PJM Legal Update: Status of Planning Matters
Filed with the Federal Energy Regulatory Commission

PC Committee
December 3, 2015
• **Order No. 1000** *(Docket No. ER13-198)* - **Completed**: PJM filed its 4th Compliance Filing clarifying its Local Planning Process, which were accepted by Order accepting compliance and denying rehearing dated June 22, 2015.

• **Multi-Driver Approach** *(Docket No. ER14-2864)* - **Completed**: Revisions to Schedule 6 to add an Incremental Multi-Driver Approach and Proportional Multi-Driver Approach. PJM responded to the Commission’s Deficiency Notice on December 23, 2014, which was accepted by the Commission by Order dated May 5, 2015. Requests for Rehearing were denied by Order dated August 31, 2015.

• **Proposal Window Fee** *(Docket No. ER15-2648)* - **Completed**: On November 3, 2015, the Commission issued an order accepting PJM’s revised Order No. 1000 Project Proposal Window Fee.
• **Opinion 494 - Schedule 12-Appendix Cost Allocation Methodology** *(Docket No. EL05-121)*:
  
  – June 25, 2014, the 7th Circuit again remanded FERC’s proposed regional cost allocation methodology for 500 kV and above facilities back to FERC.
  
  – December 18, 2014, the Commission issued an Order establishing hearing and settlement judge procedures. Awaiting appointment of settlement judge.
  
Status of Matters Regarding New Hybrid Cost Allocation

- **Schedule 12-Appendix A – New Hybrid Cost Allocation Methodology:**
  - **Merchant’s Challenge to New Solution-Based DFAX:** Two merchant transmission owners (Con Edison and Linden VFT) filed protests to cost allocations submitted in Docket Nos. ER14-972 and ER14-1485.
    - **ER14-972:** Commission issued an Order accepting such allocations subject to a compliance filing. PJM submitted compliance filing, which remains outstanding.
    - **ER14-1485:** On Sept. 11, 2015, Commission issued an Order approving cost allocations effective June 1, 2014. Requests for Rehearing filed by ConEd and Linden are outstanding.
  - **Con Edison Complaint** (Docket No. EL15-18). On November 7, 2014 Con Edison filed a Complaint challenging PJM’s application of the new hybrid cost allocation methodology, specifically the solution-based DFAX, as it is applied to the Con Edison Wheel Settlement Agreement for upgrades (Bergen-Linden Corridor) in the PSEG Zone.
  - **Linden Complaint** (Docket No. EL15- ). On May 22, 2015 Linden VFT filed a Complaint and an amended Complaint on July 10, 2015 challenging the solution-based DFAX methodology as it is applied to upgrades included in the ConEd Complaint that address local reliability problems resulting in allocations that are not roughly commensurate with the benefits.
Status of Matters Regarding New Hybrid Cost Allocation

• **Schedule 12-Appendix A Revisions (cont.)**
  
  – **State of Delaware Challenges Proposed Allocations for Artificial Island Project**
    • **ER15-2563** – State of Delaware and other state agencies, Easton and ODEC filed protests challenging PJM’s use of solution-based DFAX for the Artificial Island Project claiming that allocations are not commensurate with the benefits thereby resulting in unfair and unjust allocations to Delaware.
    
    • **EL15-95** – The Delaware and Maryland State Commission filed a Complaint challenging use of solution-based DFAX for the Artificial Island Project. The State Commission claim that the allocations are not roughly commensurate with the benefits of the Artificial Island Project. The State Commissions asked FERC to direct PJM to file changes to its governing documents to ensure a just and reasonable allocation of the Artificial Island costs.
  
  – **ConEdison and Linden Challenges New Allocations for Revised Bergen Linden Project**
    • **ER15-2562** – ConEdison and Linden protested the new allocations for the reconfigured Bergen to Linden Corridor project claiming, in addition to challenging the results of the solution-based DFAX methodology, that PJM has not supported such changes.
  
  – **Cost Allocation Technical Conference Scheduled**
    • **ER15-2562 and ER15-2563** - FERC accepted proposed allocations and suspended them for five months subject to refund to become effective on April 25, 2016, subject to technical conference in Complaint proceedings, which is tentatively scheduled for January 12, 2016.
Status of Matters Regarding New Hybrid Cost Allocation

- **Schedule 12-Appendix A Revisions (cont.)**
  - **ER15-1344 – Transmission Owner Criteria** - Dayton filed a protest challenging including Dominion’s Supplemental Project (Cunningham – Elmont 500 kV End of Life Project) as a baseline project using Dominion’s new Transmission Owner Criteria submitted in FERC Form No. 715.

  - **ER14-1387 – Transmission Owner Cost Allocation Filing** – Transmission Owners proposed to allocate the costs of RTEP projects that would not otherwise be included in the RTEP but for the fact that they address local transmission owner planning criteria to the Zone in which the criteria apply. The Commission rejected the proposal finding that the proposal is inconsistent with Order No. 1000 because it would create a category of transmission projects that includes in its RTEP for purposes of cost allocation but are ineligible to use the regional cost allocation methodology.

  - **Local Planning Technical Conference Held on November 12, 2015 in Docket Nos. ER15-1344 and ER15-1387** – FERC staff explored issues related to PJM’s application of its Order No. 1000 process to local transmission facilities, including the process used by PJM and the PJM Transmission Owners to identify local transmission needs (e.g., opening a proposal window) and the process used to determine whether a solution to an identified local need should be included in the RTEP. Post-technical comments are due on December 18, 2015.
Status of Matters Regarding Interregional Planning

- **Order No. 1000 Interregional Compliance Filings** -
  - PJM/NYISO (Docket Nos. ER13-1947 and ER13-1942) - Accepted by letter order dated November 19, 2015.
  - The following Interregional Compliance Filing remains outstanding:

- **NIPSCO Complaint**
  - On September 11, 2013 in Docket No. EL-13-88, Northern Indiana Public Service Company (NIPSCO) filed a Complaint against PJM and MISO on September 11, 2013, alleging that the JOA is fundamentally flawed.
  - On December 18, 2014, Commission issued an order establishing a technical conference to be set at a date specified in a subsequent notice. The Commission set the refund effective date as September 11, 2013.
  - On June 15, 2015, the Commission held a technical conference. Matter awaiting final decision.