



Consumer Perspective:

Consumer Advocate Evaluation of PJM Planning Processes

December 10, 2024

Topics to present

- ▶ FERC Order 1920 thoughts
- ▶ Transparency concerns for local transmission projects
- ▶ [Unsuccessful efforts] Transparency of local transmission projects
- ▶ CAPS Initiatives for 2025 in the transmission space

FERC Order 1920 thoughts

*As presented to PJM stakeholders during the PJM Special TEAC Stakeholder process, September 24, 2024 (revised version.)

FERC Order 1920 thoughts

- ▶ Support for the overall purpose: Long-term holistic planning that is transparent and focuses on more efficient and cost-effective transmission solutions.
- ▶ “Meaningful” Transparency for local transmission projects.
- ▶ Support for Alternative Transmission Technologies
- ▶ Concerns over FERC’s grant to incumbent transmission owners the Right of First Refusal on some projects. (particularly, without clear consumer transparency, accountability, and protections.)

Transparency of local transmission projects

- ▶ FERC Order 1920 requires meaningful transparency of local planning projects.
- ▶ Both PJM and Transmission Owners have stated that the PJM M-3 process provides “meaningful” transparency of local transmission planning.*
- ▶ While the M-3 process provides some good foundational pieces, it lacks some basic informational components and thus, it is not considered meaningful to consumers – for example, reviewing cost effectiveness.
- ▶ Question: Should “meaningful” transparency be defined by those presenting the information or those receiving the information?
- ▶ **Question: How can stakeholders evaluate whether something is cost-effective if they are only provided the overall cost of the project?**
- ▶ **Question: Who is evaluating cost-effectiveness?**

*e.g. FERC Technical Conference: Transmission Planning and Cost Management, FERC Docket No. AD22-8-000 & AD21-15-000, Post Technical Conference Comments of PJM Interconnection, L.L.C., March 23, 2023, FN. 26 “It is clear that stakeholders have made use of the Planning Community **and have had a meaningful opportunity** to participate in the Attachment M-3 Process.” (emphasis added)

Meaningful Responses are Required

Paragraph 1628 of FERC Order 1920

“....Lastly, we require that transmission providers must respond to questions or comments from stakeholders such that it allows stakeholders to meaningfully participate in these three required stakeholder meetings.”*

***Question: What accountability is there to ensure appropriate information is provided?**

*FERC Order 1920, Building for the Future Through Electric Regional Transmission Planning and Cost Allocation, final rule, May 13, 2024, paragraph 1628.

Inability to Get Critical Information

- ▶ Deep dive of information conducted during the PJM (M-3) local project planning process for information presented in March and April, 2023.
- ▶ March, 2023 – 21 local planning solutions posted by transmission owners;
 - Approximately \$133 million in overall proposed costs presented.
 - State jurisdictions did not have oversight for 9 of the 21 (43%) or \$76.6 million worth of projects based on my review.
- ▶ April, 2023 - 23 local planning solutions provided by transmissions owners;
 - Just over \$410 million in overall proposed costs presented.
 - State jurisdictions did not have oversight for 17 of the 23 (74%) or \$386 million worth of projects based on my review.

*PJM Planning Committee, Item 5 – cost drivers in M3 process, April 11, 2023 – slide 16 & PJM Planning Committee, Item 6, presentation "Cost drivers in M3 process", May 7, 2023 - slide 3.

Responses to Requests For More Information in April, 2023 Were Not “Meaningful”... for Customers

- ▶ A few questions were posted in the PJM Planning Community for the 22 solutions presented.
- ▶ Responses for two questions were evasive – what I call litigation mode responses:
 - **Please Provide a breakdown of the project budget for the identified solution?**
 - All of the responses provided a similar canned response.
 - Thus, consumers only have the “sticker price” for these projects.
 - **Does the state utility commission have planning oversight over this solution, which state?**
 - All of the responses provided the same canned response that did not answer the solution specific question. (Some of the diagrams made it hard to tell the state(s) that were involved in the proposal.)

Basic Questions Asked About the Solutions Presented to Stakeholders in April, 2023 and the Representative Responses



[Planning Support \(PJM Interconnection, LLC\)](#)



4 months ago

(1) How was the "Total Estimated Transmission Cost" of [\$\$\$] developed?

AEP develops "Total Estimated Transmission Costs" provided in project solutions meeting presentations in accordance with industry-standard cost estimation practices. These estimates are preliminary in nature, based on the initial scope of work assumptions, and incorporate an appropriate level of contingency to account for uncertainties and unpredictability. AEP updates these cost estimates as project development progresses, and such updated costs are provided through the Project Status & Cost Allocation page on the PJM website.

(2) Please provide a breakdown of this project budget.

The presented project cost is an early-stage engineering estimate. As more analysis is performed and project development work progresses, costs are updated through the Project Status & Cost Allocation page on the PJM website.

(3) Does a state utility commission have planning oversight?


Information concerning state utility commission review of individual Attachment M-3 Projects is reflected in state law, which is publicly available. AEP will obtain all necessary approvals required by state law.

Like • Select as Best

Update: Further (unsuccessful) efforts to obtain project cost information.

- ▶ In November, 2024, follow-up questions were asked for nearly all of the projects through the PJM Planning Community. (The questions varied based on the status of the projects.)
 - Is there an updated budget [for the project]?
 - Can you provide additional details into the costs for this project at this point?
- ▶ Essentially, the answers to the questions were: no additional information will be provided. (Some transmission owners have updated the estimated cost for the project, but no transmission owner provided additional details into the costs for the projects..)

There is Also a Lack of Accountability in the M-3 Process: For Example, Projects Can Be Initiated or Completed Before Solutions are Presented. (There were 31 such instances in 2023. See appendix)



APS Transmission Zone M-3 Process
Misoperation Relay Projects

Need Number	Transmission Line / Substation Locations	New MVA Line Rating (SN / SE)	Scope of Work	Estimated Cost (\$ M)	Target ISD
APS-2021-007	Oak Grove – Johns Jct 138 kV Line	292 / 314	• Oak Grove 138 kV Substation – Replace substation conductor	\$ 1.10 M	IN SERVICE
	Johns Jct – Parkersburg 138 kV Line	292 / 314	• Parkersburg 138 kV Substation – Replace substation conductor		
APS-2021-008	Belmont – Trissler 648 138 kV Line	308 / 376	• Belmont 138 kV Substation – Replace substation conductor and wave trap • Trissler 138 kV Substation – Replace substation conductor, circuit breaker, and wave trap	\$ 2.08 M	IN SERVICE
APS-2021-009	French Creek – Pickens 138 kV Line	308 / 376	• French Creek 138 kV Substation – Replace substation conductor, circuit breaker, and wave trap • Pickens 138 kV Substation – Replace substation conductor, circuit breaker, and wave trap	\$ 2.15 M	4/21/2023

Alternatives Considered: Maintain existing condition
Project Status: In construction
Model: 2022 RTEP model for 2027 Summer (50/50)

SR RTEP Committee: Western – FirstEnergy Supplemental 04/21/2023

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*slide presented as an example to show some projects are completed prior to deadline to submit comments.

*PJM Planning Committee, Item 6, presentation “Cost drivers in M3 process, May 9, 2023” - slide 9.

Consumer Advocate Planning Process projects for 2025

- ▶ **CAPS Transmission Handbook**

- Current project: Update the Handbook with the 2023 Annual TEAC information (published by PJM in Spring 2024) and other important information. Updates will happen annually.

- ▶ **Further, expanded, transmission cost evaluations.**

- CAPS hired a consultant to assist us in evaluating whether specific supplemental costs are able to be tracked. The determination is that specific costs – other than the sticker price for projects – are not available through the PJM process.
- CAPS will have a consultant assist us by expanding the cost tracking evaluation to baseline projects. There are ongoing concerns about PJM's competitive transmission process.

*Note: there are new concerns that the PJM competitive transmission process stifles competition.

- ▶ **Order 1920 compliance filings:** Assistance with scoping out a set of resource needs and next steps that would help ensure customer considerations are front and center as transmission planning evolves in the PJM region.

Contact Information

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Appendix

Questions asked to FirstEnergy about the number of projects initiated or completed before solutions presented in the PJM M-3 process.

Questions:

- Are there more projects that FirstEnergy has completed/started construction prior to presenting the solutions at the PJM subregional stakeholder meeting?
- When was PJM made aware of the situation – where FirstEnergy had started construction of these projects prior to presenting the solutions to the PJM subregional?
- It is my perception that FirstEnergy's actions do not comply with the Attachment M-3 process (and thus the PJM tariff?). What action - if any - is taken by PJM in this type of situation?
- As I believe I recall hearing, FirstEnergy mentioned during the presentation of these (completed) solutions that FirstEnergy has alerted NERC and FERC about these situations. Can FirstEnergy provide more (any) details about these discussions?

Thanks for any information that can be provided!

*These questions were asked utilizing the PJM M-3 planning community platform in November, 2023. The responses provided no details.

31 identified Projects in 2023:

1. Project #: APS-2021-007
 - Reported upon at the PJM Subregional RTEP meeting -Western meeting 4/21/2023 (WV/OH?)
 - Project status: In Service – completed no date provided.
2. Project #: APS-2021-008
 - Reported upon at the PJM Subregional RTEP meeting -Western 4/21/2023 (WV)
 - Project status: In service – completed no date provided.
3. Project #: APS-2021-009
 - Reported upon at the PJM Subregional RTEP meeting -Western 4/21/2023 (WV)
 - Project status: In service – completed no date provided.
4. Project #: JCPL -2019-016
 - Reported upon at the PJM Subregional RTEP – Mid-Atlantic 5/18/2023 (NJ)
 - Project status: In service – completed no date provided.
5. Project #: JCPL 2023-002
 - Reported upon at the PJM Subregional RTEP – Mid-Atlantic 8/17/2023 (NJ/NY)
 - Project status: In service - completed no date provided. *need was identified in April
6. Project #: PN-2023-14
 - Reported upon at the PJM Subregional RTEP – Mid-Atlantic 10/19/2023 PA
 - Project status: In service 11/7/2022 * introduced as need on 9/14/23)
7. Project #: APS-2023-041
 - Reported upon at the PJM Subregional RTEP-Western 11/17/2023 (WV)
 - Project status: In service completed 6/16/2023 *need identified 10/20/2023
8. Project #: APS-2023-042
 - Reported upon at the PJM Subregional RTEP-Western 11/17/2023 (WV)
 - Project status: In service completed 5/26/2023 *need identified 10/20/2023
9. Project #: APS-2023-043
 - Reported upon at the PJM Subregional RTEP-Western 11/17/2023 (WV)
 - Project status: In service completed 12/01/2022 * need identified 10/20/2023

Project Status: Construction

1. Project #: APS-2023-003
 - Reported upon at the PJM Subregional RTEP meeting-Western 4/21/2023 (WV)
 - Project status: "Under Construction" - ISD 5/8/2023
2. Project #: APS-2023-027
 - Reported upon at the PJM Subregional RTEP - Western 8/18/2023 (WV)
 - Project status: "Construction" - ISD 10/27/2023)
3. Project #: APS-2023-018
 - Reported upon at the Subregional RTEP - Western 10/20/2023 (WV)
 - Project status: "Construction/engineering" ISD 12/1/2025)
4. Project #: APS-2023-019
 - Reported upon at the PJM Subregional RTEP - Western 10/20/2023 (WV)
 - Project status: "Construction/engineering" ISD 12/1/2025)
5. Project #: APS-2023-020
 - Reported upon at the PJM Subregional RTEP - Western 10/20/2023 (WV)
 - Project status: "Construction/engineering" -ISD 11/22/2023)
6. Project #: APS-2023-023
 - Reported upon at the PJM Subregional RTEP - Western 10/20/2023 (WV/PA)
 - Project status: "Construction/engineering" - ISD 11/17/2023)
7. Project #: APS-2023-024
 - Reported upon at the PJM Subregional RTEP - Western 10/20/2023 (WV/PA)
 - Project status: "Construction/engineering" ISD 5/15/2024)
8. Project #: APS-2023-025
 - Reported upon at the PJM Subregional RTEP - Western 10/20/2023 (WV/PA)
 - Project status: "Construction/engineering" - ISD 4/26/2024

9. Project #: PN-2023-15
 - Reported upon at the PJM Subregional RTEP – Mid-Atlantic 10/19/2023 (PA)
 - Project status: "Construction" - ISD 11/29/2023)
10. Project #: JCPL-2019-026
 - Reported upon at the PJM Subregional RTEP -Mid-Atlantic 11/16/2023 (NJ)
 - Project status: "Construction" - ISD 2/23/24
 - *99% failure rate of identified structures - need from 2019)
11. Project #: APS-2023-036
 - Reported upon at the PJM Subregional RTEP -Western 11/17/2023 (WV)
 - Project status: "In construction/engineering" - ISD 11/29/2024)
12. Project #: APS-2023-045
 - Reported upon at the PJM Subregional RTEP -Western 11/17/2023 (WV)
 - Project status: "In construction/engineering" - ISD 5/10/2024)
13. Project #: APS-2023-046
 - Reported upon at the PJM Subregional RTEP -Western 11/17/2023 (WV)
 - Project status: "In construction/engineering" ISD 12/01/2023)
14. Project #: APS-2023-047
 - Reported upon at the PJM Subregional RTEP -Western 11/17/2023 (WV)
 - Project status: "In construction/engineering" ISD 12/19/2023)
15. Project #: APS-2023-048
 - Reported upon at the PJM Subregional RTEP -Western 11/17/2023 (WV)
 - Project status: "In construction/engineering" - ISD 12/15/2023)
16. Project #: APS-2023-049
 - Reported upon at the PJM Subregional RTEP -Western 11/17/2023 (WV)
 - Project status: "In construction/engineering" ISD 1/29/2024)
17. Project #: APS-2023-051
 - Reported upon at the PJM Subregional RTEP-Western 11/17/2023 (WV?)
 - Project status: "Construction" ISD 12/31/2023) *need meeting 10/20/2023

Project Status: Initiation

1. ATSI-2023-006
 - Reported upon at the PJM Subregional RTEP meeting - Western 7/21/2023 (OH)
 - Project status: "Project Initiation" - ISD 4/8/2024)
2. APS-2023-013
 - Reported upon at the PJM Subregional RTEP - Western 7/21/2023 (WV?)
 - Project status: "Project Initiation" - ISD 5/3/2024)
3. APS - 2023-014
 - Reported upon at the PJM Subregional RTEP - Western 7/21/2023 (VA)
 - Project status: "Project Initiation" - ISD 5/30/2025)
4. APS - 2023-015
 - Reported upon at the PJM Subregional RTEP - Western 7/21/2023 (WV/VA?)
 - Project status: "Project Initiation" - ISD 12/31/2024
5. ATSI-2023-007
 - Reported upon at the PJM Subregional RTEP - Western 8/18/2023 (OH)
 - Project status: "Project Initiation" - ISD 3/21/2024