Order 845 Changes

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Twelve requests for rehearing and clarification submitted to FERC on most reforms.

Changes captured in Order 845-A

<table>
<thead>
<tr>
<th>Rehearing</th>
<th>Clarification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option to Build</td>
<td>Option to Build Transparency of Study Models and Assumptions</td>
</tr>
<tr>
<td>Surplus Service Service Below Capability</td>
<td>Interconnection Study Deadlines Service Below Capability</td>
</tr>
</tbody>
</table>
## Order 845 Reforms

<table>
<thead>
<tr>
<th>Reform</th>
<th>Order 845A Status</th>
<th>PJM Implementation Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option to build</td>
<td>Rehearing</td>
<td>In progress</td>
</tr>
<tr>
<td>Dispute resolution</td>
<td>No change</td>
<td>Changes complete</td>
</tr>
<tr>
<td>Contingent facilities</td>
<td>No change</td>
<td>Changes complete</td>
</tr>
<tr>
<td>Transparency of models</td>
<td>Clarification</td>
<td>Changes complete</td>
</tr>
<tr>
<td>Definition of generating facility</td>
<td>No change</td>
<td>Changes complete</td>
</tr>
<tr>
<td>Study deadline reporting</td>
<td>Clarification</td>
<td>In progress</td>
</tr>
<tr>
<td>Service below capability</td>
<td>Clarification &amp; Rehearing</td>
<td>In progress</td>
</tr>
<tr>
<td>Provisional interconnection service</td>
<td>No change</td>
<td>In progress</td>
</tr>
<tr>
<td>Surplus service</td>
<td>Rehearing</td>
<td>In progress</td>
</tr>
<tr>
<td>Material modification</td>
<td>No change</td>
<td>In progress</td>
</tr>
</tbody>
</table>
Dispute Resolution

• Requirements of Order 845
  – Requires the ability for a party making an Interconnection Request to unilaterally request non-binding dispute resolution
  – The new Non-Binding Dispute Resolution Procedures provide an additional ADR step specifically for Interconnection Request and interconnection procedure disputes.

• Changes from Order 845-A
  – None

• PJM changes
  – The current dispute resolution process contained in OATT, section 12.1 needs to be modified to include interconnection customers.
  – “Non-Binding Dispute Resolution Procedures” will become a new section contained in Tariff, Part IV, Subpart A, section 40.
• Requirements of Order 845:
  – Requires definition and methodology to identify contingent facilities.

• Changes from Order 845-A:
  – None

• PJM changes:
  – PJM currently identifies all constraints and contingent facilities in the System Impact Study Reports including baseline upgrades, Network Upgrades, and Supplemental projects that may impact the Interconnection Request.
  – Changes:
    • OATT: New definition, changes to section 205.2 (Scope of Studies)
    • Manual 14A: Clarification to existing language
Transparency of Models and Assumptions

• Requirement of Order 845:
  - Requires increased transparency of the network models and underlying assumptions.

• Changes from Order 845-A:
  - Clarifies that network models should correspond to interconnection studies, not real-time cases.

• PJM changes:
  - PJM currently publishes all base case models on a protected section of the website for customers with Critical Energy Infrastructure Information access.
  - Assumptions for each Transmission Owner zone are presented during the TEAC meetings and published with the meeting materials on PJM’s website.
  - Changes:
    • OATT: clarification of existing processes, changes to section 36.1.7 (Base Case Data)
Definition of Generating Facility

• Requirement of Order 845:
  – Requires the definition of a Generating Facility to include storage facilities.

• Changes from Order 845-A:
  – None

• PJM changes:
  – PJM already treats storage resources as generation facilities for the Interconnection Process.
  – Changes:
    • OATT: Add pro-forma definition of Generation Facility to the Tariff. Make appropriate changes to other sections of the Tariff to conform to the definition.
• Option to Build
  – Justification of why certain upgrades are not “Stand Alone Network Upgrades”
  – Applicability to Affected System Upgrades
  – Ability for Transmission Owners to recover oversight costs

• Surplus Service
  – Ability to independent entity variations
Clarifications from Order 845-A

• Service below capability
  – Transmission Provider must provide explanation of studies at full capacity prior to performing analysis.

• Interconnection study deadlines
  – Performance metrics posted starting in 2020
No Changes with Order 845-A

- Material Modification
- Provisional Interconnection Service
**Timeline**

- **4/19/2018**
  - Order 845 issued

- **2/21/2019**
  - Order 845-A issued

- **3/7/2019**
  - Present finalized changes for four reforms to Planning Committee

- **4/11/2019**
  - Present finalized changes for remaining reforms to Planning Committee

- **5/22/2019**
  - Compliance filing deadline