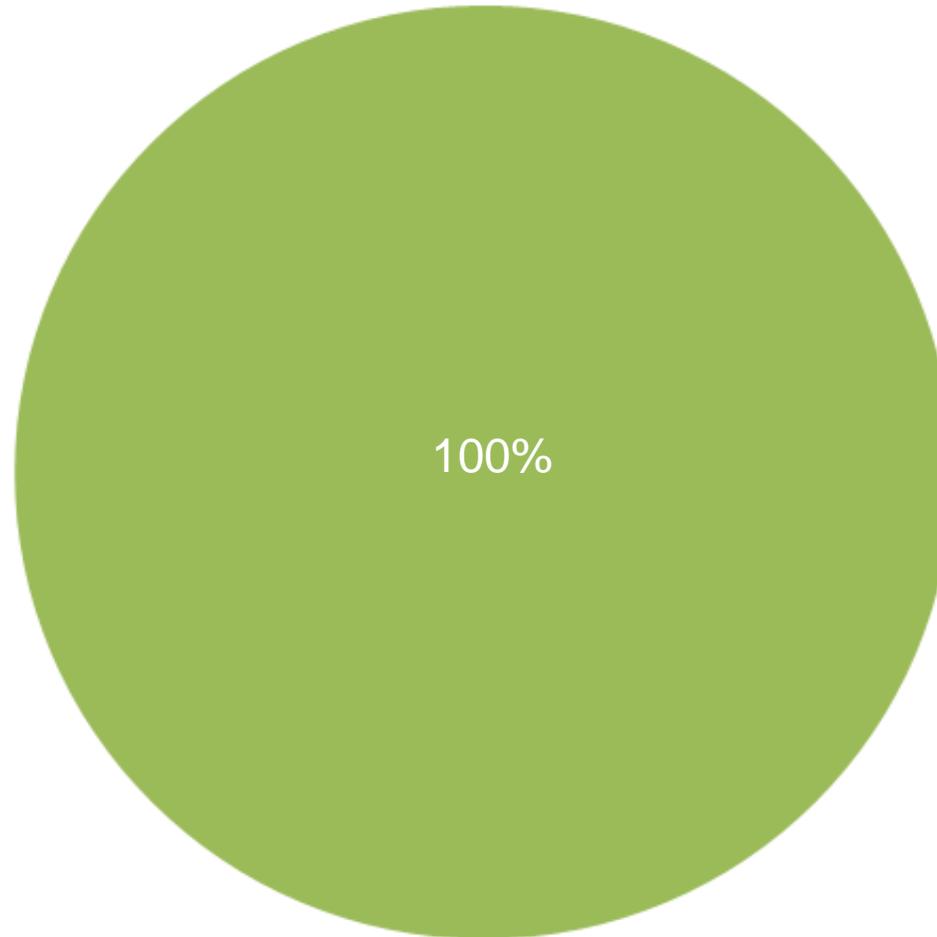
15. How would you like to treat negative benefits in the benefits calculation?

- Do not include negative benefits (Status Quo).



15. How would you like to treat negative benefits in the benefits calculation?

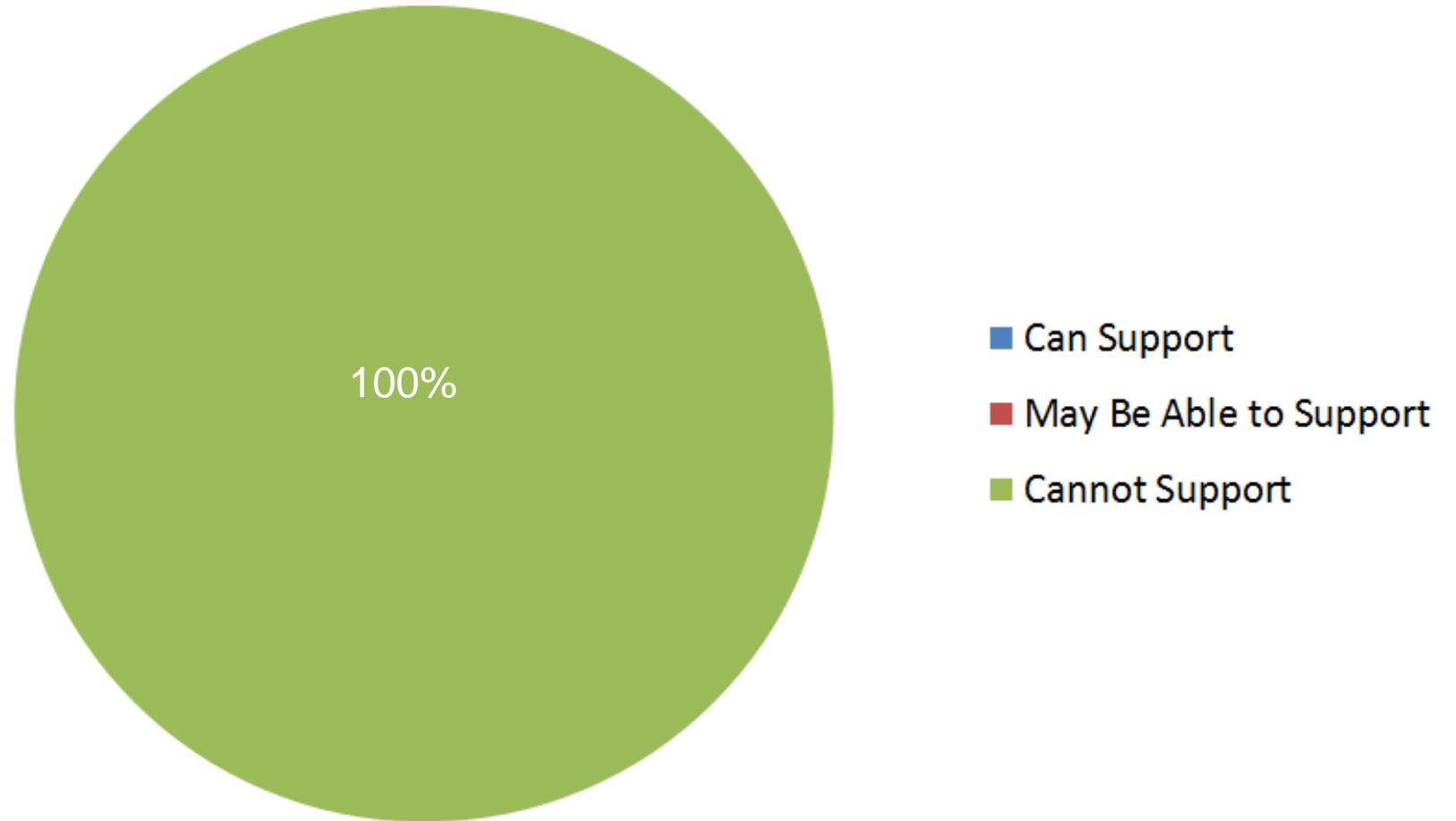
- Include negative benefits but lower the B/C ratio threshold to 1.00.



- Can Support
- May Be Able to Support
- Cannot Support

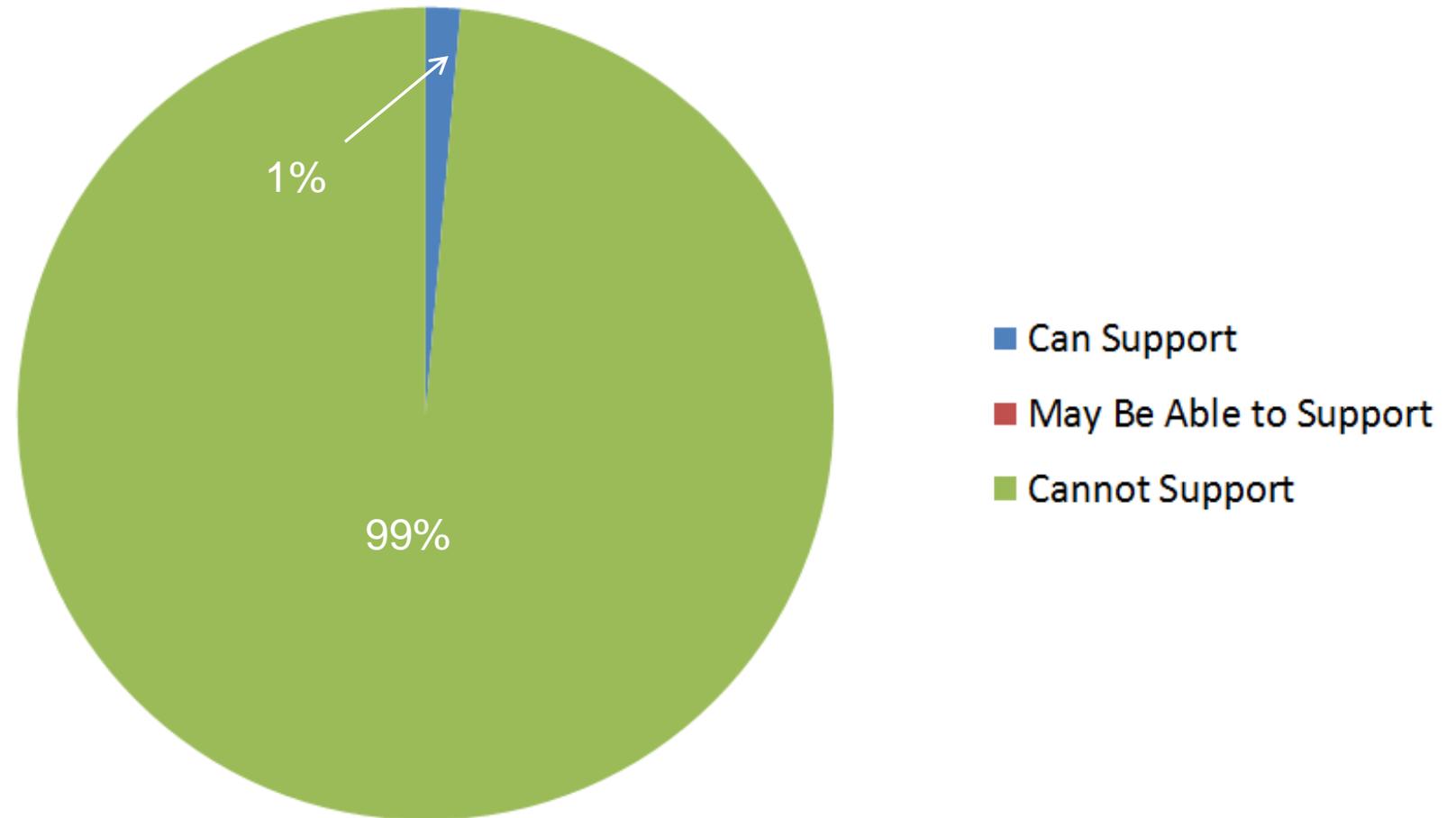
15. How would you like to treat negative benefits in the benefits calculation?

- Include negative benefits and leave the B/C ratio threshold at 1.25.



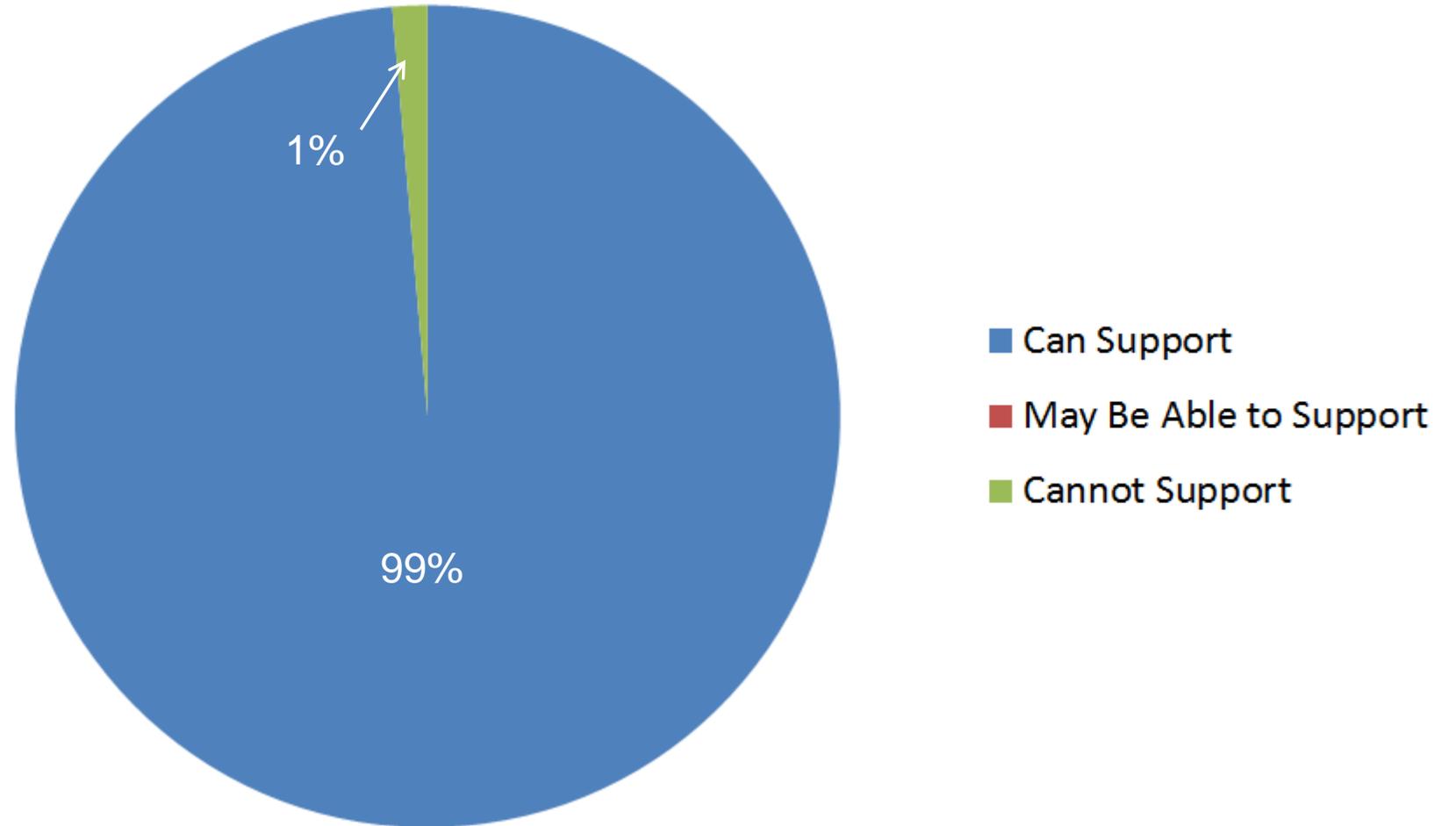
15. How would you like to treat negative benefits in the benefits calculation?

- Pass projects as long as 1) they have a positive total net benefit over all zones (where net benefits include both negative and positive benefits), AND 2) the B/C ratio calculated based on positive benefits exceeds 1.25



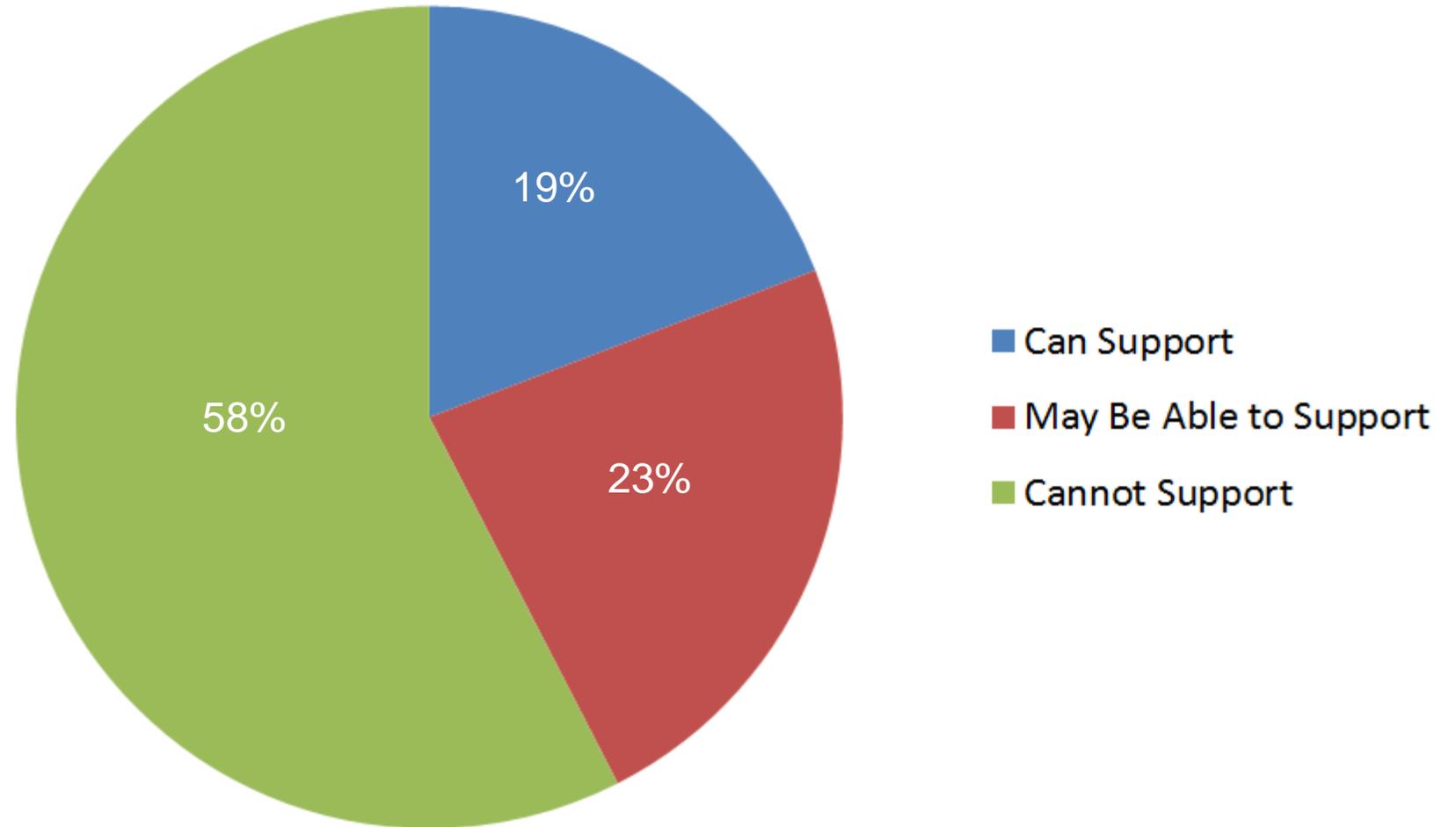
16. How should Auction Revenue Rights (ARR) be handled in calculating the Benefits?

- Reduce the amount of load payment savings by the change in ARR value (Status Quo).



16. How should Auction Revenue Rights (ARR) be handled in calculating the Benefits?

- Ignore ARR values in calculating load payment savings.



- Encourages full PJM legal review on the Order No. 1000 in regards to TMEP inconsistencies sooner rather than later.
- What goes into commercial probability for FSA modeling
- Is \$50 million the right number for reevaluating projects
- Majority of support for benefits of status quo (15 years)
- Further discussion needed for potential of escalation factor in benefits calculation