Exelon Comments

Exelon submits the comments below for PJM’s consideration in the development of “Guidelines for Market Efficiency Projects Selection Process”

- When evaluating competing projects that pass the 1.25 B/C screen, PJM should select the project that best serves the long term efficiency, reliability and resiliency of the system
  - e.g. if you have four competing projects, the project that has the best overall system benefits, after accounting for all sensitivities and scenario analyses should be selected, which may or may not be the project with the highest B/C and may or may not contain cost caps
- Exelon recommends an analysis and consideration of additional benefits from an earlier project in-service date when there are material differences in actual in-service dates, validated by independent review.
- Submitted Supplemental Projects should be included in models and analysis
- PJM should share the sensitivities and scenarios they anticipate using to evaluate projects, in advance of the window
- We appreciate and support PJM’s efforts to increase transparency in the selection factors, but urge against developing a rigorous quantitative project selection template that would limit PJM’s ability to select the project that best meets the needs of the system
- PJM should maintain the current single open window process where fully developed proposals are developed and submitted, and not separate the process into two phases that would include an initial window where developers submit project ideas and a second phase where PJM would request detailed proposals for projects that “stick”
  - Exelon believes lowering the bar for what constitutes a proposal would shift the burden of initial proposal evaluation from the developer to PJM, likely resulting in PJM evaluating a greater number of proposals
  - In addition, that model would introduce the possibility of eliminating projects from contention based on preliminary analysis. We have seen that the detailed understanding of the need and proposed projects do change over a long evaluation period and projects eliminated based on preliminary analysis may end up being competitive in the end