

PJM Members Committee Resolution related to PJM Transmission Owners Section 205 Consultation with PJM Members Committee Under Section 9.1 of PJM OATT

WHEREAS, the PJM Transmission Owners provided email notification to the PJM Members Committee on August 12, 2019 of a “Notice of Transmission Owners’ Intent to File a New Attachment M-4 to the PJM Tariff Solely Applicable to the Planning of CIP-014 Mitigation Project” (“M-4 Proposal”).

WHEREAS, the proposed PJM Transmission Owner M-4 Proposal suggests that the transmission planning project category of Supplemental Projects include the planning of projects critical to the nation’s national security.

WHEREAS, under Section 9.1 of the PJM OATT, beginning no less than 30 days prior to any PJM Transmission Owner Section 205 filing, the PJM Transmission Owners shall consult with both PJM and the PJM Members Committee related to the substance of the filing.

WHEREAS, under Section 9.2 of the PJM OATT, PJM must also separately consult with the PJM Members Committee if they intend to join the PJM Transmission Owner 205 filing. To date, PJM has not invoked any such consultation with the PJM Members Committee related to the M-4 Proposal, only the PJM Transmission Owners.

WHEREAS, under Section 18.6 of the PJM OATT, only the PJM Members Committee has rights to file pursuant to Section 205 of the Federal Power Act changes related to the PJM Operating Agreement.

WHEREAS, PJM is obligated to implement and follow the entirety of both the PJM Tariff and the PJM Operating Agreement. Any proposed changes to the PJM Tariff made by the PJM Transmission Owners must be consistent with the PJM Operating Agreement. If inconsistent, any PJM Operating Agreement changes must be agreed upon by the PJM Members Committee.

WHEREAS, the proposed M-4 Proposal has inconsistencies with the existing regional planning process and the PJM Operating Agreement, which is controlled by the Members of PJM, not the Transmission Owners.

WHEREAS, Schedule 6 of the Operating Agreement exclusively addresses the mechanism for incorporation of Supplemental Projects into the Regional Transmission Expansion Plan. The M-4 Proposal has not addressed the conflicting requirements of the Operating Agreement or the Attachment M-3 process, nor addressed the impacts to operating or developing generation assets.

WHEREAS, the proposed PJM Transmission Owner M-4 Proposal proposes new policy precedent that battery and non-transmission alternatives be deemed Supplemental Projects and not open to competition.

WHEREAS, the Federal Energy Regulatory Commission has stated in recent orders that the category of Supplemental Projects is a product of PJM choice, not Commission mandate.

WHEREAS, PJM is a world-class regional transmission planner with internationally-respected transmission planning capabilities.

WHEREAS, the planning of critical PJM-controlled facilities goes to the heart of PJM's core responsibilities and such important matters cannot be addressed solely through a unilateral 205 OATT amendment filing by the Transmission Owners.

WHEREAS, the Organization of PJM States Board has supported in their unanimous communication with the PJM Board that PJM, not Transmission Owners, should be the predominant planner of such critical facilities; AND

WHEREAS, when transmission is predominately planned by PJM, such regional transmission planning is governed by the PJM Operating Agreement, not the PJM OATT.

BE IT RESOLVED, THAT THE PJM MEMBERS COMMITTEE CONSULTATION WITH THE PJM TRANSMISSION OWNERS RELATING TO ITS M-4 PROPOSAL CONCLUDES THAT:

- **THE M-4 PROPOSAL IS NOT ENDORSED BY THE MEMBERS COMMITTEE**
 - **THE M-4 PROPOSAL HAS INCONSISTENCIES WITH THE EXISTING PJM OPERATING AGREEMENT;**
 - **AS A MATTER OF POLICY, PJM, NOT THE PJM TRANSMISSION OWNERS, SHOULD BE THE PREDOMINANT PLANNER OF SUCH CRITICAL FACILITIES RELATED TO OUR NATION'S SECURITY. THIS POLICY SHOULD BE IMPLEMENTED AND ENFORCED THROUGH THE PJM OPERATING AGREEMENT.**
 - **AS A MATTER OF POLICY, THE CATEGORY OF SUPPLEMENTAL PROJECTS IS OF INCREASING CONCERN TO PJM MEMBERS.**
 - **AS A MATTER OF POLICY, SUPPLEMENTAL PROJECTS IS A NOT AN APPROPRIATE VENUE FOR ADDRESSING SUCH CRITICAL PROJECTS THAT IMPACT REGIONAL RELIABILITY.**
- **INCONSISTENCIES WITH THE CURRENT PJM OPERATING AGREEMENT AND APPROPRIATE POLICY SHOULD BE ADDRESSED BY MEMBERS COMMITTEE PRIOR TO FILING ANY 205 FILING AT FERC;**
- **THE MEMBERS COMMITTEE DOES NOT CONCEDE THAT THE TRANSMISSION OWNERS HAVE THE EXCLUSIVE SECTION 205 RIGHTS WITH RESPECT TO THE ISSUES RAISED BY THE M-4 PROPOSAL;**
- **PJM SHOULD NOT ENDORSE THE SECTION 205 M-4 PROPOSAL FILING BY THE PJM TRANSMISSION OWNERS UNLESS AND UNTIL THE PREVIOUSLY NOTED OPERATING AGREEMENT INCONSISTENCIES ARE RESOLVED TO THE SATISFACTION OF THE MEMBERS COMMITTEE.**