Competitive Planning Process Proposal Fee Status Update

Michael Herman
Transmission Planning
Planning Committee
December 14th, 2017
Background

• Current Tiered proposal fee structure
  – Developed by RPPTF in 2014/2015
  – Endorsed by MC in August of 2015 and accepted by FERC as of 2/16/2016

• PJM commitment (ER15-2648) to monitor the fee collections and costs over a two year period
  – Determine next steps, if any

• Any changes to the proposal fee process must be submitted to FERC by 2/16/2018
Current Fee Structure

- All proposals, upgrade and greenfield solutions, submitted for consideration in any RTEP Proposal Window are subject to a proposal fee based on the following fee structure:

<table>
<thead>
<tr>
<th>Proposal Cost Estimate</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;$20M</td>
<td>$0</td>
</tr>
<tr>
<td>$20M-$100M</td>
<td>$5k</td>
</tr>
<tr>
<td>&gt;$100M</td>
<td>$30k</td>
</tr>
</tbody>
</table>
## 2016 and 2017 RTEP Window Revenue and Cost

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposal Fees Collected</td>
<td>$165,000</td>
<td>$270,000</td>
<td>$55,000</td>
<td>$490,000</td>
<td>$980,000</td>
<td>$160,000</td>
<td>$1,140,000</td>
<td>$1,630,000</td>
</tr>
<tr>
<td>Total Evaluation Costs</td>
<td>$66,530</td>
<td>$258,564</td>
<td>$132,623</td>
<td>$457,717</td>
<td>$902,115</td>
<td>$328,287</td>
<td>$1,230,402</td>
<td>$1,688,119</td>
</tr>
<tr>
<td>Net of Fees and Costs</td>
<td>$98,470</td>
<td>$11,436</td>
<td>$(77,623)</td>
<td>$32,283</td>
<td>$77,885</td>
<td>$(168,287)</td>
<td>$(90,402)</td>
<td>$(58,119)</td>
</tr>
</tbody>
</table>

Negative numbers = Undercollection

* This includes Addendum 1

** This includes addendum 1A
• Based on the current data no changes recommended.

• Given the recently approved (but not yet implemented) substation equipment exclusion, and the 200 kV voltage cutoff exclusion (implemented starting in 2017), PJM anticipates some reduction in collected fees.

• PJM proposes to review the updated data in early 2019
Next Steps

• Continue monitoring collections and costs through 2018.

• Review the actual collections and costs with stakeholders in late 2018

• Determine if existing fees are still appropriate or if changes to the fee structure are recommended. If changes are recommended based on stakeholder review, PJM anticipates a filing would be made in early 2019.