Transparency and **End of Life** Asset Management and Condition Planning

**Issue Source**

Brought by The Dayton Power and Light Company (DPL), Exelon Corporation, Public Service Electric & Gas Company (PSE&G), PPL Electric Utilities Corporation (PPL), American Municipal Power (AMP) and Old Dominion Electric Cooperative (ODEC) based on recent stakeholder interest in further understanding regarding transmission asset management activities necessary to maintain a safe, reliable, and compliant grid. End of life transmission planning. Asset management projects and activities include such items as maintenance, compliance, work on infrastructure at the end-of-useful life, and infrastructure security undertaken to maintain the existing regional and local electric transmission system and to meet regulatory compliance requirements. Following the issuance of a series of FERC orders issued in 2018 that provide guidance in this area, it is nonetheless recognized that stakeholders are likely to benefit from increased transparency into these projects and activities. Additional transparency may help interested parties to understand why such projects and activities are needed. In addition, greater transparency may allow stakeholders to express concerns earlier in the planning process, which could help narrow the scope of disputes. Following the work and sunset of the Transmission Replacement Processes Senior Task Force, AMP and ODEC brought forward Manual 14B changes for consideration by the Markets and Reliability Committee. PJM declined to adopt the Manual 14B changes despite sector-weighted support from the Committee of 3:46. This effort will give the PJM stakeholders the opportunity to determine how these projects are addressed and further the process authorized by FERC for sharing and reviewing information with interested parties regarding asset management projects and activities to FERC for resolution.

**Issue Content**

This work is intended to develop specific Operating Agreement (OA) language to establish PJM criteria that will apply to all transmission projects that address end of life drivers on PJM Tariff transmission assets and improve overall transparency, consistency, and clarity in the PJM planning process.

**Key Work Activities and Scope**

1. **Review governing FERC Orders.**
2. **Review the provisions of the Consolidated Transmission Owners Agreement and the Operating Agreement regarding the legal, contractual rights and obligations of the PJM Transmission Owners.**
3. **Identify and review any additional relevant industry information on this issue.**
4. **Brainstorm opportunities to clarify and improve transparency in the PJM planning process.**

4-5. Areas not to be addressed:
   a. Supplemental Projects for new customer load or increases to existing customer loads;
   b. Supplemental Projects to treat LSEs comparably to incumbent TO retail customers; or,
   c. Emergency projects required within one year (confirmed by studies performed or approved by PJM (planning staff).

1. **Review and discuss proposed OA language to:**
   a. Establish end of life planning criteria as PJM RTEP baseline criteria;
   b. ;
   c. Improve consistency by having PJM review and approve all end of life projects; and,
d. Clarify the PJM planning process.

Expected Deliverables

Deliverables could include changes to PJM Manual(s) as required to address recommendations from the group. No Tariff, Operating Agreement or other documentation changes are expected to be necessary, but are not foreclosed depending on the recommendations from the group.

1. OA changes

Decision-Making Method

Tier 1, consensus (unanimity) on a single proposal (preferred default option), or Tier 2, multiple alternatives.

Stakeholder Group Assignment

This work will be assigned to the Planning Committee.

Expected Duration of Work Timeline

The duration of activities are expected to be completed by the end of the fourth quarter of 2019. Provide recommended OA language to the October MRC. Any manual language needed to implement the OA changes can be part of a subsequent process after and assuming MRC approval of OA language changes.