**** Note to PJM Stakeholders: This is a proposed new section to the PJM Operating Agreement. The redlined text below indicates language that is updated since the May and June 2016 PJM stakeholder committee review. ****

Section 1.5.8(o) Reliability Violations on Transmission Substation Equipment

Pursuant to the expansion planning process set forth in Sections 1.5.1 through 1.5.6 of Schedule 6, the Office of the Interconnection shall identify reliability violations on existing transmission substation equipment. The Office of the Interconnection shall not post such a violation pursuant to Section 1.5.8(b) of this Schedule 6 for inclusion in a proposal window pursuant to Section 1.5.8(c) unless the identified violation(s) satisfies the following exception: (i) the Office of the Interconnection determines that the reliability violation could be potentially be more efficiently addressed by an upgrade other than a Transmission Owner Upgrade. If the Office of the Interconnection determines that the reliability violation does not meet the exception stated above, the Office of the Interconnection shall post on the PJM website the reliability violations to be included in a proposal window consistent with Section 1.5.8(c) of Schedule 6. If the Office of the Interconnection determines that the identified reliability violations satisfy the exception above to the proposal window process, the Office of the Interconnection shall post on the PJM website for review and comment by the Transmission Expansion Advisory Committee and other stakeholders descriptions of the transmission substation equipment violations that will not be included in a proposal window pursuant to Section 1.5.8(c). The descriptions shall include an explanation of the decision to not include the transmission substation equipment reliability violation(s) in a Section 1.5.8(c) proposal window, a description of the facility on which the violation(s) is found, the Zone in which the facility is located, and notice that such construction responsibility for and ownership of the project that resolves such transmission substation equipment violations will be designated to the incumbent Transmission Owner. After the descriptions are posted on the PJM website, stakeholders shall have reasonable opportunity to provide comments for consideration by the Office of the Interconnection. All written comments received by the Office of the Interconnection shall be publicly available on the PJM website.