Multi Driver Approach in PJM Manuals

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• Document Multi Driver Approach, consistent with Final FERC Order and Rulings in PJM’s 14 Series of Manuals

• Establish and document general *principles and guidelines* within the PJM Manuals to include New Service Requests (e.g.: Generation Interconnection) as an input to Multi Driver Approach
Multi-Driver Definition

• PJM Operating Agreement:
  – 1.15B Incremental Multi-Driver Project.
    • “Incremental Multi-Driver Project” shall mean a Multi-Driver Project that is planned as described in Schedule 6, section 1.5.10(h) of this Agreement.
  – 1.38.01 Proportional Multi-Driver Project:
    • “Proportional Multi-Driver Project” shall mean a Multi-Driver Project that is planned as described in Schedule 6, section 1.5.10(h) of this Agreement.
  – 1.5.10(h) The Office of the Interconnection shall develop a Multi-Driver Project by identifying a more efficient or cost effective solution that uses one of the following methods: (i) combining separate solutions that address reliability, economics and/or public policy into a single transmission enhancement or expansion that incorporates separate drivers into one Multi-Driver Project (“Proportional Multi-Driver Method”); or (ii) expanding or enhancing a proposed single driver solution to include one or more additional component(s) to address a combination of reliability, economic and/or public policy drivers (“Incremental Multi-Driver Method”).
Location of Manual Changes

• PJM Planning will review the entire 14 series of manuals to determine what changes are needed

• M14A, M14B, M14C and M14E will receive updates as part of the MDA manual update effort

• M14D may also be in need of updating
Location of M14B Updates

- M14B – PJM Regional Transmission Planning Process
  - Section 2.1 Transmission Planning = Reliability Planning + Market Efficiency
    - This Section describes PJM’s schedule/process for identifying reliability and Market Efficiency Projects
    - A new subsection addressing MDA would fit well into this section of M14B
    - Transmission Planning = Reliability Planning + Market Efficiency + Public Policy

2.1 Transmission Planning = Reliability Planning + Market Efficiency

Effective with the 2006 RTEP, PJM, after stakeholder review and input, expanded its RTEP Process to extend the horizon for consideration of expansion or enhancement projects to fifteen years. This enables planning to anticipate longer lead-time transmission needs on a timely basis.

Fundamentally, the Baseline reliability analysis underlies all planning analyses and recommendations. On this foundation, PJM’s annual 15-year planning review now yields a regional plan that encompasses the following:

1. Baseline reliability upgrades, discussed in this Section 2;
2. Generation and transmission interconnection upgrades, discussed in Attachment C and Manual 14A;
3. Market efficiency driven upgrades, discussed in this Section 2;
4. Operational performance issue driven upgrades, discussed in this Section 2.
Additional updates

- M14A - Generation and Transmission Interconnection Process
- M14C – Generation and Transmission Interconnection Facility Construction
- M14D – Generator Operational Requirements
- M14E – Merchant Transmission Specific Requirements
A new section will be added to several PJM 14 Series Manuals

- “PJM can develop a Multi-Driver Project by identifying a more efficient or cost effective solution that uses one of the following methods:

  - Combining separate solutions that address reliability, economics and/or public policy into a single transmission enhancement or expansion that incorporates separate drivers into one Multi-Driver Project (“Proportional Multi-Driver Method”)

  - Expanding or enhancing a proposed single driver solution to include one or more additional component(s) to address a combination of reliability, economic and/or public policy drivers (“Incremental Multi-Driver Method”).”
Content of New Service Requests in Manuals

• Additionally:
  – “Customer funded upgrades, as identified in Attachment B of M14A can be incorporated into the Multi Driver Approach per the Regional Transmission Expansion Plan.”
  – “Multi-Driver Approach Projects will follow the baseline upgrade rules as outlines in the PJM Operating agreement”
MDA Process

• Multi Driver Approach detailed process remains TBD.
  – Previously identified concepts that will have to be addressed include:
    • Details of Cost Allocation
    • New Service Request Commitment
    • Others…..
Next Steps

• First Read of Redline Manual language to PC – August 13, 2015
• First Read of Redline Manual language to MRC – August 27, 2015
• Seek endorsement of Manual language from PC – September 10, 2015
• Seek endorsement of Manual language from MRC – September 24, 2015
Questions?

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