RTEP Process Enhancement

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Planning Committee
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• Significant good discussion with consensus obtained on many issues

• New version is an effort to clean up language discussed at the Special PC (maintains principles discussed with the Special PC)
Issues in Motion from LS Power at MRC

• Three areas identified in motion
  – Supplemental Projects should be Supplemental Projects
  – Only Supplemental Projects which meet requirements associated with customer service should be allowed to be added to the RTEP after July 31 for the next RTEP year (Restricting projects which can be added to RTEP depending on timing of project identification)
  – Projects which receive final order indicating refusal for siting approval should be considered for removal from the RTEP until hearings associated with the siting are completed
Supplemental Projects should be Supplemental Projects

From motion at MRC:

1. Supplemental Projects must be consistent with the definition In Operating Agreement ("OA") [General principles of definition below]
   - Transmission expansion or enhancement that is not required for system reliability, operational performance or economic criteria, and is not a state public policy project

2. If Supplemental Project does not comport with definition then the project cannot be a Supplemental Project
Restricting projects which can be added to RTEP depending on timing of project identification

• Motion at MRC proposes to restrict the projects which can be added to the RTEP after July 31 of each year to customer service projects. This would not then recognize other drivers:
  – Complex solution may require several months to design
  – Recognition of a potential failure mechanism in a device or piece of equipment
  – Recognition of a potential safety issue with a device or piece of equipment
Modeling Requirements for Compliance

• TPL-001-4 indicates PJM must update models for the planning assessment
  – [Following portions excerpted from NERC TPL-001-4]
    • “R1. Each Transmission Planner and Planning Coordinator shall maintain System models within its respective area for performing the studies needed to complete its Planning Assessment… This establishes Category P0 as the normal System condition…
      – 1.1. System models shall represent:
        » 1.1.1. Existing Facilities…
        » 1.1.3. New planned Facilities and changes to existing Facilities…”

• PJM must model expected conditions of the system to meet compliance requirements
RTEP Process

• RTEP Process encompasses many steps, constraints, deadlines and dependencies

• Existing process balances efficiency with focused scope

• Process requires assumptions which lead to the ability to reduce uncertainty

• PJM’s planning analyses are based on a consistent set of fundamental assumptions regarding load, generation and transmission built into power flow models
Removing Upgrades

- Removal of any system upgrade may complicate previously identified reinforcements
  - With previously identified system upgrade removed, subsequent upgrades may need to be modified
- Once studies have determined that upgrades are technically acceptable, upgrades remain in cases
Uncertainty in Network Configuration

• Failure to establish RTEP case with known upgrades introduces uncertainty
  – Multiple possible futures to study in baseline
  – Multiple possible futures to study in New Services Queue
  – Multiple possible futures to study in Market Efficiency Analysis

• Increase in study requirements likely delay RTEP

• RTEP delays will delay subsequent processes (New Services Queue, RPM)
Receive Siting Order

• TO/Developer receives order on project siting application
• Read and consider findings in order

Review Impacts

• PJM reviews impacts associated with projects removal, potential for modification

Decision

• PJM recommends action to stakeholders on path forward for RTEP
• PJM believes the language provided appropriately address the issues identified in the motion from the MRC
• PJM is looking for the PC to provide indication to the MRC through a non-binding poll as to the support of the language as posted
• PJM will provide an indication of the results of this poll to the MRC on June 27, 2019