PSE&G/ConEd Wheel Modeling

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Overview of PSE&G-ConEd 600/400 Contract

PJM NYISO Wheel Overview

- 1000 MW from NYISO to PJM at the J and K interface
- 1000 MW to NYISO from PJM at the A, B and C interfaces
Overview of PSE&G-ConEd 600/400 Contract

- Transmission agreement between PSE&G and ConEd was originally created in two steps:
  - 400 MW agreement initiated in 1975
  - 600 MW agreement initiated in 1978
- 1,000 MW total injected at Waldwick (J-3410 & K-3411 345 kV lines)
- 1,000 MW delivered to ConEd on the B-3402 & C-3403 (Hudson - Farragut) 345 kV lines and A-2253 (Linden – Goethals) 230 kV line.
Overview of PSE&G-ConEd 600/400 Contract

- Notice provided to PJM and NYISO of plans to not renew this contract effective on May 1, 2017 on April 28, 2016
- PJM and NYISO are working on a replacement protocol that focuses on open access
- The goal is to create a protocol that is mutually beneficial to PJM and NYISO Markets while maintaining reliability
• Wheel replacement protocol will use current equipment/technology available
  – Existing PAR facilities
  – PJM and NYISO will retain operational control of all PARs
• Protocol will adhere to FERC’s open access orders 888/889
• Protocol will support existing congestion management programs
• RECO load consideration in the new protocol
NYISO and PJM ran independent studies to determine the breakdown of actual interchange flow based on a Summer peak case to be used as a starting point for discussion:

- 32% of net AC interchange flows over western ties
- 68% of net AC interchange flows over eastern ties

Percentages based on RTO-to-RTO transfer studies

A more granular breakdown will be applied to the eastern ties

Detailed analysis results will be presented at lower level committee meetings in the near future
The existing transmission service requests (600 MW+400 MW) end on April 30, 2017 as the current customer (ConEd) elected not to exercise their roll-over rights.

A new 1000 MW transmission service request was submitted on this path (NYISJK-PJM-NYISABC) in late 2015 for service to begin May 1, 2017.

This transmission service request is currently in the System Impact Study phase with results of the analysis expected by March 31, 2017.

As noted earlier, the four parties (PJM, NYISO, ConEd, and PSE&G) are currently discussing operating protocols associated with the new service.
Cost Allocation Impact Due to Wheel Cancellation

- When the existing ConEd transmission service ends, the current PJM Tariff RTEP Schedule 12 cost allocations will be redistributed without ConEd
  - ConEd’s cost allocations will be redistributed to remaining transmission customers
- If the ConEd transmission service is “duplicated” the new service will assume the same costs at the existing service
Transmission Planning assumptions will follow the operating protocol

- Controllable Interfaces (follow new protocol)
  - A/B/C
  - J/K
  - 5018 line

- Merchant Transmission Facilities (no change, modeled at existing rights)
  - Linden VFT
  - HTP HVDC
• Operational aspects of the replacement protocol will be delivered at the PJM Operating Committee (OC)
• Market aspects of the replacement protocol will be delivered at the Market Implementation Committee (MIC)
• Planning aspects of the replacement protocol will be delivered at the Planning Committee (PC)

• Timeline