

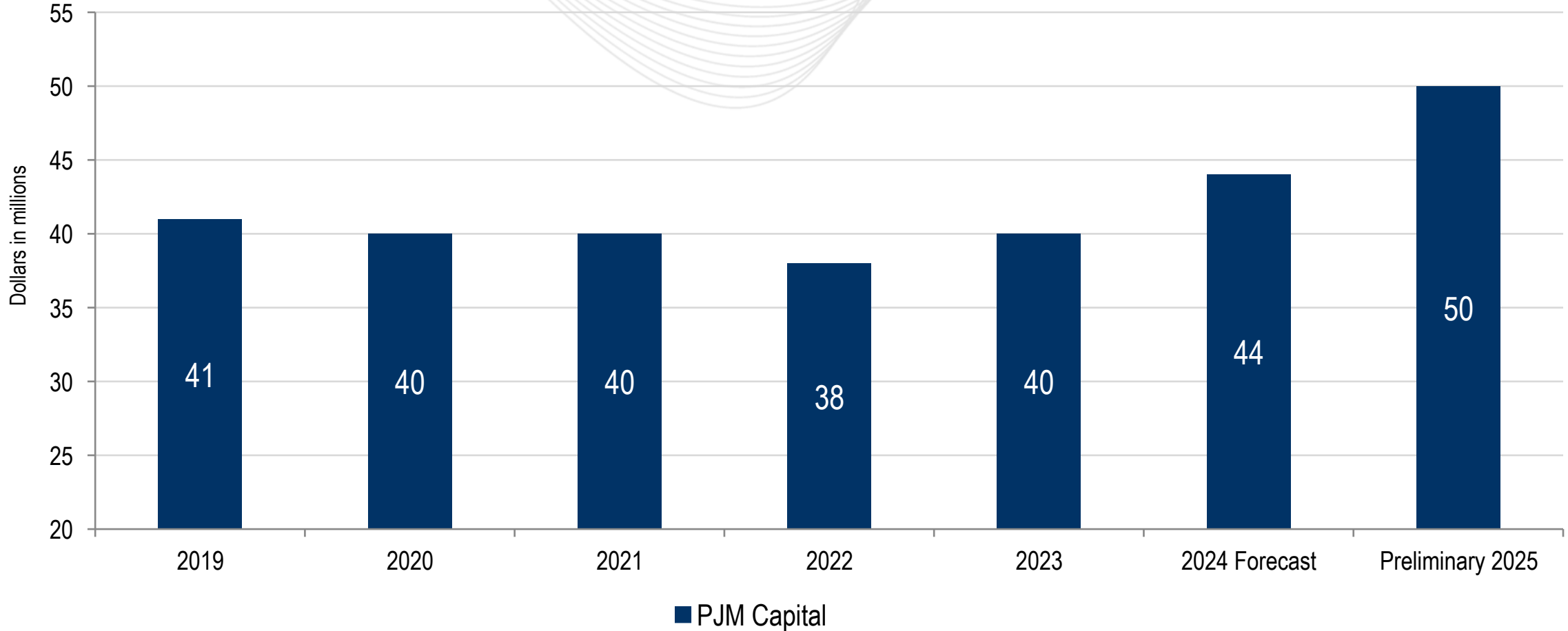


# Preliminary Project 2025 Budget

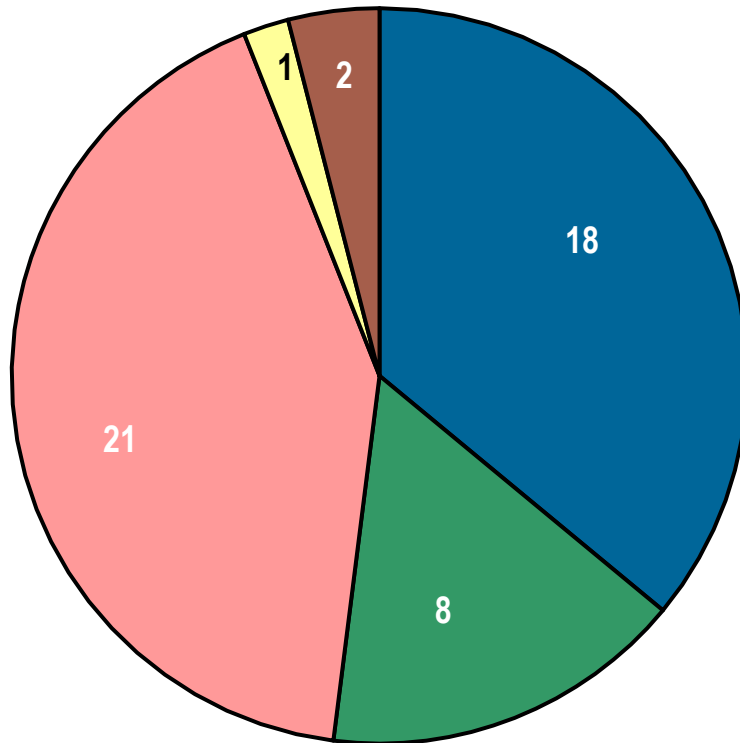
Operating Committee  
September 12, 2024  
Jim Snow



# Annual Capital Expenditures



Total = \$50 million



- Current Applications & Systems Reliability
- Facilities and Technology Infrastructure
- Application Replacements
- Interregional Coordination
- New Products/Services



# Application Replacements/Retrofit

| <i>(dollars in millions, except rates)</i> | 2024 | 2025 |
|--|------|------|
| Capital                                    | 8    | 21   |
| Expense                                    | 3    | 5    |

**Energy Management Network Application and Training Systems** – This project will implement updated architecture for PJM’s Transmission Network Application (TNA) and the Operator/Dispatch Training (OTS/DTS) systems. *Service Category: 9-1 Control Area Services*

**Energy Management Model Manager** – This project will implement updated architecture for PJM’s Model Manager (IMM) system. *Service Category: 9-1 Control Area Services*

**Next Generation Markets Systems (nGEM)** – This project is a collaborative project with vendor and ISOs/RTOs to transform the market systems architecture, technology and products. *Service Category: 9-3 Market Support Services*

**New Forecast Model Implementation** – This project will implement a new short term load forecast model. *Service Category: 9-1 Control Area Services*

**Market Settlements Billing Refresh** – This project will replace an out-of-support application critical to the weekly and monthly billing system. *Service Category: 9-PSI PJM Settlements Inc.*

**SAP ERP Refresh** – This project will replace the legacy system with the newest SAP ERP product. *Service Category: 9-5 Management Services*



# Current Applications & Systems Reliability

| <i>(dollars in millions, except rates)</i> | 2024 | 2025 |
|--|------|------|
| Capital                                    | 21   | 18   |
| Expense                                    | 8    | 7    |

**Data Analytics** – A series of projects to enhance and modernize PJM’s data and analytical capabilities, skills and tools. *Service Category: 9-5 Management Services*

**DART Refresh and Enhancements** – A series of projects to integrate the Dispatcher Application and Reporting Tool (DART) into PJM’s updated standardized software tools framework, and to provide functional enhancements to the application. *Service Category: 9-1 Control Area Services*

**System Planning Enhancements** – A series of projects to improve and automate RTEP processes, regional transmission planning, and to support Transmission Reform. *Service Category: 9-1 Control Area Services*

**Dispatch Tools Enhancements** – A series of enhancements to improve dispatcher situational awareness, automate operational processes, and make necessary changes as a result of FERC order on ambient adjusted ratings (AAR). *Service Category: 9-1 Control Area Services*

**Credit and Risk Enhancements** – Automation and efficiency improvements of credit/ risk applications. *Service Category: 9-PSI PJM Settlements & 9-2 FTR Services*

**Membership Services Tool Enhancements** – A series of projects to enhance the customer relationship management, the Learning Management and Training system tools. *Service Category: 9-5 Management Services*

**Cyber Security Enhancements** – A series of projects to enhance monitoring and security access of PJM’s computer systems, and remediate potential vulnerabilities. *Service Category: 9-5 Management Services*

**PJM.com and Intranet Enhancements** – A series of projects to address functionality updates to PJM.com and PJM’s internal employee website. *Service Category: 9-5 Management Services*



# Facilities and Technology Infrastructure

| <i>(dollars in millions, except rates)</i> | 2024 | 2025 |
|--|------|------|
| Capital                                    | 11   | 8    |
| Expense                                    | 2    | 3    |

**Technology Infrastructure Upgrades** – Projects purchasing network, server, and storage infrastructure equipment. This scope will align technology with PJM’s current architecture as older infrastructure becomes obsolete. *Service Category: 9-5 Management Services*

**Control Center Generator Replacement** – Replace backup generators critical to supporting control center during power loss. *Service Category: 9-1 Control Area Services*

**Market Settlements Server Upgrades** – Replace aging servers to improve performance and align with current technology. *Service Category: 9-PSI PJM Settlements Inc.*

**Rooftop Heating and Cooling Unit Replacements** – Replace rooftop heating and cooling units on the Service Center *Service Category: 9-5 Management Services*



# New Products and Services

| <i>(dollars in millions, except rates)</i> | 2024 | 2025 |
|--|------|------|
| Capital                                    | 3    | 2    |
| Expense                                    | 1    | ---  |

**Stakeholder-Driven Efforts** – A series of projects to address market system and market settlement enhancements for areas identified in various task force committees. *Service Category: 9-3 Market Support Services, 9-4 Capacity Reserve Services, & 9-PSI PJM Settlements Inc.*

**Demand Response Enhancements** – This project will add two new parameters for demand response commitment in both the Day Ahead and Real Time Markets. *Service Category: 9-3 Market Support Services & 9-4 Capacity Reserve Services,*

**Dispatcher Application and Reporting Tool Enhancements** – This project will create a tool to identify transformers with load tap changers and submission of tap changes providing transmission owners visibility of neighboring non-telemetered tap information. *Service Category: 9-1 Control Area Services*



# Interregional Coordination

| <i>(dollars in millions, except rates)</i> | 2024 | 2024 |
|--|------|------|
| Capital                                    | 1    | 1    |
| Expense                                    | ---  | ---  |

**Market-to-Market Enhancements** – Projects will address work required to implement necessary changes within the market-to market application.  
*Service Category: 9-3 Market Support Services*



- **Energy Management System (EMS) One Line Unification** \$1.3M – Render both Real-Time and Study one line diagrams in the OSI Monarch application.
- **Reserve Certainty Long Term Items** \$0.5M – Upcoming Concern items for energy market incentives for an evolving generation fleet.
- **Credit Surveillance Expansion** \$0.4M – Expansion and streamline internal workflows for credit and risk surveillance of market participants
- **Cyber Security and Monitoring Upgrade** \$0.4M – Upgrades within our security and monitoring tools aligning to current versions.
- **Membership Tools Enhancements** \$0.3M – Enhancements within the Account Manager and Voting applications.

| Date         | Group                                    | Topics  |
|--------------|--|---|
| August 22    | Finance Committee                        | Preliminary 2025 Budget and Projects & Multi-year projections |
| September 11 | Market Implementation Committee          | Preliminary 2025 Projects                                     |
| September 12 | Planning Committee                       | Preliminary 2025 Projects                                     |
| September 12 | Operating Committee                      | Preliminary 2025 Projects                                     |
| September 16 | Finance Committee                        | Proposed 2025 Budget and Projects                             |
| September 23 | Finance Committee Member Representatives | Recommendation Letter to PJM Board of Managers                |
| October      | Board of Managers                        | Consideration of Proposed 2025 Budget                         |

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SME/Presenter:  
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## 2025 Preliminary Project Budget



### Member Hotline

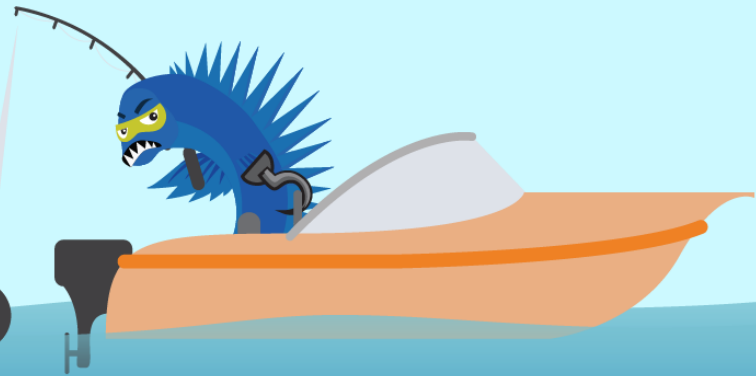
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[custsvc@pjm.com](mailto:custsvc@pjm.com)

**PROTECT THE  
POWER GRID**

**THINK BEFORE  
YOU CLICK!**



**BE ALERT TO  
MALICIOUS PHISHING  
EMAILS**



**Report suspicious email activity to PJM.  
Call (610) 666-2244 or email [it\\_ops\\_ctr\\_shift@pjm.com](mailto:it_ops_ctr_shift@pjm.com)**