Cost Containment Status and Next Steps

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**Anticipated Schedule for FERC 1000 Cost Containment Framework**

- **2018**: Develop initial Construction Cost Comparative Framework by 9/1/2019
- **2019**: Implement initial Framework by 1/1/2020
- **2020**: Implement additional ROE Framework by 5/1/2020
- **Dec 2019 Vote**: MRC
- **May 2020 Vote**: MRC

**Window**
- Reliability Window (60 days)
- Market Efficiency Window (120 days)
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- Market Efficiency Window (120 days)
Major Components of Cost Containment Evaluation

1. Proposal Submission
2. Independent Consultant Review and Analysis
3. Calculations Evaluation
   - Data Analysis
   - Risk Assessment

Comparative Matrix is input to overall solution recommendation

Comparative Matrix – Compare Across Proposals
Proposal Submission

STATUS

Process complete and in place

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
– Completed PJM / IMM / Consultant conference on Nov. 15, 2018

Independent Consultant Review and Analysis

Calculations Evaluation Data Analysis Risk Assessment
Initial work beginning in parallel with the other steps to ensure compatibility and integration with the overall RTEP decisional process.
Next Steps

• Integrate and refine technical concepts into PJM compatible procedures & processes

• Continue to coordinate with the PJM IMM

• Continue to update the Planning Committee