Dear PJM Board and Transmission Owners,

OPSI appreciates the opportunity to provide comments to Attachment M-4, *Special Procedures Solely Applicable to Planning of CIP-014 Mitigation Supplemenatal Projects*, issued August 12, 2019, by PJM on behalf of PJM Transmission Owners.¹ We understand that, if adopted and approved by FERC, this new procedure would serve to implement transmission enhancements for the purpose of removing locations identified as highly critical from the list of NERC Reliability Standard CIP-014-2 transmission stations and substations.

We direct these comments and questions to both the Transmission Owners and the PJM Board, as several of our recommendations would entail a commitment of PJM resources to facilitate implementation of the procedure. Our general comments are presented below by designated section or step identified in Attachment M-4. Specific suggested revisions are provided in the attached edits.

**Purpose, Limited Scope, Sunset and Definitions**

Please provide more detail on how and when CIP-14 Mitigation Project (CMP) information gets factored into PJM’s models and its transmission planning processes.

In addition to the maximum number of facilities eligible for CMP region-wide, please identify the maximum number of eligible facilities in any one transmission zone.

Please explain why draft Attachment M-4 is proposed as an alternative mechanism to planning Supplemental Projects as opposed to creating a new category of transmission planning.

**Steps 1 through 3**

We propose a few clarification changes and provide references to other sections of Attachment M-4.

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¹ These comments were unanimously approved by the OPSI Board.
Step 4
We propose to strengthen the PJM review section with independent review (by PJM or their expert consultants) of proposed projects and potential alternatives to provide assurances that the projects considered are efficient and cost effective. These revisions are in keeping with the reliance on unaffiliated third-party reviewers prescribed in CIP-014-2.

Steps 5 and 6
We propose to add further consultation opportunities with State Commissions.

Step 7
We believe that a metric or set of metrics to assess cost and consequence reduction associated with a CMP is necessary. Accordingly, the Attachment M-4 edits include the provision for a Sensitivity Test. While OPSI Staff hasn’t had the opportunity to more fully develop the test, we offer the following for consideration.

i. Project cost displaces costs associated with maintaining physical security for stations/substations on the CIP-014 list; or

ii. Project will have a *de minimis* impact on the Transmission Owner’s revenue requirement; or

iii. Project will result in a certain level of consequence reduction (to be developed); and

iv. A more efficient or cost effective distribution system-level solution for remedying the consequences of a CIP-014 event is not available.

We also include provisions for alternative project funding mechanisms and adherence to applicable permitting and siting requirements.

Steps 8 and 10
We propose a few clarification changes regarding safeguards and confidentiality.

Step 11
We include opportunities for State Commissions briefings and provide references to other sections of Attachment M-4.

We recognize that this is an important issue and that our comments and questions may be extensive. We invite you to work with OPSI Staff regarding further development of the procedure.

Sincerely,

Commissioner Michael Richard

OPSI President
ATTACHMENT M-4
SPECIAL PROCEDURES SOLELY APPLICABLE TO PLANNING OF CIP-014 MITIGATION SUPPLEMENTAL PROJECTS

Purpose, Limited Scope, Sunset, and Definitions. Under NERC Reliability Standard CIP-014-2 ("CIP-014"), as it may be redesignated from time to time, Transmission Owners are required to develop and implement physical security plans to protect certain critical transmission facilities. The purpose of this Attachment M-4 is to provide Transmission Owners with an alternative mechanism to planning Supplemental Projects that fall within the subset of CIP-014 mitigation projects ("CMP") as defined in Step 1 of this Attachment M-4. This alternative mechanism is necessary to ensure that security is maintained relative to CMPs needed to that would remove specific transmission stations or substations from the list of CIP-014 facilities while also providing reasonable transparency into the planning process for CMPs. Notwithstanding the procedures provided for in Attachment M-3 or other planning requirements with respect to all other Supplemental Projects, including proposed project reviews by the Transmission Expansion Advisory Committee or Subregional RTEP Committees and inclusion in the Local Plan, this Attachment M-4 provides special targeted procedures that the Transmission Owners and the PJM Transmission Provider may shall follow in connection with CMPs, which have the specific purpose of removing transmission stations or substations from the list of CIP-014 facilities, for within the limited period for which this Attachment M-4 shall be in effect pursuant to the Sunset provision and Step 1 of this Attachment M-4. Other than to the extent that CMP information is included in PJM models, this information shall not be made available to the public during the planning and construction of the CMP only under the confidentiality provisions of the Operating Agreement or under Critical Energy Infrastructure Information protection procedures during the planning and construction of the CMP as described in Steps 3 through 8 and 10 below. Provisions for confidential consultations with state commissions during planning and construction are described in Steps 5, 6 and 11 below.

The M-4 process consists of the following steps:

1. For purposes of this Attachment M-4, a CMP shall mean a "Supplemental Project", as defined in the Operating Agreement, Schedule 6, Section 1.42A.02, that is (a) designed specifically to remove a transmission station or substation from the list of CIP-014 facilities identified as of September 30, 2018 as requiring a documented physical security plan; and (b) submitted to PJM for verification and reviewed by PJM in accordance with Step 4 of this Attachment M-4. The intent is to complete CMPs no later than five (5) years after the date that the Commission issues an Order accepting this Attachment M-4 takes effect in accordance with an order of the Commission.

2. The number of stations and substations throughout the PJM region eligible for CMPs will not exceed 20, the maximum allowable under the finite list referred to in Step 1 of this Attachment M-4. The process set forth in this Attachment M-4 shall be in effect and available only as to CMPs designed specifically to remove a transmission station or substation from the list of CIP-014 facilities as it exists on September 30, 2018 and will cease to apply to any transmission station or substation that if it is removed or eliminated from that list immediately upon such removal or elimination.
3. Transmission Owner Deliberative Process. A Transmission Owner will submit to PJM:

a. Potential Solutions. The potential alternate means of eliminating a transmission station or substation from the list of CIP-014 facilities; and

b. Proposed/Preferred Solution. Identification from among those possibilities the solution that in the view of the Transmission Owner constitutes the most efficient or cost effective solution to mitigate such risksenable the transmission station or substation to be removed from the list of CIP-014 facilities.

4. PJM Review. Upon receiving the request preferred solution and the alternatives from a Transmission Owner pursuant to Step 3 above, PJM (or consultants selected by PJM) shall evaluate those potential solutions as well as any other alternative PJM independently determines to have potential merit and determine the most efficient and cost effective approach which will enable the transmission station or substation to be removed from the list of CIP-014 facilities verify PJM shall report its findings to the Transmission Owner in writing before the CMP can proceed any further that the CMP Recommended and either: (i) identify the solution PJM finds to be the most efficient or cost effective solution of the alternatives studied (i.e. the PJM-recommended solution); or (ii) explain its rationale for recommending that a CMP solution not be pursued.

For any CMP project ultimately selected for construction by the Transmission Owner, PJM shall verify, confirm and report to the Transmission Owner in writing, that the project:

a. Will result in removal of one or more transmission stations or transmission substations from the finite list of facilities described in Step 1 above and identified under CIP-014 facilities as it exists on September 30, 2018;

b. Does not provide a solution to a reliability, operational performance, economic criteria violation market efficiency or public policy need already being more cost effectively addressed elsewhere; or that

c. Does not serve to remove transmission station(s) or substation(s) from the CIP-014 list that would otherwise be removed from the list through the PJM Regional Transmission Expansion Plan (RTEP) process; and

da. Regional Transmission Expansion Plan (RTEP) project does not exist that will result in the removal of the subject transmission station(s) or substation(s) from the CIP-014 list; and
d. Does not result in reliability or operational performance criteria violations under the RTEP protocol.

5. Consultation with State Commissions.

a. Any Transmission Owner having recommended a CMP that is verified by PJM submitted to PJM a preferred CMP and potential alternate means of eliminating a transmission station or substation from the list of CIP-014 facilities pursuant to Step 3 above shall seek to meet and confer with any State
Commission(s) where a CMP is to be constructed and shall meet with any such State Commission wishing to have such meeting. PJM shall be invited to participate in any such meeting. Topics for discussion shall include, but not be limited to the considerations specified in CIP-014, including the need for a CMP, the alternatives considered to PJM, and the recommended Transmission Owner's preferred CMP, and PJM's review findings.

b. Upon PJM’s completion of the review specified in Step 4 above, the Transmission Owner shall again seek to meet with any State Commission(s) where a CMP is proposed and shall meet with any such State Commission wishing to have such meeting. PJM shall be invited to participate in any such meeting. Topics for discussion shall include, but not be limited to PJM’s review and findings, including the efficiency and cost-effectiveness of the PJM-proposed solution as compared to the alternatives studied.

c. Upon reaching a decision to construct a CMP, the Transmission Owner shall select a CMP that has received the PJM verifications and confirmations in Step 4a, b, c, and d. But before construction is initiated, the Transmission Owner shall further seek to meet with any State Commission(s) where a CMP is proposed to be constructed and shall meet with any such State Commission wishing to have such meeting. PJM shall be invited to participate in any such meeting. Topics for discussion shall include, but not be limited to the rationale for location, and specifications of the project selected and potential siting issues, particularly those that could affect the estimated project cost.

Such Transmission Owner shall take necessary safeguards to observe the strictest nonpublic classification allowable by law to preserve necessary confidentiality when conducting such outreach communications.

6. PJM Interim/Periodic Review and Interim Consultation with State Commissions. Nothing in this Attachment M-4 precludes PJM, at its sole discretion, from conducting additional periodic examinations to verify the continuing validity of its verification and review findings under Step 4, above. Similarly, nothing in this Attachment M-4 precludes PJM from consulting with State Commissions in addition to those specified in Step 5 above, with or without the participation of the relevant Transmission Owner.

7. Project Selection, Notification and Compliance,

a. Sensitivity Test. If the following Sensitivity Test is not passed, the Transmission Owner shall not pursue a CMP. In no circumstances shall a project be selected for construction that does not pass the following Sensitivity Test conducted by PJM.

   [Sensitivity Test Under Development]

b. Transmission Owner Notification to PJM. Upon satisfaction of all parts of Step 5, the Transmission Owner shall notify PJM in writing that a CMP will be constructed and identify the location and specifications of the project selected.
8. **CMP Construction.** Any Transmission Owner undertaking construction of a CMP shall continue to adhere to the obligation to maintain and provide for take necessary safeguards to ensure necessary confidentiality to the maximum extent provided by law in communications with the State Commissions, other licensing/permitting authorities, and PJM until the CMP is placed in service.

9. **CMP In-Service Placement.** A Transmission Owner shall have complied with Steps 3 through 8 before the CMP may be placed in-service.

10. **Lifting of Confidentiality.** At any step in the process above as soon as that the level of needed confidentiality diminishes or is eliminated with respect to elements of CMP information needed for confidentiality has been alleviated, such confidentiality shall be reduced or lifted.

    As a precondition to any Transmission Owner being eligible for recovery of the costs of the CMP, the Transmission Owner will provide public notice of the existence of the CMP.

**DRAFT 08.12.19**

11. **Public Review of CMP.** At no time prior to the existence of the CMP being made known to the public by adherence to Step 10 of this Attachment M-4 shall the costs of any CMP be eligible for inclusion in rates filed by any Transmission Owner. After notice of the existence of a CMP has been provided by adherence to Step 10 of this Attachment M-4, the Transmission Owner may propose to recover its investment in the CMP and the associated costs from Responsible Customers in its Zone through a rate, including a formula rate, in effect under the applicable Attachment H of this Tariff. Any such proposal shall be subject to all procedures applicable under the applicable Attachment H, the Federal Power Act, and the Commission’s regulations, including any applicable procedures for the protection against disclosure of commercially sensitive information and Critical Energy Infrastructure Information.

**Modifications.** This Attachment M-4 may only be modified under Section 205 of the Federal Power Act if the proposed modification has been authorized by the PJM Transmission Owners Agreement Administrative Committee in accordance with Section 8.5 of the Consolidated Transmission Owners Agreement.

**Sunset.** This Attachment M-4 terminates five years after the issuance date of an Order from the Federal Energy Regulatory Commission approving this Attachment M-4 for inclusion in the PJM Tariff, however, CMPs already underway under construction as of that date of termination shall be completed and may proceed and the conditions in Steps 8, 9, 10, and 11 shall remain in force. For any CMP proceeding after the sunset date, quarterly status reports shall be provided to any State Commission previously consulted under Paragraph Step 5.