PJM Manual 14F:
Competitive Planning Process
Revision: 0
Effective Date:

Prepared by
Organization
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Approval

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Mark Sims, Transmission Planning

Current Revision

Revision 1 (XX/XX/2017):

- Current Revision
Introduction

Welcome to the PJM Manual for the Competitive Planning Process. In this Introduction, you will find the following information:

- What you can expect from the PJM Manuals in general (see “About PJM Manuals”).
- What you can expect from this PJM Manual (see “About This Manual”).
- How to use this manual (see “Using This Manual”).

About PJM Manuals

The PJM Manuals are the instructions, rules, procedures and guidelines established by PJM for the operation, planning and accounting requirements of the PJM RTO and the PJM Energy Market. The manuals are grouped under the following categories:

- Transmission
- PJM Energy Market
- Generation and transmission interconnection
- Reserve
- Accounting and Billing
- PJM administrative services
- Accounting and billing
- PJM administrative services
- Miscellaneous

For a complete list of all PJM Manuals, go to www.pjm.com and select “Manuals” under the “Documents” tab.

About This Manual

The PJM Competitive Planning Process Manual is part of the Manual 14 series of manuals that encompass PJM transmission planning protocol. This manual focuses on the process to conduct competitive proposal windows consistent with Order 1000.

The Competitive Process Manual consists of nine sections. The sections are listed in the table of contents beginning on page ii.

NOTE: While the PJM Manuals provide instructions and summaries of the various rules, procedures and guidelines for all phases of PJM’s planning process, the PJM Operating Agreement and the PJM Open Access Transmission Tariff (OATT) contain the authoritative provisions.
Intended Audience

The intended audiences for this PJM Region Transmission Planning Process Manual include:

- Generation and Transmission Interconnection Customers and their engineering staff
- Transmission Owners (TOs) and their engineering staff.

NOTE: The term “Transmission Interconnection Customer”, as defined in the PJM Open Access Transmission Tariff, refers to those separate and independent entities proposing to install new or upgrade existing transmission facilities rather than an existing Transmission Owner on the PJM System that installs Regional Transmission Expansion Plan “baseline,” “economic,” “system performance” or “Supplemental projects”.

- Transmission Owners and their respective engineering staff
- Transmission Developers
- Federal and state regulatory bodies
- PJM Members
- PJM staff

References

There are other PJM documents that provide both background and detail on specific topics that may be related to topics in this manual. References with related information include:

- PJM Manual 1: Control Center and Data Exchange Requirements
- PJM Manual 2: Transmission Service Request
- PJM Manual 14A: Generation and Transmission Interconnection Process
- PJM Manual 14B: PJM Region Transmission Planning Process
- PJM Manual 14C: Generation and Transmission Interconnection Facility Construction
- PJM Manual 14D: Generator Operational Requirements
- PJM Manual 14E: Merchant Transmission Specific Requirements

Using This Manual

We believe that explaining concepts is just as important as presenting procedures. This philosophy is reflected in the way we organize the material in this manual. We start each section with an overview. Then we present details, procedures or references to procedures found in other PJM manuals. The following provides an orientation to the manuals’ structure.
What You Will Find In This Manual

- A table of contents.
- An approval page that lists the required approvals and a brief outline of the current revision.
- This Introduction and sections containing the specific transmission planning process details including assumptions, criteria, procedures and stakeholder interactions.
- Attachments that include additional supporting documents, forms, or tables.
- A section at the end detailing all previous revisions of this PJM Manual.
The Federal Energy Regulatory Commission (FERC) issued Order 1000 on July 21, 2011. The order requires that PJM consider transmission alternatives in its regional transmission planning process, produce a regional transmission plan and implement a fair cost allocation methodology. FERC required that the process accomplish the following main objectives:

- Ensure that transmission planning processes at the regional level consider and evaluate, on a non-discriminatory basis, possible transmission alternatives and produce a transmission plan that can meet transmission needs more efficiently and cost-effectively;
- Ensure that the costs of transmission solutions chosen to meet regional transmission needs are allocated fairly to those who receive benefits from them.

This manual describes PJM’s competitive planning process. **PJM’s competitive planning process encompasses all aspects of analysis and evaluation pertaining to RTEP proposal windows.**

### 1.1 Proposal Window Type and Duration

The expected type of system enhancement and required in-service data dictates window duration:

- **Long-Lead Projects:** PJM will open a 120-day proposal window for projects with required in-service dates greater than five years out that address identified reliability criteria violations, economic constraints, RPM limitations, system conditions and public policy requirements. Please note that the 120-day proposal window is a default. PJM, as the Office of Interconnection, may shorten or extend the window as needed.

- **Short-Term Projects:** PJM will open a 30-day proposal window for projects to address reliability driven upgrades with required in-service dates between three and five years out. Please note that the 30-day proposal window is a default. PJM, as the Office of Interconnection, may shorten or extend the window as needed.

- **Immediate-Need Reliability Projects:** If PJM determines that insufficient time remains for a short-term project proposal to be implemented, PJM may post reliability violations that could be addressed by a project required to be in service within three years. Proposals would be submitted within a shortened window specified by PJM.

During each window, developers may submit solution proposals to solve posted violations, constraints, system conditions and public policy requirements. PJM may then also request any additional reports or information needed to evaluate the specific project proposal. Any deficiencies must be addressed within 10 business days of notification from PJM. PJM may also (i) shorten proposal windows should it be required to meet the needed in-service date of the proposed enhancements or expansions; or (ii) extend the windows as needed to accommodate updated information regarding system conditions.

**Window Scope**
PJM conducts RTEP analysis on an annual basis, including all reliability testing and market efficiency analysis as described in PJM Manual 14B. All Reliability Criteria violations identified in the near term and long term -- i.e., not immediate need-- are included in RTEP Proposal Windows, except for the following.

Reliability violations identified on facilities below 200 kV will be excluded from the competitive planning process unless one of the following exception criteria applies to thermal reliability violations identified on multiple transmission lines and/or transformers below 200 kV:

- Multiple facilities are impacted by a common contingent element such that multiple reliability violations could be addressed by one or more solutions, including but not limited to a higher voltage solution; or
- PJM determines, given the location and violation type, one or more solutions could potentially address or reduce the flow on multiple lower voltage facilities, thereby eliminating multiple reliability violations

PJM will provide for a meaningful opportunity for stakeholders to review the facilities below 200 kV, that PJM expects to exclude from the proposal window, and provide feedback.

Interregional Proposals

- PJM is interconnected to three neighboring transmission planning regions via three interfaces: Mid-Continent Independent System Operator to the west, New York Independent System Operator (and through it, Independent System Operator - New England) to the north and Southeastern Regional Transmission Planning to the south. PJM conducts interregional planning activities with each adjacent planning region pursuant to Tariff, Operating Agreement and joint agreement provisions applicable to each interface. Interregional studies and proposals can identify opportunities for transmission projects that address issues and provide benefits to both PJM and adjacent regions.
  - "Interregional proposals" for transmission projects on an interface that address issues in PJM must be submitted to PJM as part of a defined window. Such projects must also engage the adjacent region’s respective planning process as well. Entering proposals in both regions will trigger joint evaluation to determine the most efficient, cost effective solution to identified issues

Frequency of Windows

- PJM conducts proposal windows on both annual and 24 month cycles, as shown in Exhibit xxx. Annual windows address NERC and regional reliability criteria violations and Transmission Owner criteria violations that occur over a five to 15 year forward time frame. The scope of annual RTEP analyses typically yield two to four 30-day windows. However, PJM retains the right to open windows on an as-needed basis.
  - PJM also conducts 24 month long-term proposal windows that address Market Efficiency criteria and long term reliability criteria violations. Each such window opens in November of even-numbered years and closes after 120 days.
Exhibit 1: 24-Month Reliability Planning Cycle
Section 2: Pre-Qualification

2.1 Pre-Qualification Process

Parties that want to participate in the competitive planning process and become the Designated Entity for a transmission project that they propose must be pre-qualified, per the PJM Operating Agreement Schedule 6, Section 1.5.8(a). Parties are evaluated on their ability to engineer, develop, construct, operate and maintain a generic transmission facility within PJM. If the party does not have experience in a specific area, PJM requires that it provide a detailed plan for leveraging the experience of affiliates and contractors. PJM reserves the right to request any additional information deemed necessary.

To be granted pre-qualification for Designated Entity status, a pre-qualification package must be submitted to PJM during the annual 30 day pre-qualification window that opens on September 1 of each year. A party may submit a pre-qualification package outside of the annual pre-qualification window for good cause shown as determined by PJM. PJM will employ reasonable efforts in its evaluation and notify the party as soon as practicable.

2.2 Pre-Qualification Package

The PJM Operating Agreement Schedule 6, Section 1.5.8(a) details pre-qualification package requirements. The list below summarizes the required items:

1. Name and address of the entity including a point of contact
2. Technical and engineering qualifications of the entity or its affiliate, partner, or parent company
3. Demonstrated experience of the entity or its affiliate, partner, or parent company to develop, construct, maintain, and operate transmission facilities. Including a list or other evidence of transmission facilities previously developed regarding construction, maintenance, or operation of transmission facilities both inside and outside of the PJM region
4. Previous record of the entity or its affiliate, partner, or parent company to adhere to standardized construction, maintenance and operating practices
5. Capability of the entity or its affiliate, partner, or parent company to adhere to standardized construction, maintenance and operating practices
6. Financial statements of the entity or its affiliate, partner, or parent company for the most recent fiscal quarter, as well as the most recent three fiscal years, or the period of the entity’s existence if shorter, or such other evidence demonstrating an entity’s or its affiliates, partner’s or parent company’s current and expected financial capability acceptable to PJM
7. Commitment by the entity to execute the Consolidated Transmission Owners Agreement, if the entity becomes a Designated Entity
(8) Evidence demonstrating the ability of the entity or its affiliate, partner, or parent company to address and timely remedy failure of facilities

(9) Description of the experience of the entity or its affiliate, partner, or parent company in acquiring rights of way

Entities must submit pre-qualification packages and any updated information to PJM at the following email address: PreQualInfo@pjm.com.

2.3 Processing Pre-Qualification Packages

Upon receiving a new pre-qualification package, PJM assigns a unique identifier and acknowledges receipt to the submitting party. PJM will evaluate the package or updated information and notify the entity no later than October 31 of its findings. If PJM finds that a package is deficient, PJM will include its basis for that determination in its notification to the party.

The submitting party may then respond by supplying additional or updated information to PJM. If the party supplies the additional or updated information by November 30, PJM will make its re-evaluation and notify the party no later than December 15 of its determination. PJM will use reasonable efforts to re-evaluate any additional or updated information submitted after November 30 and notify the entity via email with a letter of its determination as soon as practicable.

If PJM determines that the party is not, or no longer will continue to be, pre-qualified as eligible to be a Designated Entity, the party may continue to supply additional or updated information and PJM will use reasonable efforts in its evaluation and notify the entity of its determination as soon as practicable.

2.4 Changes to Pre-Qualification Information

Once a party is pre-qualified as a Designated Entity, it is required to submit any subsequent changes to the information on which pre-qualification was based. If the change is with respect to the upcoming year, the entity should submit the updated information to PJM during the annual pre-qualification window. If the change is with respect to the current year, the entity should provide the updated information to PJM when the change occurs and PJM will utilize reasonable efforts in its evaluation and notify the entity of its determination as soon as practicable. Entities submitting updated information to PJM are required to provide their original pre-qualification identification number.

Parties should submit all pre-qualification packages to PJM at the following email address: ProposalWindow-Admin@pjm.com.
Section 3: Registration Requirements

3.1 General Registration

PJM’s competitive planning process requires registration for short term and long term proposal windows. For short term windows, individuals are instructed to submit registration annually, including a CEII request as described in Section 4.2. Registration for long term proposal windows, also includes the additional requirements described in Section 4.4.

3.2 Critical Energy Infrastructure Information (CEII) Registration

Attachment 1 describes PJM CEII registration and how the CEII request and approval process is incorporated into PJM’s competitive planning process. Qualification to receive PJM CEII is a two-step process. Sign an appropriate CEII NDA and submit a request for the specific, desired CEII. Signing the NDA is a “once and done” process as long as a recipient’s circumstances related to the CEII NDA do not change. Separate requests for CEII, however, are required for each window. Annual registration covers all reliability windows for that particular calendar year. Market Efficiency Window registration is discussed separately in Section 3.4 of this Manual.

PJM Members – Each member must sign and electronically submit the PJM CEII NDA or verify that it has a signed, valid CEII NDA on file with PJM. Information that enables PJM to verify the valid CEII NDA on file must be provided by completing and submitting a CEII Request Form. This CEII Request Form must also include the exact wording, ‘20XX RTEP Proposal Windows’, where 20XX is the year in which the applicable windows will open.

* http://www.pjm.com/library/request-access.aspx

- Setup a My PJM login account, which will be used to identify and authorize users - http://www.pjm.com/Login.aspx

- NERC registered Planning Coordinator or Transmission Planner employees: PJM is a signatory to the Planning Coordinator and Transmission Planners Critical Energy Infrastructure Information Sharing and Non-Disclosure Agreement. This NDA (PCTP NDA) is an option available for All NERC registered Planning Coordinators and Transmission Planners to facilitate compliance with the Commission’s Order No. 1000 and NERC’s MOD-32 requirements. A requestor who is an employee of a NERC registered Planning Coordinator or Transmission Planner that desires PJM CEII specifically for use in NERC MOD 32 or FERC Order No. 1000 activities (PJM’s window process is an Order No. 1000 process) may gain access to PJM CEII by completing the requirements related to this PCTP NDA found at http://www.eipconline.com/home.html. In addition, PJM’s Request Form discussed for PJM Members is also required.

PJM Non-Members – Each non-member must also sign an appropriate PJM CEII NDA and Request Form and be subject to additional verification by PJM as outlined in Manual 14B or obtain CEII status with FERC and provide PJM with proof of the same in order for PJM to
process the request further. Once received, the non-member must then follow the same registration requirements listed above for PJM members. For more information, including specific CEII categories, please see the following:


Once a non-member receives FERC approval it must submit a CEII request as described in Section 4.2

### 3.3 Secure File Transfer

Each party must submit its proposals and related files via PJM’s secure file transfer tool. To do so, PJM requires a one-time registration but limits accounts to one primary user and one alternate user per party. To set up a new account, please email ProposalWindow-Admin@pjm.com with the subject “Secure File Transfer Registration”. If you have an account, but cannot login, please axwayadmin@pjm.com

### 3.4 Market Efficiency Requirements

In addition to the general registration proposal window requirements above, market efficiency windows also require the following:

1. **PJM CEII Data Window Access**: If a party is already registered for 20XX RTEP Proposal Window Access, it will also need to request 20XX/20YY Market Efficiency Access to obtain related window information and data. Additional information can be found on-line:


2. **Production Cost Software License**: Some files that PJM provides for analytical evaluation of Market Efficiency Windows may contain production cost and nodal simulation data subject to software license requirements. In this event, the requestor must be listed by the appropriate software vendor as eligible to receive any data for which a software license is required.
Section 4: PJM Problem Statement and Requirements

4.1 Public Information

4.1.1 Purpose of a Proposal Window

PJM uses RTEP Windows to seek technical solution proposals to solve identified reliability criteria violations, market congestion, or Reliability Pricing Model (RPM) limits in accordance with all applicable planning criteria mandated by PJM, NERC, SERC, RFC, and Local Transmission Owners. Specific PJM reliability criteria tests include, but are not limited to:

- Baseline Thermal and Voltage N-1 Contingency Analysis
- Generator Deliverability and Common Mode Thermal Analysis
- Load Deliverability Thermal and Voltage Analysis
- N-1-1 Thermal and Voltage Analysis
- Transmission Owner Criteria
- Congestion Analysis
- RPM Analysis

4.1.2 Terminology

PJM will post an Excel workbook of potential violations. The following column headings are generally representative of the data fields that will be used to identify the specific facility and other information. (Not all column headings will appear in every sheet within the workbook.) Additional information deemed necessary by PJM will be provided on a separate attachment together with a results file.

Typical thermal analysis Excel workbook contents:

<table>
<thead>
<tr>
<th>Column Headings</th>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>FG #</td>
<td>Flowgate Number</td>
<td>A sequential numbering of the identified potential violations</td>
</tr>
<tr>
<td>Fr Bus</td>
<td>From Bus Number</td>
<td>PSSE model Bus number corresponding to one end of line identified as a potential violation</td>
</tr>
<tr>
<td>Fr Name</td>
<td>From Bus Name</td>
<td>PSSE model Bus name corresponding to one end of line identified as a potential violation</td>
</tr>
<tr>
<td>To Bus</td>
<td>To Bus Number</td>
<td>PSSE model Bus number corresponding to other end of line identified as a potential violation</td>
</tr>
<tr>
<td>To Name</td>
<td>To Bus Name</td>
<td>PSSE model Bus name corresponding to other end of line identified as a potential violation</td>
</tr>
<tr>
<td>Column Headings</td>
<td>Title</td>
<td>Description</td>
</tr>
<tr>
<td>-------------------------</td>
<td>------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Monitored Facility</td>
<td>Monitored Facility</td>
<td>The circuit on which a potential violation is occurring</td>
</tr>
<tr>
<td>Base Rate (MVA)</td>
<td>Base Rate (MVA)</td>
<td>Normal Facility Rating (Rate A)</td>
</tr>
<tr>
<td>% Overload</td>
<td>Percentage Overload</td>
<td>Percentage above base rate</td>
</tr>
<tr>
<td>CKT</td>
<td>Circuit</td>
<td>Circuit number of identified potential violation</td>
</tr>
<tr>
<td>KVs</td>
<td>Kilovolt level (A/B)</td>
<td>Kilovolt level of both sides of potential violation, if A does not equal B, potential violation is a transformer</td>
</tr>
<tr>
<td>Areas</td>
<td>Area Numbers (A/B)</td>
<td>Area numbers of both ends of potential violation (A=From Bus Area Number, B=To Bus Area Number) If A does not equal B, potential violation is a tie line</td>
</tr>
<tr>
<td>Rating</td>
<td>Line Rating</td>
<td>Applicable Thermal rating (MVA) of line</td>
</tr>
<tr>
<td>DC Ld(%)</td>
<td>Direct Current Loading percentage</td>
<td>Percentage above 'Line Rating' determined from DC testing</td>
</tr>
<tr>
<td>AC Ld(%)</td>
<td>Alternating Current Loading percentage</td>
<td>Percentage above 'Line Rating' determined from AC testing</td>
</tr>
<tr>
<td>Cont Type</td>
<td>Contingency Type</td>
<td>Contingency Categorization (potential options include: Single, Bus, Line_FB, Tower)</td>
</tr>
<tr>
<td>Cont Name</td>
<td>Contingency Name</td>
<td>Contingency Name as identified in associated contingency file or embedded in the spreadsheet</td>
</tr>
<tr>
<td>Contingency</td>
<td>Contingency</td>
<td>Contingency Description</td>
</tr>
<tr>
<td>Violation Date</td>
<td>Violation Date</td>
<td>Date on which violation is expected to occur</td>
</tr>
<tr>
<td>Analysis Case</td>
<td>Analysis Case</td>
<td>Case title to use in replicating analysis</td>
</tr>
</tbody>
</table>
Typical voltage analysis Excel file contents:

<table>
<thead>
<tr>
<th>Column Headings</th>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>FG #</td>
<td>Flowgate Number</td>
<td>A sequential numbering of the identified potential violations</td>
</tr>
<tr>
<td>Bus #</td>
<td>Bus Number</td>
<td>PSSE model Bus number corresponding to bus identified as a potential violation</td>
</tr>
<tr>
<td>Name</td>
<td>Bus Name</td>
<td>PSSE model Bus name corresponding to bus identified as a potential violation</td>
</tr>
<tr>
<td>KV</td>
<td>Kilovolt level</td>
<td>Kilovolt level of bus identified as potential violation</td>
</tr>
<tr>
<td>Area</td>
<td>Area Number</td>
<td>Area number of bus identified as potential violation</td>
</tr>
<tr>
<td>ContVolt</td>
<td>Contingency Voltage (P.U.)</td>
<td>Per Unit Voltage at identified bus after contingency is applied</td>
</tr>
<tr>
<td>BaseVolt</td>
<td>Basecase Voltage (P.U.)</td>
<td>Per Unit Voltage at identified bus before contingency is applied</td>
</tr>
<tr>
<td>Low Limit</td>
<td>Low Voltage Limit (P.U.)</td>
<td>Threshold of Per Unit Low voltage, if ContVolt is under this limit, a potential violation is identified</td>
</tr>
<tr>
<td>Upper Limit</td>
<td>High Voltage Limit (P.U.)</td>
<td>Threshold of Per Unit High voltage, if ContVolt is over this limit, a potential violation is identified</td>
</tr>
<tr>
<td>Cont Type</td>
<td>Contingency Type</td>
<td>Contingency Categorization (potential options include: Single, Bus, Line_FB, Tower)</td>
</tr>
<tr>
<td>Vdrop(%)</td>
<td>Voltage drop</td>
<td>The Percentage that the voltage has dropped as a result of the contingency</td>
</tr>
<tr>
<td>Contingency</td>
<td>Contingency Name</td>
<td>Contingency Name as identified in associated contingency file</td>
</tr>
<tr>
<td>Contingency 1</td>
<td>First Contingency</td>
<td>N-1 (First) Contingency identified</td>
</tr>
<tr>
<td>Contingency 2</td>
<td>Second Contingency</td>
<td>N-1-1 (Second) contingency identified in N-1-1 analysis</td>
</tr>
<tr>
<td>Violation Date</td>
<td>Violation Date</td>
<td>Date on which violation is expected to occur</td>
</tr>
<tr>
<td>Analysis Case</td>
<td>Analysis Case</td>
<td>Case title to use in replicating analysis</td>
</tr>
</tbody>
</table>
Typical market efficiency Excel file contents:

<table>
<thead>
<tr>
<th>Column Headings</th>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facility Name</td>
<td>Facility Name</td>
<td>The circuit on which market congestion is occurring</td>
</tr>
<tr>
<td>Area</td>
<td>Area</td>
<td>The Transmission zone in which the congestion occurs</td>
</tr>
<tr>
<td>Type</td>
<td>Type</td>
<td>The Type of Facility (i.e. Interface, Line)</td>
</tr>
<tr>
<td>Frequency</td>
<td>Frequency</td>
<td>The number of hours the Facility was constrained for the year.</td>
</tr>
<tr>
<td>Market Congestion</td>
<td>Market Congestion</td>
<td>The total Market Congestion for the facility for the year.</td>
</tr>
<tr>
<td>Notes</td>
<td>Notes</td>
<td>Information, if applicable, about the facility and congestion. (i.e. potential RTEP upgrades, Reason for congestion)</td>
</tr>
</tbody>
</table>

4.1.3 Proposal Development by Submitting Parties

Submittals must include the analyses completed by the party to identify its proposed solutions, consistent with the same RTEP procedures PJM uses, as detailed in Manual 14B:

http://pjm.com/~media/documents/manuals/m14b.ashx

Additionally, all proposal solutions must meet the performance requirements outlined in the applicable PJM Transmission Owner Criteria:

http://www.pjm.com/planning/planning-criteria/to-planning-criteria.aspx

4.1.4 Data and Information Provided by PJM

PJM provides the following data and related information:

Modeling Data

Please note these files are Critical Energy Infrastructure Information (CEII) and should be handled in accordance with the steps described in Section xxx.xxx:

1. Base Power Flow Case: The data in the Excel spreadsheet notes which case(s) correspond to each identified reliability criteria violation.

2. Contingency List: all contingency types including Single, Bus, Tower, Line w/ stuck breaker.

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(3) Subsystem File: identifies all subsystem zones to be considered in analysis.

(4) Monitor File: identifies specific ranges of facilities by area and kV level to be considered in analysis.

(5) Applicable Ratings (if different from that in power flow cases)

(6) Excel Workbook containing detailed power flow results and any additional technical comments.

(7) Market Efficiency production cost supporting files.

4.2 Secure Information

PJM posts an on-line public version of the “Problem Statement and Requirements” documentation and associated analytical files, some of which require CEII authorization as discussed in Section XX. These files include:

- Flowgates identified in RTEP analyses
- Detailed flowgate tabs for generator deliverability results
- Power flow cases
- Associated contingency, subsystem and monitor files
- Production cost cases
- Associated production cost event, outage library and load forecast files

These files can only be provided to a registered party that has required CEII/NDA and all other registration documentation and may not be shared with other parties.
Section 5: Violations included in a Proposal Window

5.1 Criteria Driver Classification

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

Supplemental projects, while not included as a criteria driver, are considered in the development and evaluation of baseline upgrades, including competitive proposals. Supplemental projects identified in previous RTEP cycles are included as an input assumption in RTEP cases, and as a base assumption are included in analysis performed in the evaluation of proposals.

5.2 Quality Control Check and posting of violations

In coordination with PJM transmission owners, generation owners, neighboring entities and any other affected parties, PJM will perform a quality control check of the identified violations and needs. The quality control check may reveal that identified potential violations can be removed from the potential violation list if they are found to not be valid potential problems. The quality control check may also reveal that other potential violations not on the original violation list may be added as deemed necessary by PJM.

PJM will post the preliminary findings of the analysis in advance of the opening of the proposal window, in order to give all stakeholders and opportunity to review the identified violations and needs.

5.3 Proposal Window Violation Inclusion Review Process

5.3.1 Identify violations and needs

After PJM identifies violations and needs based on the analyses performed under the criteria tests described in PJM Manual 14B, a review process to determine if each flowgate is appropriate for inclusion in a RTEP proposal window is initiated. By default all identified PJM market monitored reliability criteria violations are assumed to be included in a RTEP Proposal window unless they fall into one of the following exception categories, as described in more detail below:

- Immediate need reliability projects
- TO FERC 715 Criteria
• Lower Voltage Facilities
• Transmission Substation Equipment

5.3.2 Immediate Need Reliability Projects

As defined in PJM’s Operating Agreement, if PJM determines that insufficient time remains for a short-term project proposal window to be conducted, PJM may post reliability violations that could be addressed by a project required to be in service within three years. Immediate Need Reliability Projects are not required to be competitively solicited via the proposal window process.

5.3.3 TO FERC 715 Criteria

Per FERC Order, PJM has been directed that all FERC 715 Transmission Owner Criteria projects shall be cost allocated 100% to the zone in which they are required. Additionally, based on PJM cost allocation rules, any project that is cost allocated to a single zone, and is geographically located within that same single zone, shall be reserved for the incumbent Transmission Owner to construct, and therefore is not eligible for inclusion in the Competitive Planning Process.*

*Pending FERC Clarification. TO Criteria projects will not be window eligible unless the developer demonstrates that the project addresses multiple drivers.

5.3.4 Lower Voltage Facilities

Per FERC Docket ER16-1335-000 and ER16-1335-001 identified violations below 200 kV are excluded from the competitive planning process unless one of the following exceptions to the exemption are met:

1) Multiple facilities are impacted by a common contingent element such that the multiple reliability violations could be addressed by one or more solutions, including but not limited to a higher voltage solution

2) PJM determines that given the location and electrical features of the violations, one or more solutions could potentially address or reduce the flow on multiple lower voltage facilities, thereby eliminating the multiple reliability violations

5.3.5 Transmission Substation Equipment

Transmission substation equipment issues that can be solved by Transmission Owner upgrades (with the exception of power transformers) shall be excluded from the Competitive Planning Process.*

*Pending PJM Stakeholder and FERC approval

5.3.6 Exception/exemption review process
The above stated exemptions will be posted to give stakeholder a reasonable opportunity to review and provide comments for consideration on the violations expected to be excluded from the competitive planning process via the TEAC. Stakeholder must provide written comments to PJM regarding PJM’s determination of exemption of a violation(s) from a proposal window no later than the opening of the window. All written comments will be publicly available on the PJM website.
Section 56: Proposal Requirements

56.1 Proposal Requirements

The following must be provided no later than the date on which the window closes. Proposing entities must use the PJM-provided templates to describe the planning level proposal details including the specific violations/constraints it addresses. Proposing entities must also provide separate documentation for every proposal that includes, but is not limited to, upgrade/greenfield templates as well as redacted and unredacted versions of each proposal.

PJM will not accept a proposal with multiple options. Each proposal with a unique set of electrical characteristics and/or routing characteristics must be submitted separately. A proposing entity may include additional narrative in the proposal report (Word/PDF document) to address other specific details. These may include, but are not limited to the following items:

1. Description of the proposed solution and corresponding violation(s) it solves including whether the project should be considered only in its entirety or if one or more elements should be considered independently as well.

2. Detailed analysis report for a proposed solution, including:
   a) Breaker one-line diagrams to illustrate system topology
   b) Spreadsheets showing results of analysis
   c) Planning level estimate of:
      i. Time to construct the proposed solutions and the overall expected in-service date
      ii. Estimates for the following: itemized costs for each major component (e.g. substation work, transformer cost, transmission line cost), base cost, risk and contingency cost and total cost, together with a description of assumptions (e.g. base cost, risk and contingency (R&C) costs, and total cost,
      iii. Right-of-way availability

3. Non-incumbent transmission owner scope-of-work:
   a) If a non-incumbent proposal assumes that a portion of the work will be completed by an incumbent transmission owner, the planning level scope and itemized cost for that work must also be provided.

4. Equipment parameters and assumptions
   a) Transmission line and transformer ratings, impedances and mileage (as appropriate), etc.
   b) Reactive device settings and expected output
   c) MW and MVAR output assumptions for synchronous machines
(5) Complete set of power flow and dynamic cases modeling the proposed solution. Each case must be solvable – i.e., does not contain any convergence issues -- and must conform to industry standards. A single PSS/E IDEV file must be provided so that the proposal may be modeled easily applied in other analyses. Any new busses created must not be labeled with previously used bus numbers. Critical contingency files to reproduce results driving proposed solution must also be provided. All cases and data files for dynamic simulations must be in the current PSS/E version format.

(6) Any other supporting documentation specified by PJM, and not otherwise explicitly stated in this document, that is required to perform verification review

(7) Submission of Deliverables
   a) Preferred – Via secure file transfer tool portal – See Section 4.3 for transfer tool portal registration
   b) Alternative - Via electronic mail to ProposalWindow-Admin@pjm.com
   c) Alternative (e.g.: DVD or flash/thumb drive) - Via FedEx to Manager, Transmission Planning, PJM Interconnection, 2750 Monroe Boulevard, Audubon, PA 19403

Upgrade Information
PJM requires all proposal solutions -- both upgrades to existing facilities and new greenfield projects -- to complete the 20XX RTEP Proposal Window Template, included in the files available via PJMs downloadable package of files provided to all registered participants. An example of how to fill out the template can be found online: 2016 RTEP Proposal Template – Example

Greenfield Information
If the proposal is a Greenfield solution, then the ‘20XX Greenfield Project Proposal Template’, included within the files available via PJMs downloadable package of files provided to all registered participants, must also be included in the project proposal package. The Greenfield template can be found on-line: Greenfield Project Proposal Template.

Interregional solution proposals must follow the documentation procedures discussed in Section 6.1.

56.2 Proposal Timelines
56.2.1 Short Term Windows

Items due at close of 30 day window:

- RTEP Proposal Template (Excel Spreadsheet) with initial planning level cost estimates. The initial cost estimate is preliminary and is to be used by PJM to support the creation of an initial analytical work plan.
- All analytical files needed for technical analysis & simulation
• Include all results from simulations conducted by the proposing entity, e.g., all PSS/E files, contingency files, one line diagrams, etc.

• Detailed substation (showing all breaker and transmission topology) and route diagrams

• Pre-qualification documentation

Items due 15 days after a window closes (45 days after window opening):

• RTEP Proposal Template (Excel Spreadsheet) updated to include both overall project cost and detailed cost of each component. This cost estimate may differ from the 30 day preliminary cost estimate.

• Any cost cap or cost containment mechanisms should include enough detail for PJM to understand the implementation and impact of the cost mechanism under theoretical scenarios.

• Describe in detail every aspect of the proposed cost where the cost mechanism does and alternatively does not apply.

• If supplemental examples of how the cost mechanism would behave under varying scenarios would benefit PJM’s understanding of the cost mechanism, include them as part of project documentation.

• The greenfield RTEP Proposal document (detailed word/PDF report, redacted and un-redacted documentation requirements) can be found via the link in Section xxx.xxx.

**NOTE:** PJM will maintain confidentiality of individual proposals for the duration of the window, including the additional 15 days.

**NOTE:** Entities cannot modify the proposal or make new proposals after the initial 30 day submission.

**NOTE:** Any proposals received after close of the proposal will not be accepted.

### 56.2.2 Long Term Windows

Items due by close of the window (120 days after opening):

• RTEP Proposal Template (Excel Spreadsheet) updated to include both preliminary overall project cost and detailed cost of each component. This cost should be calculated for the in-service date of the project.

• As the cost is paramount for Market Efficiency selection, PJM will use this cost as submitted during the selection process in addition to any independent cost review as required by the Operating Agreement or as PJM deems appropriate for the project’s scope.

• Any cost cap or cost containment mechanisms should include enough detail for PJM to understand the implementation and impact of the cost mechanism under various scenarios.
• Describe in detail every aspect of the proposed cost where the cost mechanism does and alternatively does not apply.

• If supplemental examples of how the cost mechanism would behave under varying scenarios would benefit PJM's understanding of the cost mechanism, include them with the project documentation.

• All analytical files needed for technical analysis and simulation:

• Include all results from power flow and production cost simulations including overloads, congestion savings, net load payments and adjusted production cost savings.

• All PSS/E files to model the project, contingency files, one line diagrams, etc.

• List of contingencies and list of monitored flowgates modeled to capture project impact.

• (optional) All production cost modeling files corresponding to the analytical files mentioned above

• Event files and XML modeling files

### 56.3 Redaction Requirements

Each proposal must include a redacted version for public posting. The purpose of submitting redacted and unredacted versions is to enable PJM and transmission asset owners to protect Critical Electrical Infrastructure Information (CEII) from disclosure as defined earlier in Attachment 1.

The un-redacted version must highlight all sections that have been redacted from the public version. And, all “Confidential” and “CEII” markings must be removed from the redacted version. All Confidential and CEII materials maybe submitted as an attachment to the unredacted version of a proposal, then removing those attachments in the public version. PJM reserves the right to review the proposing entity’s proposed redactions to ensure the appropriate level of transparency while protecting CEII, confidential and proprietary information.

• Items that should not be redacted:

• Description and scope of project including substation and line detail, and general breaker configuration: e.g. ring bus, breaker-and-a-half etc.)

• Violations/issues solved by the proposal

• General route of project

• High level cost and timeframe

• Technical specifications and parameters (ratings, impedances etc.)

• High level cost cap information

• General assumptions needed to evaluate projects

• General plans for operations and maintenance

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- Environmental, land, and permitting information (except specific routes and landmarks)
- Any construction responsibilities by other entities

Items that can be redacted from proposals:
- Detailed breaker descriptions (i.e.: failure of this breaker will result of loss of…)
- One-line diagrams that include breakers
- Geographic maps that identify specific location of project
- Descriptions of specific landmarks in the area (names of rivers, trails, highways, etc.)
- Proprietary information (such as detailed estimates, commercially sensitive practices, agreements with vendors/suppliers and intellectual property)

The above are suggested guidelines for proposing entities to use as they submit their proposals. PJM reserves the right to require additional redactions to protect CEII or to require the disclosure of redacted information as necessary to ensure as much transparency as possible.

### 5.66.4 Using Proposal Submittal Tool

See Attachment 2 for instructions and a link to a demonstration video on how to use PJM’s secure online file transfer tool.

### 5.76.5 Proposal Fee Structure

See Attachment 3 for a detailed breakdown on PJM’s proposal fee structure including fees, due dates and general wire transfer details.

### 5.86.6 Proposal Window Communications

All RTEP proposal window announcements will be communicated through the Transmission Expansion Advisory Committee (TEAC) (http://pjm.com/committees-and-groups/committees/teac.aspx). Interested parties should register for the TEAC email list to receive the most up-to-date information.

PJM also employs user email lists for each calendar year to announce the posting of files and provide the password to access these files. See ‘Window Registration Process’ in Section xxx.xxx for additional details.

Contacting PJM with questions Regarding RTEP Proposal Windows

PJM Planning has three email addresses to respond to RTEP proposal window related questions:
- ProposalWindow-Admin@pjm.com

Question regarding window access
Password Issues
Secure submittal tool registration
- ProposalWindow-PreQual@pjm.com

Prequalification submittals
Changes to existing prequalification documentation
- ProposalWindow-Tech@pjm.com

Technical and analytical questions

5.96.7 Market Efficiency Proposal Requirements
In addition to the proposal requirements discussed in Section .1, proposing entities are encouraged to submit any supporting data or material that may benefit PJM’s evaluation of a specific market efficiency proposal. Such information may include, but is not limited to the following:

1. Description of the congestion driver(s), regional or local, the proposal relieves
2. Spreadsheets that provide additional detail on congestion relief provided by the proposed solution, output of production cost analysis showing congestion savings, net load payments and adjusted production costs decreases
3. Production cost cases to model the project topology including list of changes to base event files
4. Estimation of the benefit-to-cost (B/C) ratio for the proposed solution

5.106.8 Interregional Proposal Requirements
Interregional proposals must be entered into both the PJM RTEP window process -- in accordance with manual -- as well as the process of the applicable planning region adjacent to PJM. Interregional agreements may also provide for relatively small, lower cost but highly beneficial projects that may be identified and approved through a single joint planning process and avoid the normally required separate process for both PJM and the adjacent region. Any availability of these new project types will be described in the applicable Tariff, Operating Agreement and joint agreement provisions referenced in this Manual.
Section 67: Interregional Process

67.1 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-Continent 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.

67.2 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

### 67.3 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 long-term window, November of even numbered years through February of odd numbered years 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.

### 67.4 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 coordination efforts and includes any Interregional Transmission Projects or other transmission coordination accomplished by the parties.

### 67.5 Southeast 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 Corporation, Municipal Energy Authority of Georgia, PowerSouth and The Tennessee Valley Authority.

As with the MISO, NYISO and ISO-NE interfaces, 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 7.28: Project Evaluation

7.28.1 Reliability Criteria Project Evaluation

7.28.1.1 Initial Review and Screening

Following proposal submittal, PJM performs a preliminary analytical quality assessment of the proposals received 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 were documented as part of the window process. Competing projects may be organized into logical groups that share similar comparable scope and cost 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 cap or 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 address similar criteria violations share similar project scopes. Project cost estimates and scope will be evaluated for reasonableness based on costs for projects of similar scope and magnitude. Cost cap and 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 through the initial review, PJM will select project proposals to perform a detailed review.
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.

### 7.2.38.1.2 Bright Line Primary Considerations

**Detailed Proposal Review**

As part of the detailed proposal review, 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. These bright line primary considerations will include:

- Conformance to Reliability Standards - NERC, RFC, SERC - thermal, voltage and stability
- PJM Reliability Requirements, from the PJM Reliability and Adequacy Agreements – Load Deliverability, Generator Deliverability, Light Load Reliability Criteria, 15 Year Analysis, Short Circuit analysis, Transmission Owner Criteria
- Industry practices and generally acceptable methods

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, the proposal will not be recommended based on the current submission. PJM will not perform a more detailed analytical and constructability 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 mechanisms and may engage an independent consultant to assess the potential benefit of any cost caps of cost containment/commitment.

**Detailed Feasibility Review** – PJM may perform an in-depth review of the project constructability. This review will typically include an evaluation of project scope, complexity and constructability factors that impact the project risk and may impact the completion of the project.
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 [Cap or Cost] Containment [Cap or Cost] Commitment [Mechanism]
- Cost Estimate Review
- Grid Resiliency/Performance
  - Transfer Capability – to what degree are the transfer capabilities to/from PJM increased or decreased?
  - Coordination with other entities – does the proposal enhance or diminish reliability in another neighboring system?
  - Operational Performance – Are there other impacts or benefits to operations performance?
  - Grid Resiliency – does the proposal enhance grid resiliency through increased redundancy or operational flexibility?
  - Industry practices and generally acceptable methods
  - Route Diversity – does the proposal include an additional diverse route that provides enhanced operational flexibility?
- Reliability Margin
  - Consideration of the margin the proposal allows before the facility will hit the next limit
  - Project Longevity - How many years into the future is a solution alternative expected to be effective?
  - What are the future risk factors? – Additional load, generation deactivation, additional transmission, future NERC standards, generation or merchant interconnection, impacts to the existing projects
- Net Load Payments
- Production Costs
- Project Execution Risk/Schedule/Timing
  - Project Longevity - How many years into the future is a solution alternative expected to be effective?
  - What are the future risk factors? - Additional load, generation deactivation, additional transmission, future NERC standards, generation or merchant interconnection, impacts to the existing projects
    - Environmental impact risks
    - Project Complexity
    - Impact to existing facilities
    - Technology Considerations – Is technology proven?
    - Schedule - Time to construct and feasibility of the schedule

Scope/Constructability/Diversity of Route
- Route Diversity - Does the proposal include an additional diverse route that provides enhanced operational flexibility?
  - Siting and Permitting Risks
  - Right-of-Way and land acquisition – Is new ROW/land required?
  - Physical constraints
  - Outage Impacts – What outages are needed, how long, and what are impacts to system?
- Sensitivity Analysis

Timing
- Total System Congestion

7.2.58.1.4 Company Evaluation
In parallel to the analytical evaluation, PJM will perform a planning level company evaluation to ensure that the proposing entity possesses 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

7.2.68.1.5 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 at a TEAC meeting and then a final recommendation at a 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, and acceptance of construction responsibility letters and Certificates of Public Need and Convenience.

### 7.38.2 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 may be utilized as guidelines in order to facilitate the recommendation process.

#### 7.38.2.1 ‘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.

#### 7.38.2.1.1 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. Energy market uplift charges typically born due to local reactive support issues are addressed in the Operational Performance category.)

#### 7.38.2.1.2 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 as an independent stand-alone proposal 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.

### 7.3.1.3.8.2.1.3 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. Additional constructability review may be performed as deemed appropriate to evaluate competing proposals.

### 7.3.28.2 ‘Other’ Secondary Considerations

When primary considerations do not identify an obvious cost effective solution, 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. (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)

### 7.3.2.18.2.3 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.

### 7.3.2.28.2.4 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.

7.3.2.48.2.5 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.

7.3.2.48.2.6 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.

7.3.2.48.2.7 Outage Impact
The duration of the outages and the transmission congestion associated with the outages
required to install the project will be assessed. 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.

7.3.2.48.2.8 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.
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.

89.1 Proposal Window Agreements

89.1.1 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.

89.1.1.1 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.

89.1.2 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.

89.2 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. Error! Reference source not found. Exhibit 2 provides an outline of the process.

89.2.1 Designation of Interregional Projects

Interregional Transmission Projects must be proposed in PJM’s proposal window process and be selected for cost allocation in PJM’s RTEP. The cost of an Interregional Transmission Project applicable to PJM’s RTEP evaluation is the cost allocated to PJM according to the applicable interregional process outlined in section 6 of this manual. Interregional Transmission Projects, or the portion thereof, located in the PJM region will selected and designated according rules applicable to the project type as outlined in this Manual.

89.2.1 Project Assignment

A project may be assigned in full to another entity subject to the assignment provisions of the Designated Entity Agreement.
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’ resecutive 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
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](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](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](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.
Attachment 2: Using Axway Secure File Transfer Tool to Submit Your Proposals

Axway, a PJM tool for secure file transfers, is the preferred method for submitting proposals and all associated files to PJM. PJM requires a one-time 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 “Secure file transfer tool Axway Registration”. If you have an account, but cannot login, please email axwayadmin@pjm.com.

Detailed instructions on using PJM’s secure file transfer tool Axway can be found at:


A demonstration video walking through the steps of the Axway secure file transfer 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.
Revision History

Revision 0 (XX/XX/XXXX):

- No Revision History – New Manual (Placeholder).