Cost Containment Status and Next Steps

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Anticipated Schedule for FERC 1000 Cost Containment Framework

**2018**

- **Reliability Window (60 days)**
- **Market Efficiency Window (120 days)**

**2019**

- **Develop** initial Construction Cost Comparative Framework by 9/1/2019
- **Reliability Window (60 days)**

**2020**

- **Implement** initial Framework by 1/1/2020
- **Reliability Window (60 days)**
- **Continue Development** of additional ROE Framework
- **Implement** additional ROE Framework by 5/1/2020
- **ME Window**

- **Dec 2019 Vote**
- **MRC**
- **May 2020 Vote**
- **MRC**
Major Components of Cost Containment Evaluation

1. Submit a Proposal
2. Proposal Submission
3. Independent Consultant Review and Analysis
4. Calculations Evaluation Data Analysis Risk Assessment
5. Comparative Matrix is input to overall solution recommendation
6. Comparative Matrix – Compare Across Proposals
Status of Comparative Framework Development

• The overall comparative framework effort is broken down into modules
• See the next slides for individual module status and progress
STATUS

Process complete and in place

Proposal Submission

Provides the key input parameters used for the next steps in the overall evaluation
Consultant Review and Data Evaluation

STATUS

Process under active development

- PJM & IMM
- Anticipated timeline
  - PJM / IMM / Consultant conference on Nov. 15, 2018

Independent Consultant Review and Analysis

Calculations Evaluation
Data Analysis
Risk Assessment
STATUS

Scoping Phase

Initial work beginning in parallel with the other steps to ensure compatibility and integration with the overall RTEP decisional process

Comparative Matrix Development

Comparative Matrix – Compare Across Proposals

Comparative Matrix is input to overall solution recommendation
Next Steps

• Continue PJM / IMM Collaboration

• Complete 3rd Party Consultant conference

• Maintain regular PC updates