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Approval

Approval Date: XX/XX/2017
Effective Date: XX/XX/2017

Mark Sims, Transmission Planning

Current Revision

Revision 1 (XX/XX/2017):

- Current Revision
6.1 PJM’s Interregional Process

PJM conducts interregional planning activities with each adjacent planning region pursuant to PJM’s Tariff, Operating Agreement and joint agreement provisions applicable to each interface. This section of Manual 14F provides an overview of PJM interregional planning. The provisions of the applicable Tariff or Agreements control in the event of any discrepancy with the material presented in this manual.

PJM’s ties to its directly connected neighbors are grouped into three interfaces that can accommodate transmission proposals that address issues and provide benefits to PJM and adjacent regions. The interfaces are to the west (Mid-Continental Independent System Operator), the northeast (New York Independent System Operator and Independent System Operator - New England) and the southeast (Southeastern Regional Transmission Planning). Proposals for Interregional Transmission projects on all interfaces should address identified issues in both regions and be entered into PJM’s regional windows process as an Interregional Proposal. Such projects must also engage the adjacent region’s process for transmission proposals. Entering proposals in both regions will trigger the process of joint evaluation of the Interregional Proposal, along with competitive PJM regional proposals to determine the most efficient or cost effective solution to the identified issues. Stakeholders who are interested in providing interregional transmission proposals should actively engage the adjacent region’s transmission planning process, the PJM transmission planning process as well as available joint planning processes.

6.2 References for Interregional Process and Requirements

- Joint Operating Agreement Between the Midcontinent Independent System Operator, Inc. And PJM Interconnection, L.L.C.
- Northeastern ISO/RTO Planning Coordination Protocol
- Joint Operating Agreement Among and Between New York Independent System Operator, Inc. and PJM Interconnection, L.L.C.
- Schedule 6-A of the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. (SERTP Transmission Coordination provisions)
- Schedule 6 of the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. (PJM Regional Transmission Expansion Planning Protocol)
- Schedule 12 (general transmission charge provisions including interregional provisions), and Schedule 12-B (SERTP cost allocation provisions) of the PJM Open Access Transmission Tariff
- PJM’s regional process related to interregional activities can be followed at the Transmission Expansion Advisory Committee (TEAC). TEAC related information can be found at: http://www.pjm.com/committees-and-groups/committees/teac.aspx
The following sections provide more information about the typical processes followed on each PJM interface. The provisions of the various agreements governing PJM Order 1000 interregional processes implement, and in some cases go beyond, the minimum requirements to:

- **Exchange regional transmission planning data, issues**
- **Review regional transmission plans and solutions**
- **Determine the need for coordinated analysis of potential interregional transmission that is more efficient or cost effective than regional plans**
- **Provide opportunities for stakeholder reviews and input**
- **Provide cost allocation provisions for dividing the costs of an interregional transmission project between directly connected regions**

### 6.3 Midcontinent Independent System Operator (MISO)

Unique to the PJM-MISO interface, an interregional transmission project may be located in both regions or wholly located in one region. There are four types of interregional projects that may be proposed on the MISO interface, each governed by the provisions of the applicable documents cited above. Reliability projects, Public Policy projects, Market Efficiency projects, and Targeted Market Efficiency Projects. PJM and MISO will split costs between regions according to the benefit split between regions determined according to agreement and tariff provisions.

Reliability project or Public Policy project costs are split between regions based on each region’s proportion of avoided alternative regional project costs. In the case that a reliability project beneficial to both regions does not qualify as an Interregional Reliability Project it may qualify for shared costs under the Distribution Factor method for Cross Border Baseline Reliability Projects. Market Efficiency project costs are split between regions based on the PJM and MISO studies indicating the proportion of the economic benefit to each region. Targeted Market Efficiency Project costs are split between regions based on each region’s avoidance of future Reciprocal Coordinated Flowgate congestion as calculated by PJM and MISO.

Stakeholders can follow the timeline of analyses on the MISO interface through participation in the PJM-MISO Interregional Planning Stakeholder Advisory Committee (IPSAC). Information on the PJM-MISO IPSAC can be found on the PJM Planning Interregional pages of the PJM website ([http://www.pjm.com/committees-and-groups/stakeholder-meetings/ipsac-midwest.aspx](http://www.pjm.com/committees-and-groups/stakeholder-meetings/ipsac-midwest.aspx)).

Interregional planning with MISO proceeds on annual and biennial cycles. In the 4th quarter of each year PJM and MISO regional issues and solutions are reviewed with stakeholders at an IPSAC meeting. At this meeting the anticipated plan for any targeted studies and opportunities for stakeholder input on targeted upgrades will be outlined.

The biennial cycle typically follows a two consecutive calendar year process. The biennial study cycle plan will be discussed in the 4th quarter IPSAC meeting prior to commencement of a
biennial cycle, typically at the end of odd-numbered years. This meeting will provide the anticipated plan for consideration of the more complex interregional issues including, identification of regional and interregional issues, regional model review, regional and interregional proposal opportunities, any needed interregional model reviews, and regional and interregional proposal evaluations. The biennial cycle may address reliability, market efficiency and Public Policy as applicable in a given cycle. Project proposals can be entered in PJM’s November year one through February year two long-term proposal window (In the PJM Manual provisions regarding the RTEP process, the biennial cycle years are sometimes referred to as year zero and year one).

Updates and summaries of PJM’s regional transmission planning related to interregional activities with MISO are available in meeting materials of the TEAC at the link shown in section 6.2.

Regional as well as Interregional Public Policy planning in PJM originates with the PJM Independent State Agencies Committee (ISAC) and can also be followed through participation in PJM TEAC meetings. When PJM Public Policy issues are identified, the TEAC process will provide any necessary information regarding stakeholder participation and input.

### 6.4 Northeast Protocol

Coordinated planning among PJM, NYISO and ISO-NE regions (parties) is conducted pursuant to the Northeast Protocol agreement. Interregional transmission projects may be proposed on this interface that meet the requirements of this protocol. In general, the requirements are that an interregional transmission proposal must be located in the region of two or more of the parties to the protocol and displace regional transmission plans of two or more of the parties. Any combination of reliability, economic or public policy project potentially may be displaced.

Fulfillment of the minimum Order No. 1000 requirements are fulfilled under the Northeast Protocol. The exchange of transmission data and plans and review of the plans occurs annually under the provisions of the Protocol. This process including the opportunity for stakeholder review and input can be followed through the Interregional Planning Stakeholder Advisory Committee for the Northeast Protocol at [http://www.pjm.com/committees-and-groups/stakeholder-meetings/ipsac-ny-ne.aspx](http://www.pjm.com/committees-and-groups/stakeholder-meetings/ipsac-ny-ne.aspx). Updates and summaries of these planning activities are also included in the meeting materials of the TEAC, provided in Section 6.2.

In addition, periodically, the parties develop a Northeast Coordinated System Plan document. This document describes the ongoing coordinatin efforts and includes any Interregional Transmission Projects or other transmission coordination accomplished by the parties.

### 6.5 Southeastern Regional Transmission Planning (SERTP)

The SERTP consists of the entities in the planning region connected to PJM’s southern border. This group consists of entities subject to FERC’s Order No. 1000 requirements and additional sponsoring entities who voluntarily participate in the group’s regional planning efforts. The Jurisdictional Entities are Duke Energy, Southern Company, Louisville Gas & Electric and Kentucky Utilities and Ohio Valley Electric Corporation (including Indiana-Kentucky Electric
Corporation). In addition, participating entities include Associated Electric Cooperative, Dalton Utilities, Georgia Transmission, Municipal Energy Authority of Georgia, PowerSouth and Tennessee Valley Authority.

As with the MISO, NYISO and ISO-NE, the minimum Order No. 1000 requirements are fulfilled with the SERTP. Coordination of planning with this body includes the annual data and plans exchange process as well as a more in depth biennial review and assessment of the transmission plans and potential for interregional transmission.

This interregional process is embodied in Open Access Tariff Provisions of each of the jurisdictional entities. Stakeholders interested in participating in coordinated planning among PJM and the SERTP entities are encouraged to follow the regional transmission planning processes of each region, where updates and analyses will be discussed. PJM’s process is addressed in the meeting materials that can be found at the TEAC link provided in Section 6.2. The SERTP process can be followed at: http://southeasternrtp.com/home.cshtml.
Section 7: Project Evaluation

7.1 Criteria Driver Classification

7.1.1 Project Classification

Project Classification type is based on the nature of the project driver. Reliability criteria drivers include Baseline, Market Efficiency and Public Policy. The project evaluation process will focus on project submissions that result from the competitive window process for either Reliability Criteria and/or Market Efficiency Criteria. Transmission projects required to meet public policy goals will be coordinated through the competitive planning process. Projects will initially be evaluated for the window type for which they were originally received.

Supplemental project, while typically not included as a criteria driver, must be considered in the development and evaluation of proposals. Supplemental projects are included as an input assumption in RTEP cases, and should be included in all analysis performed in the evaluation of proposals. While supplemental projects on their own do not participate in the proposal window process, it may be possible to address the driver of a supplemental project, combined with a reliability criteria driver in a competitive proposal.

7.2 Reliability Criteria Project Evaluation

7.2.1 Initial Review and Screening

Following proposal submittal, PJM performs a preliminary analytical quality assessment of the proposal in coordination with PJM transmission owners, generation owners, transmission owners in adjoining systems, and any other affected parties. The quality assessment may reveal that identified potential violations can be removed from the potential violation list. Quality assessment may also reveal that other potential violations not on the original violation list may be added as deemed necessary by PJM.

PJM will regularly retool its analysis based on updated system information to ensure that solutions address the identified violations, do not cause any new violations (such as thermal, reactive, short circuit or stability) and are still needed to address reliability criteria and/or market efficiency criteria. PJM retains the right to select the most appropriate project to address the violation/constraint/issue.

The following factors will be used to perform the initial review and screening of submitted reliability project submissions. The initial review will utilize data and information that is provided by the project sponsors as part of their project proposals.

- Initial Performance Review – PJM will evaluate whether or not the project proposal solves the required reliability criteria drivers that was documented as part of the window process. Competing projects may be organized into logical groups that share similar project costs. Proposals will generally pass the initial reliability performance review if they demonstrate acceptable system performance and do not exhibit or trigger any
additional problems for the initial power flow, short circuit or dynamic stability tests, as applicable.

- **Initial Cost Review** – PJM will review the submitted project cost by the project sponsor as well as any cost containment/commitment or cost cap mechanisms that are relevant to the project. For the purpose of evaluation competing projects may be organized into logical groups that share similar project scopes. Project cost estimates will be evaluated for reasonableness based on costs for projects of similar scope and magnitude. Cost containment mechanisms will be evaluated to determine the benefit and reasonableness.

- **Initial Feasibility Review** – PJM will review the overall proposed implementation plan and determine if the project, as proposed, is can feasibly be constructed. The initial feasibility review may consider physical aspects, permitting, required approvals and overall timing.

Using the information obtained though the initial review, PJM will select project proposals to perform a detailed review.

### 7.2.3 Bright Line Primary Considerations

PJM will perform a bright line primary considerations review of the proposals focusing on violation mitigation for reliability criteria violations, and Benefit/Cost ratio for Market Efficiency projects. In performing this review, PJM will utilize both the system models that the project sponsors provided and PJM models developed independently. If PJM analysis determines that a proposal does not meet the bright line primary considerations, PJM will not perform a more detailed analytical and construcability analysis.

**Detailed Performance Review** – PJM will examine the selected proposals for performance with respect to all performance criteria that proposals are anticipated to impact. PJM will potentially evaluate any applicable criteria that may impact the performance measurement of the project even if it was not explicitly stated as part of the original problem statement. This is in contrast to the initial screening review that only examined the analysis that was performed by the project sponsors.

**Detailed Cost Review** – PJM will perform an in-depth review of the total project cost, including review of cost estimates submitted by the project sponsor and review of cost estimates that may be provided for Upgrade work related to the proposed project which would be performed by the affected incumbent Transmission Owner(s). For this review, PJM may validate the total project costs through the use of an independent consultant, internal resources or combination of both as necessary. PJM will also evaluate the benefit of any cost caps or cost containment/commitment and may engage an independent consultat to assess the potential benefit of any cost caps of cost containment/commitement.

**Detailed Feasibility Review** – PJM may perform an in-depth review of the project constructability. This review will typically include an evaluation of project complexity and factors that impact the risk and may impact the completion of the constructability, cost or project schedule including, but not limited to right of way acquisition or ownership land acquisition,
siting and permitting requirements, project complexity, project coordination complexity, outage coordination and project schedule.

7.2.4 PJM Analytical Evaluation and Constructability Analysis

When multiple proposals pass the bright line criteria test, PJM will perform the more detailed performance, cost and feasibility review as described above. In this analysis PJM will determine the relevancy of a set of additional considerations that inform the decision to identify the best project to address the issue. After determining which considerations are relevant to a given evaluation, PJM will identify the differentiating factors amongst the proposals under evaluation.

Considerations that inform decisions:

- Cost Containment Commitment
- Cost Estimate Review
- Grid Resiliency/Performance
- Reliability Margin
- Net Load Payments
- Production Costs
- Project Execution Risk
- Scope/Constructability/Diversity of Route
- Sensitivity Analysis
- Timing
- Total System Congestion

7.2.5 Company Evaluation

In parallel to the analytical evaluation, PJM will perform a planning level company evaluation to ensure that the proposing entity possess the ability to design, construct, own, operate and maintain the proposed solution. Considerations reviewed in this evaluation include:

- Project Specific Scope
- Company Experience
- Project Execution Plan

7.2.6 Project Recommendation

PJM will present to the TEAC the findings from the technical analysis performed and any other constructability or independent evaluations of the proposed alternatives and the recommended solutions. As part of the project recommendation, PJM will present a preliminary recommendation and a final recommendation at two subsequent TEAC meetings. Stakeholders will be provided the opportunity to comment and ask questions about aspects of the proposal.
review process and recommended projects. Subsequently PJM will formalize the recommendation of the projects to the PJM Board for ultimate approval.

After PJM Board approval, there are many steps included as part of the regulatory process. These include, but are not limited to: completing the Designated Entity Agreement, cost allocation calculations, construction responsibility letters and Certificates of Public Need and Convience.

### 7.3 Market Efficiency Project Evaluation

Schedule 6 section 1.5.8 (e) of the PJM Operating Agreement discusses Market Efficiency criteria used in considering the inclusion of Market Efficiency projects in the recommended plan. This document provides ‘bright line’ primary and ‘other’ secondary consideration criteria that could be utilized as guidelines in order to facilitate the recommendation process.

#### 7.3.1 ‘Bright line’ Primary Considerations

All submitted proposals will be reviewed to determine which of the posted congestion facilities are addressed by the proposal. The initial review will also determine if there are any major deficiencies in the proposal. Requirements that are provided in the Problem Statement will be assessed for compliance. If deficiencies are discovered, then the proposer will be contacted and provided an opportunity to submit responses in sufficient detail to clarifying questions from PJM to ensure the project proposal is complete and responsive to the identified system conditions to bring the proposal into compliance. If the proposal is substantially deficient to the requirements or is seriously flawed, it will be rejected and the proposer will be notified.

##### 7.3.1.1 Congestion Mitigation

Consistent with the Operating Agreement (OA) Schedule 6 section 1.5.7 (b) (iii) and OA Schedule 6 section 1.5.8 (e), a Market Efficiency proposal will relieve one or more economic constraint(s). If a proposal is submitted to mitigate one congestion driver, then in order to meet this criteria the proposal shall relieve projected congestion on the driver by at least $1. Similarly, if a proposal is submitted to address multiple congestion drivers, then in the order to meet this criteria the proposal shall relieve projected congestion on all the drivers by at least $1. Economic constraints may be either energy or capacity market congestion.

**NOTE:** Energy market uplift charges are not addressed in this category. Energy market uplift charges typically born due to local reactive support issues are addressed in the Operational Performance category.

##### 7.3.1.2 Benefit/Cost (B/C)

Consistent with the OA Schedule 6 section 1.5.7 (d), a Market Efficiency proposal addressing one or more target congestion driver(s) must meet a B/C ratio threshold of at least 1.25:1, calculated over the first 15 years of the life of the proposal. The B/C ratio is calculated using the procedure described in Manual 14B, section 2.6.5. The Market Efficiency Discount Rate and Fixed Carrying Charge Rate are subject to change for any given 24-month Market Efficiency...
cycle. Therefore, during every cycle, these values are published along with other Market Efficiency input assumptions. Rates published during the 2016/17 cycle are documented in the appendix.

A proposal that does not meet the minimum B/C ratio test will not proceed further in the analysis to address the specific congestion constraint(s) for which it was submitted. However, the proposal will not be necessarily rejected because, the proposal, or a portion of the proposal, could be combined with other proposal(s) or a portion of other proposal(s) to address specific congestion issue(s) or other congestion issues as part of an overall plan to address system wide congestion issues. Any project that is composed of previously submitted, but heretofore not accepted; proposals will undergo the same consideration criteria listed above.

Similarly, a proposal that meets the minimum B/C ratio test will not proceed further in the analysis to address the specific congestion constraint(s) for which it was submitted if the proposal does not relieve the specific constraint(s) congestion. However, the proposal will not be necessarily rejected because, the proposal, could relieve system level congestion and as a result it could relieve congestion on some other congestion constraint(s) in the system.

7.3.1.3 Cost Estimate Review

Consistent with the OA Schedule 6 section 1.5.7 (g), for a Market Efficiency proposal with costs in excess of $50 million, an independent review of such costs will be performed.

7.3.2 ‘Other’ Secondary Considerations

When primary considerations do not identify an obvious cost effective solution to differentiate between proposals, or if PJM decides that further analysis is required to address potential constructability and reliability consequences, then some or all of the following secondary factors shall be considered in the Market Efficiency projects selection process.

NOTE: For example, a project proposal with a high 10:1 B/C ratio is clearly cost effective, but a proposal with a lower or marginal B/C ratio closer to 1.25:1 may require other considerations to be addressed.

7.3.2.1 Zonal/Total Savings

Consistent with the OA Schedule 6 section 1.5.7 (e), a Market Efficiency proposal with zonal/total benefits such as production cost savings, load payments (net and gross) reductions, Auction Revenue Rights (ARR) credits, total system congestion savings, capacity market savings (capacity market cost savings and load capacity payments savings) shall be considered during the final selection process.

7.3.2.2. Risk Evaluation

Cost escalation risks, schedule delay risks, and project development risks, such as siting and permitting, shall be considered during the final selection process. PJM will assess the applicable risks, consider their impacts on the execution of the project, and consider that analysis in the selection decision.
Cost escalation risks can be addressed with cost containment provisions that may be included by the project sponsor in the proposal. In such cases, PJM will evaluate the risk mitigation of the cost containment provisions by a subjective analysis of the potential for cost escalation and the ability of the cost containment proposal to address the risk for those aspects of the proposal for which the cost containment provisions apply. To the degree that the analysis confirms risk mitigation benefits, the proposal with cost containment will be given preference in the overall selection process.

7.3.2.3 Sensitivity Evaluation
Consistent with the OA Schedule 6 section 1.5.3, sensitivities of future conditions shall be considered within the Market Efficiency project selection process in order to mitigate the potential for inappropriately including or excluding Market Efficiency projects. Some of these future sensitivities may include but are not limited to load forecast uncertainty, transfer level variations, fuel cost variations, generator retirements, and uncertainties as a result of constructability evaluation. The degree to which each sensitivity is applied in the selection decision varies with each proposal, but the magnitude of the potential economic impact of each sensitivity is the main driver. PJM typically will study future sensitivity impacts on load forecast variations and fuel (gas) cost variations for eligible proposals. While the sensitivities may vary based on expected volatility, a reasonable range for load and gas sensitivities is documented in the appendix. Given the scenario where multiple projects are proposed to address the same congestion driver, all other factors being equal, PJM may select the proposal that exceeds 1.25:1 B/C for all the sensitivities considered in its selection process compared to other proposals that did not consistently meet the 1.25:1 B/C for all the sensitivities considered in the selection process.

7.3.2.4 Reliability Impact
Prior to recommending a Market Efficiency project for board approval, PJM will perform a reliability impact study to ensure the proposed project will not create any reliability violations requiring additional reliability upgrades or expansions in addition to the proposed solution. Any reliability violations and resulting Upgrade and expansion costs to mitigate those violations will be considered added costs to the initially proposed solution and will trigger a holistic evaluation effort including primary and other considerations, including recalculation of the B/C ratio. Such additional evaluation efforts may impact the overall performance evaluation of the project.

7.3.2.5 Outage Impact
The duration of the outages required to install the project will be assessed and the transmission congestion associated with the outages will be estimated. The outage congestion will not be included in the B/C ratio calculation for the project, but rather, as an ancillary cost sensitivity associated with the project.

7.3.3 Recommending RTEP Market Efficiency Proposals
Consistent with the OA Schedule 6 section 1.5.6(h), based on aforementioned primary and other considering factors, PJM will ultimately recommend proposals (for board approval) that relieve transmission constraints and which are economically justified.
Section 8: Designation Process

This section describes the designation process for Greenfield projects selected through the PJM proposal window process. The designation process for projects selected under the PJM Operating Agreement Section 1.5.8(l) is described in Section 4.2.2 of the Consolidated Transmission Owners Agreement.

8.1 Proposal Window Agreements

8.1.1 Designated Entity Agreement (DEA)

Greenfield transmission projects that originate through an RTEP proposal window will utilize the Designated Entity Agreement (DEA) to assign construction responsibility for the identified project to the Designated Entity. The Designated Entity Agreement is a two party agreement between the Designated Entity and PJM. The terms and conditions of the agreement govern the construction period of the transmission project and define specific rights and obligations of the parties. The form for the DEA can be found in the PJM Tariff, Attachment KK.

8.1.1.1 Security

The Designated Entity is required to supply project security that is calculated as 3% of the PJM estimated costs for the portion of the transmission project being assigned to the Designated Entity. A Letter of Credit, which meets PJM criteria, or cash are acceptable forms of Security. Security is required to be maintained through the term of the DEA.

Information further detailing the DEA can be found in Manual 14C.

8.1.2 Interconnection Coordination Agreement (ICA)

The Interconnection Coordination Agreement (ICA) provides for the coordination required between the Designated Entity and Interconnected Transmission Owner(s) for a Greenfield transmission project selected through an RTEP proposal window. The ICA is required in those circumstances where the Designated Entity is not a signatory to the Consolidated Transmission Owners Agreement (CTOA). The ICA formalizes the coordination responsibilities between the Transmission Owner and Designated Entity during the construction phase of the project. There will be an ICA required with each different Transmission Owner who is required to coordinate work with the Designated Entity to facilitate the connection of the identified transmission project to the system. The form for the ICA can be found in the PJM Tariff, Attachment LL.

8.2 Designation Process and Timeline

When PJM staff completes the evaluation phase, a project is recommended to the PJM Board for their consideration. If the board elects to approve the project, the designation process as detailed in the PJM Operating Agreement, Sections 1.5.8(i) and 1.5.8(j) is initiated.

Within 10 business days of the PJM Board’s approval of the project, PJM staff is required to notify the proposing entity of their designation. The notification is to include the required in-
service date of the project and a date by which all necessary state approvals should be obtained.

Within 30 days of receiving notification of designation, the proposing entity shall notify PJM of their acceptance of designation. The acceptance is also required to contain a development schedule with a minimum breakdown aligning with the standard DEA milestones. PJM may request additional milestones as deemed appropriate. PJM may, for good cause, extend the date by which the development schedule is due.

PJM will review the development schedule and within 15 days or other reasonable time will respond with any questions or issues that need to be addressed and tender an executable DEA to the Designated Entity. Within 60 days of receiving notification of designation, or other time mutually agreeable to both entities, the Designated Entity is required to submit the security as described in the DEA and an executed copy of the DEA. Exhibit 2 provides an outline of the process.

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**Exhibit 2: Designation Process Timeline**

8.2.1 Designation of Interregional Projects
1.1 CEII Definition

PJM adopts the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) definitions of Critical Energy Infrastructure Information (“CEII”) and Critical Infrastructure at 18 CFR §388.113 (c) as follows:

(1) Critical Energy Infrastructure Information means specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure that:
   a. Relates details about the production, generation, transportation, transmission, or distribution of energy;
   b. Could be useful to a person in planning an attack on critical infrastructure;
   c. Is exempt from mandatory disclosure under the Freedom of Information Act, 5 U.S.C. 552; and
   d. Does not simply give the general location of the critical infrastructure.

(2) Critical Infrastructure means existing and proposed systems and assets, whether physical or virtual, the incapacity or destruction of which would negatively affect security, economic security, public health or safety, or any combination of those matters.

1.2 Introduction

1.2.1 General Intent

PJM’s intent is to provide a process for eligible recipients to access CEII consistent with the Commission’s standards for handling CEII material. PJM information that contains CEII can only be obtained by complying with PJM’s CEII authorization process.

1.2.2 Examples of CEII

The Commission considers certain information to be CEII including the information filed in transmission owners’ resecptive FERC-715, Part 2, Part 3, and Part 6 (http://www.ferc.gov/legal/ceii-foia/ceii.asp) submittals. This information includes electrical models, detailed one-line diagrams and analysis of the filer’s actual transmission system. PJM treats as CEII all power flow model, system analysis and contingency and monitored element files. Power flow models specifically configured for short circuit analysis that do not contain load and generation dispatch are not considered CEII. Other information may also qualify as CEII under FERC definitions.

1.2.3 Rules When CEII Includes Confidential Member Information

CEII information may include confidential data from PJM Transmission Owners and Generation Owners and other parties. To that end, PJM requires the party seeking that information to demonstrate that the affected members have given their consent to its release in compliance...
the Tariff and Operating Agreement. Confidential information is governed by the PJM Operating Agreement Section 18.17 and the Open Access Transmission Tariff Sections 222-223.

Power flow cases may, but generally do not, contain confidential information. Some PJM power flows are special cases that contain both confidential information and CEII. For example, cases originating from system operations and used for near term operational studies often contain confidential information in addition to CEII. To that extent, members’ confidential information may be redacted prior to release if the party requesting the data is unable to demonstrate to PJM that the affected members have given their consent to its release.

1.2.4 Reservation of Rights to Amend CEII Rules

PJM reserves the right to revise its process from time-to-time, to limit access to CEII as may be appropriate in any specific instance in accordance with PJM’s manual revision procedures posted on PJM.com.

1.3 PJM CEII Rules

1.3.1 Categories of PJM CEII Requestors Procedures

1.3.1.1 Authorized Entities Procedures

The process to request CEII from PJM is as follows for an employee or authorized agent/consultant of: (i) a PJM Member; (ii) a PJM Transmission Owner; (iii) a PJM Generation Owner or operator of generating units in the PJM Region; (iv) a NERC registered Transmission Owner/Operator; (v) a PJM Interconnection Customer; (vi) another RTO or similar independent system operator recognized by the Federal Energy Regulatory Commission; (vii) a NERC Planning Coordinator or Transmission Planner; (viii) a Non-incumbent Developer pre-qualified to be a Designated Entity pursuant to Schedule 6 of the Operating Agreement; or (viii) a natural gas local distribution company and/or a natural gas pipeline operator serving customers within the PJM Region (individually “Authorized Entity” and together “Authorized Entities”). The process outlined below allows for individual employees or individual authorized consultants of Authorized Entities to obtain CEII. PJM’s procedures set forth below allow an organization to submit requests on behalf of multiple individuals within Authorized Entities.

Except in the case of organizational CEII requests described below, each individual requester of CEII from employees or authorized agents/consultants of Authorized Entities must complete a PJM CEII Request Form and must execute the appropriate PJM CEII Nondisclosure Agreement (“NDA”). Employee or authorized agent/consultant or an Authorized Entity must submit a PJM CEII Authorization Form (in addition to the requester’s completed PJM CEII Request Form and appropriate PJM CEII NDA) that identifies each individual agent/consultant who may make individual requests for PJM CEII on behalf of such entity. The PJM CEII Authorization Form and CEII NDA are located on PJM’s website at: http://www.pjm.com/library/request-access/form-ceii-request.aspx.

Once the CEII requester has been verified by PJM as a legitimate CEII requester (i.e., a legitimate employee or authorized consultant of one of the organizations listed in paragraph 1A.3.1.1 above), such CEII requester may obtain CEII.
Organizational CEII Requests: Authorized Entities may execute an organizational agreement with PJM which will allow the receiving organization to share CEII information under the terms of an applicable PJM CEII NDA an example of which is located on the PJM website at: http://www.pjm.com/library/request-access.aspx; However, PJM may use other forms of organizational CEII NDAs as appropriate. An organizational NDA will require individual recipients of CEII material to be listed and sign an attachment to the NDA which will require each individual to acknowledge his or her understanding of the restrictions on the use of CEII or further disclosures except as allowed under the terms of the organizational NDA. Each organization is required to keep the list of authorized individual recipients up-to-date and notify PJM in writing of any changes to the status of the authorized individual recipients in accordance with the applicable NDA.

1.3.1.2 Procedures for Federal Agencies and NERC
If the requester of CEII material is a representative of FERC, Department of Energy, Department of Homeland Security, NERC or a NERC Regional Entity (e.g. RF, SERC, etc.), PJM will release the information if PJM confirms that the requestor (requestors) are employees of these agencies and the CEII material is subject to the agencies rules of procedures applicable to CEII.

1.3.1.3 PJM Authorized State Commission
The process to request CEII from PJM is as follows for an employee of a PJM Authorized State Commission: Each individual requester of CEII must complete a PJM CEII Request Form and must execute a PJM CEII Government NDA located on the PJM website at: http://www.pjm.com/library/request-access.aspx.

- After such CEII requester has been verified by PJM as a legitimate CEII requester (i.e., a legitimate employee of one of the governmental organizations listed above), such CEII requester may obtain the requested CEII.

1.3.1.4 Procedures Applicable to Other CEII Requests
The process to request CEII from PJM is as follows for any other requester seeking CEII from PJM:

- Each individual requester of CEII must complete a PJM CEII Request Form and must execute an appropriate PJM CEII NDA. Where the individual requester of CEII is an authorized agent/consultant for another entity, then an authorized employee of such entity must submit a PJM CEII Authorization Form (in addition to the requester’s completed PJM CEII Request Form and the appropriate PJM CEII NDA) that identifies each individual agent(s)/consultant(s) who may make individual requests for PJM CEII on behalf of such entity. The PJM CEII Authorization Form is located on the PJM website at: http://www.pjm.com/library/request-access.aspx.
Upon receiving all completed required CEII forms, PJM will determine if the requested information is CEII, and, if it is, whether to release the CEII to the requester. PJM will use the information provided by the requester in the PJM CEII Request Form to (1) establish whether a requester has presented a legitimate need for the CEII; and (2) weigh the need for the CEII against the potential harmful effects of its release. In reviewing the request from such individual, PJM will confirm the authenticity of the CEII requester and whether the request is consistent with the requestor’s business or educational interest as determined from a review of publicly available data such as the requestor’s website. If PJM is unable to determine from publicly available information that the request is consistent with the requestor’s business or educational interest in such data, the request will be denied. A requester shall provide additional information (beyond the PJM CEII Request Form) to PJM upon PJM’s request.
Axway, a PJM tool for secure file transfers, is the preferred method for submitting proposals and all associated files to PJM. PJM requires a onetime registration for this tool. PJM limits these accounts to 1 Primary and 1 Alternate user per submitting entity. To setup a new account, please email ProposalWindow-Admin@pjm.com with the subject “Axway Registration”. If you have an account, but cannot login, please email axwayadmin@pjm.com

Detailed instructions on using axway can be found at:


A demonstration video walking through the steps of the Axway tool can be found at:


Entities must submit 1 zip file per proposal per window/due date. For 30 Days proposal windows please submit all files associated with a given proposal as a “.zip” file for the close of the 30 day window, and any additional files or updated RTEP Proposal Template as a second, separate “.zip” file for the close of the 45 day portion of the window. Please do not re-submit files that have already been submitted.

All files must be received by 11:59:59 PM EST on the day of the close of the window.
Attachment 3: Proposal Fee Structure

All proposals, Upgrade and Greenfield, submitted for consideration in any RTEP Proposal Window are subject to the Proposal Fee based on the following fee structure:

- No fee ($0) for any proposed projects (Upgrade and Greenfield) below $20M
- $5,000 fee for any proposed projects (Upgrade and Greenfield) greater than $20M and less than $100M
- $30,000 fee for any proposed projects (Upgrade and Greenfield) greater than $100M

The fee is based on the total cost estimate provided by the proposing entity in the detailed proposal (must be submitted along with final proposal submissions), by the close of the day 45 days after the window opens. For windows longer than 45 days, the fee is due at the close of the window. Total cost estimate shall include all scope elements required in proposal, including the cost estimate of Upgrade work to be completed by other entities and cost estimate of work required to alleviate any new violations caused by the proposal.

Wire Transfer Details will be provided along with the “Problem Statement and Requirements Document” for each proposal window. Ensure that all payments to PJM for Order 1000 proposals include “Order 1000” in the subject/notes/addenda field.
Attachment 4: Decisional Process
Revision History

**Revision 0 (XX/XX/XXXX):**

- No Revision History – New Manual (Placeholder).