Special PC Sessions: Cost Commitment for Competitive Transmission Proposals

Suzanne Glatz
Director, Infrastructure Planning
Planning Committee
March 8, 2018
May 24, 2017: PC- Cost Containment special sessions started

January 25, 2018: main motion fails vote at MRC, alternate motion presented and vote deferred for additional work and discussion of alternate motion.

February 9, 2018: PC Special Sessions restarted

May 24, 2018: MRC - vote or request for additional time from special sessions
Upcoming Agenda Items

- CAISO’s Process
- Review of Interests
- Develop Design Components
- Brainstorm Options

Meeting Schedule

- March 6 – 1:00 – 4:00 p.m.
- March 16 – 1:00 – 4:00 p.m.
- April 3 – 1:00 – 4:00 p.m.
- April 27- 9:00 a.m. – 12:00 p.m.
Appendix
<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 24, 2017</td>
<td>Education session</td>
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<tr>
<td>July 18, 2017</td>
<td>Developed principles for evaluating cost commitments</td>
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<tr>
<td>August 21, 2017</td>
<td>Developed principles for evaluating cost commitments</td>
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<tr>
<td>October 9, 2017</td>
<td>Reviewed draft manual language</td>
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<tr>
<td>November 4, 2017</td>
<td>Reviewed draft manual language and OA language</td>
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<tr>
<td>Dec. 14, 2017</td>
<td>First Read at PC</td>
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<td>Dec. 21, 2017</td>
<td>First Read at MRC</td>
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<td>Jan. 11, 2018</td>
<td>Endorsed at PC</td>
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<td>Jan. 25, 2018</td>
<td>MRC vote, main motion fails, sent back to work more and discuss alternate motion.</td>
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<td>February 9, 2018</td>
<td>Issue review, education, interests gathering</td>
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January, 2018 MRC Action

1. Revisions to Manual 14F and the OA were presented by PJM as the main motion.

2. LS Power, DC OPC, DE DPA, MD OPC, WV PSC, PJM ICC, and AMP proposed an alternate motion for consideration of cost commitments that extend beyond construction cost and include evaluation of legal enforceability.

3. Following discussion the main motion failed in a sector-weighted vote with 1.71 in favor.

4. A motion to defer the vote on the alternate motion was deferred to no later than the May 2018 MRC to allow the PC to further vet the alternate motion and other potential solutions.
• Operating Agreement
  – Section 1.5.8

• Manual 14F changes
  – Section 6 Proposal Requirements
  – Section 8 Project Evaluation
Potential Education Topics

- RTEP Schedule
- CAISO implementation
- Revenue Requirement Analysis
- Project Evaluation Process (M14F)
- Project Constructability/Cost Review (M14F)
- Project Status monitoring (M14C)