MEPETF Non-Binding Poll Results

- Poll responses are non-binding and intended to solicit feedback on potential support for key design components

- Total Unique Responders – 18

- Total Companies – 132

88.9% Make a Change

49% Package A'

23% Package B

**30%** Package C

10% Package D
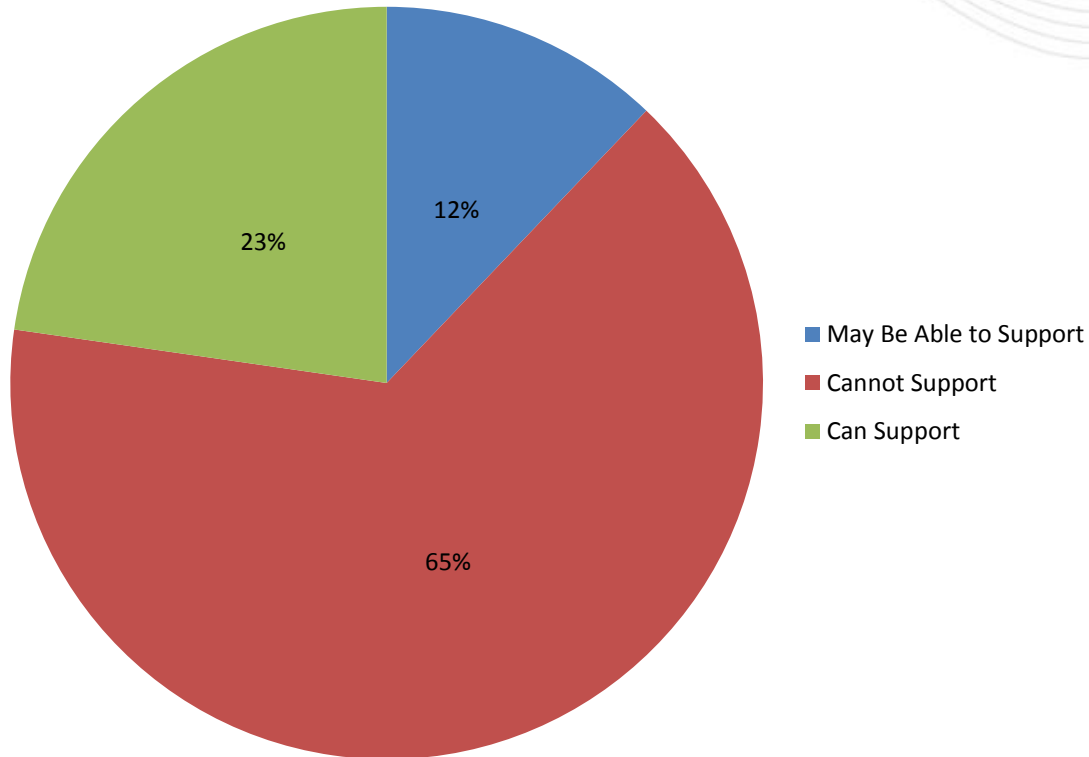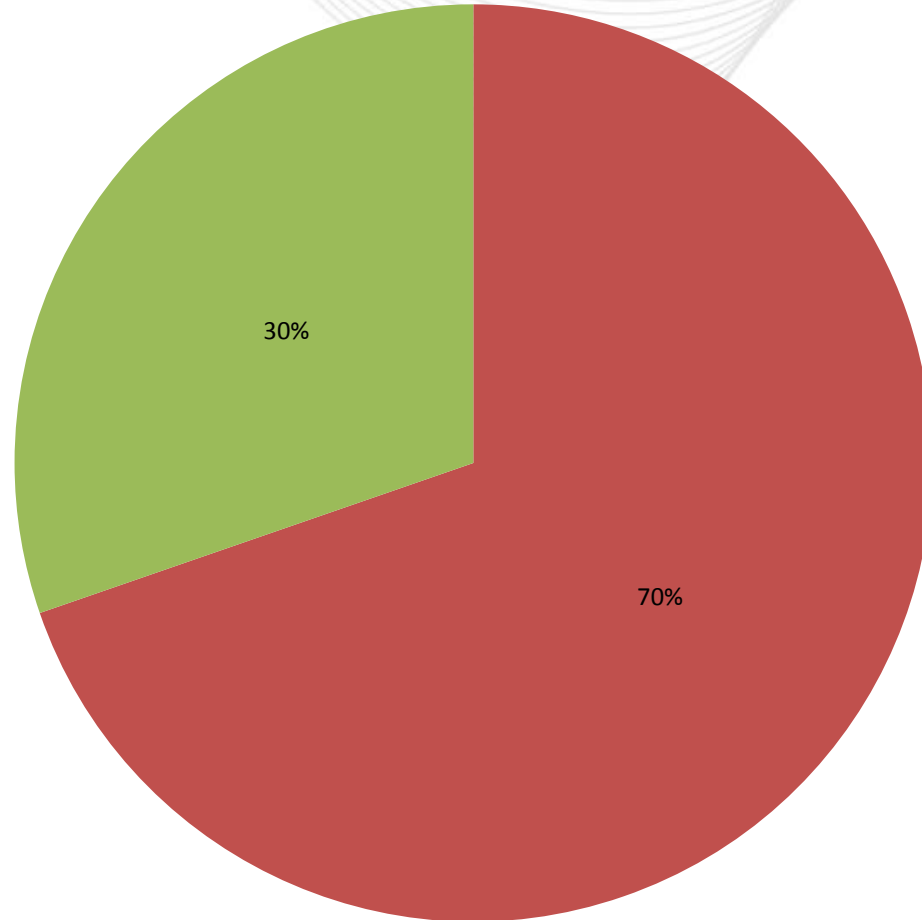
29% Package E

27% Package F

- No package received majority support; majority prefer to make a change
- Major points of contention included:
  - Exclude FSAs from base case unless needed (Packages A',B,E,F)
  - Project reevaluation criteria - $20M (Packages A',C,E) vs. $10M cap (Packages B,D)
  - Energy benefits calculation – simulation years & trend mechanism

Pie chart:
- 19% — May Be Able to Support
- 32% — Cannot Support
- 49% — Can Support
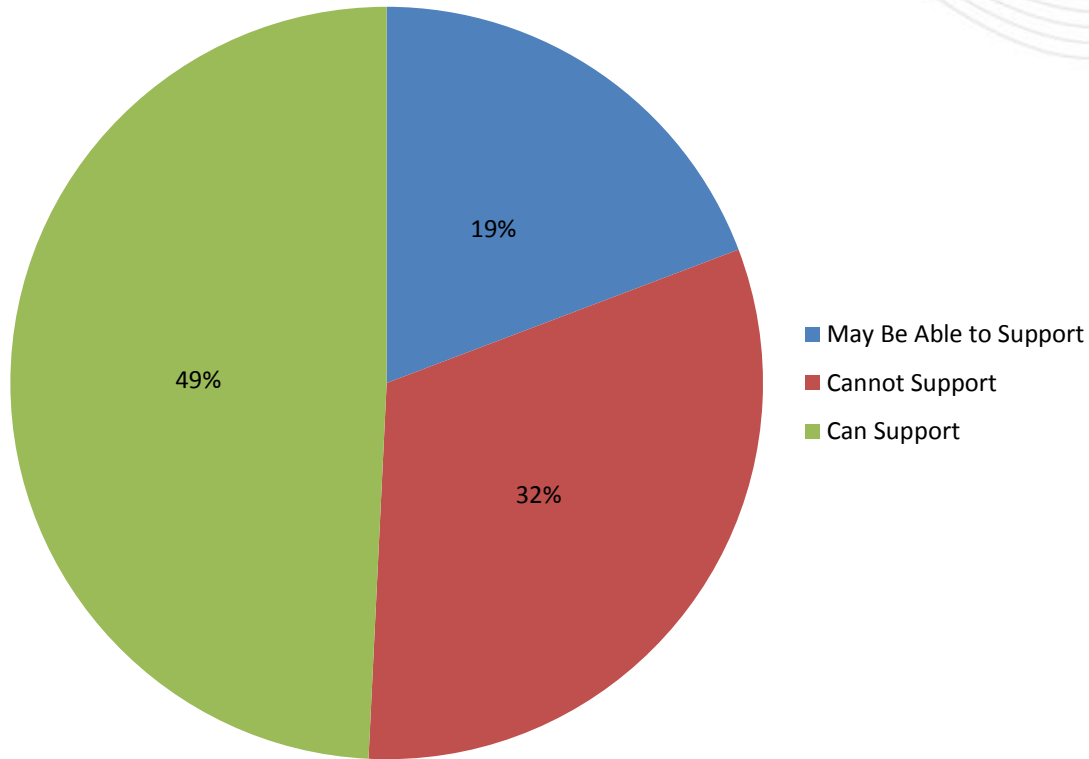
- Concerns with $20M too high for reevaluation
- Concerns with FSA modeling
- Concerns with energy benefits trend

- **Four years of simulations is adequate**
- **Concerns with FSA modeling**
- **Reevaluation criteria**

Pie chart legend:
- May Be Able to Support
- Cannot Support
- Can Support

Pie chart values: 12%, 23%, 65%

- May Be Able to Support
- Cannot Support
- Can Support

30%

70%

Pie chart legend:
- May Be Able to Support — 14%
- Cannot Support — 76%
- Can Support — 10%

- Concerns with including FSAs/ISAs
- Concerns with 1.0 b/c ratio for 10 year check

Pie chart legend:
- May Be Able to Support — 22%
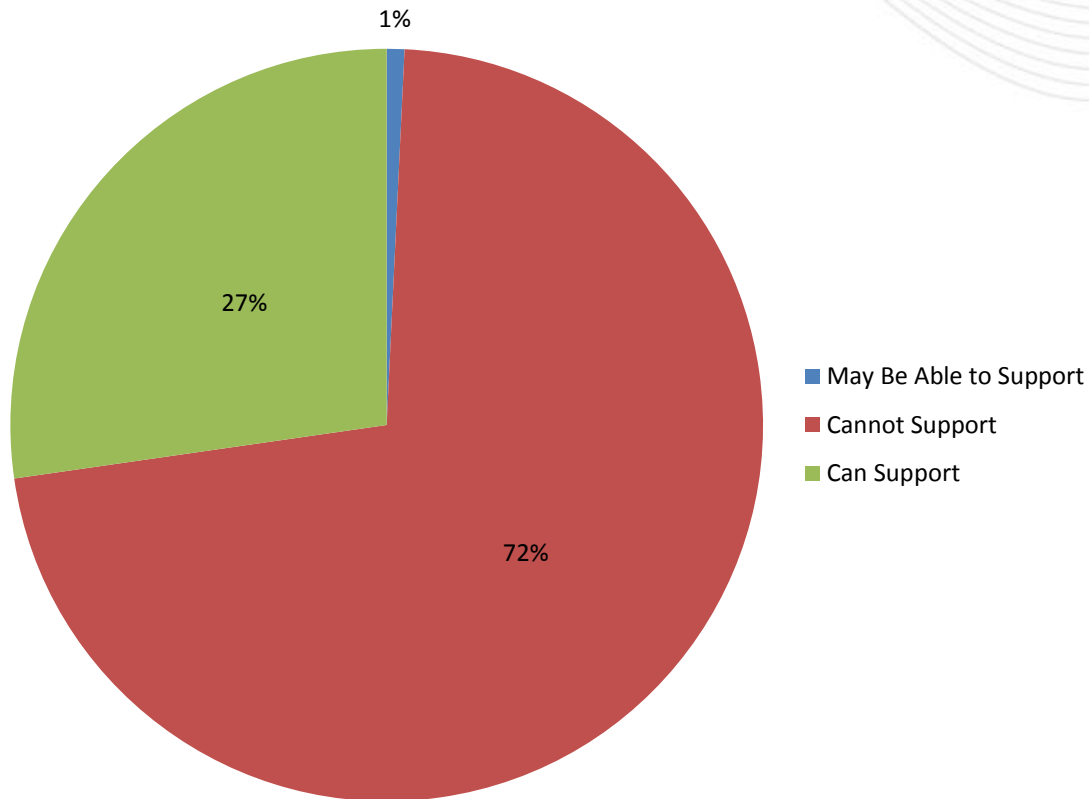- Cannot Support — 49%
- Can Support — 29%
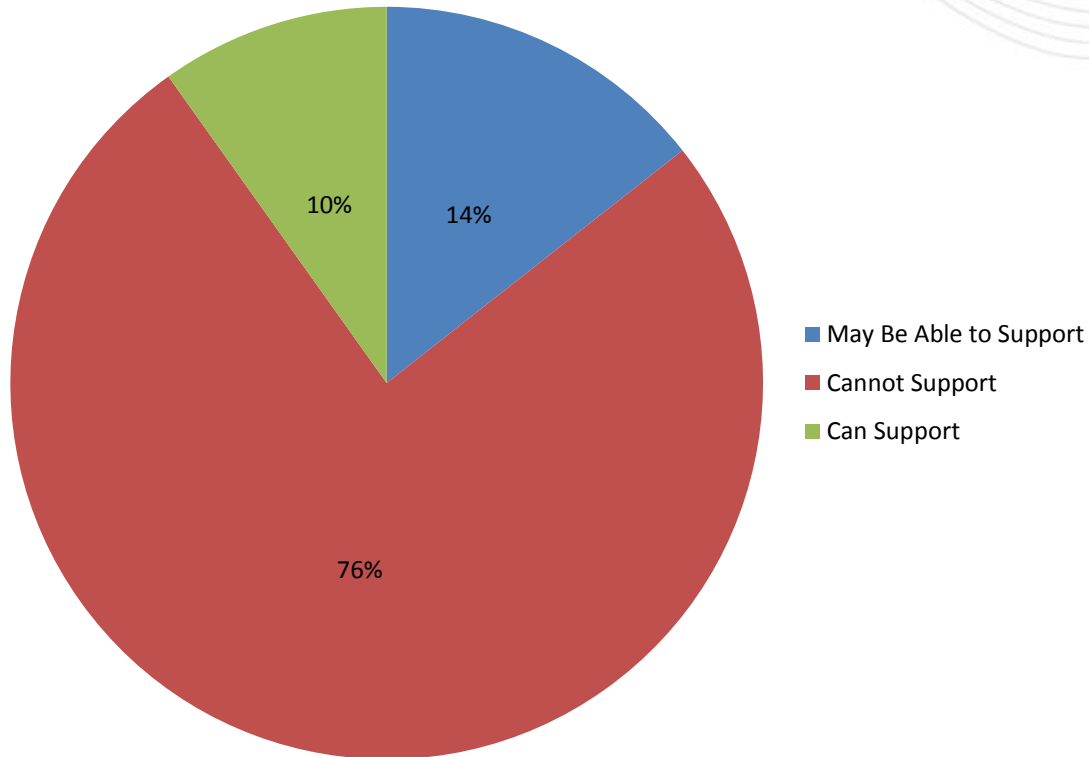
- More thought on benefits calculation needed
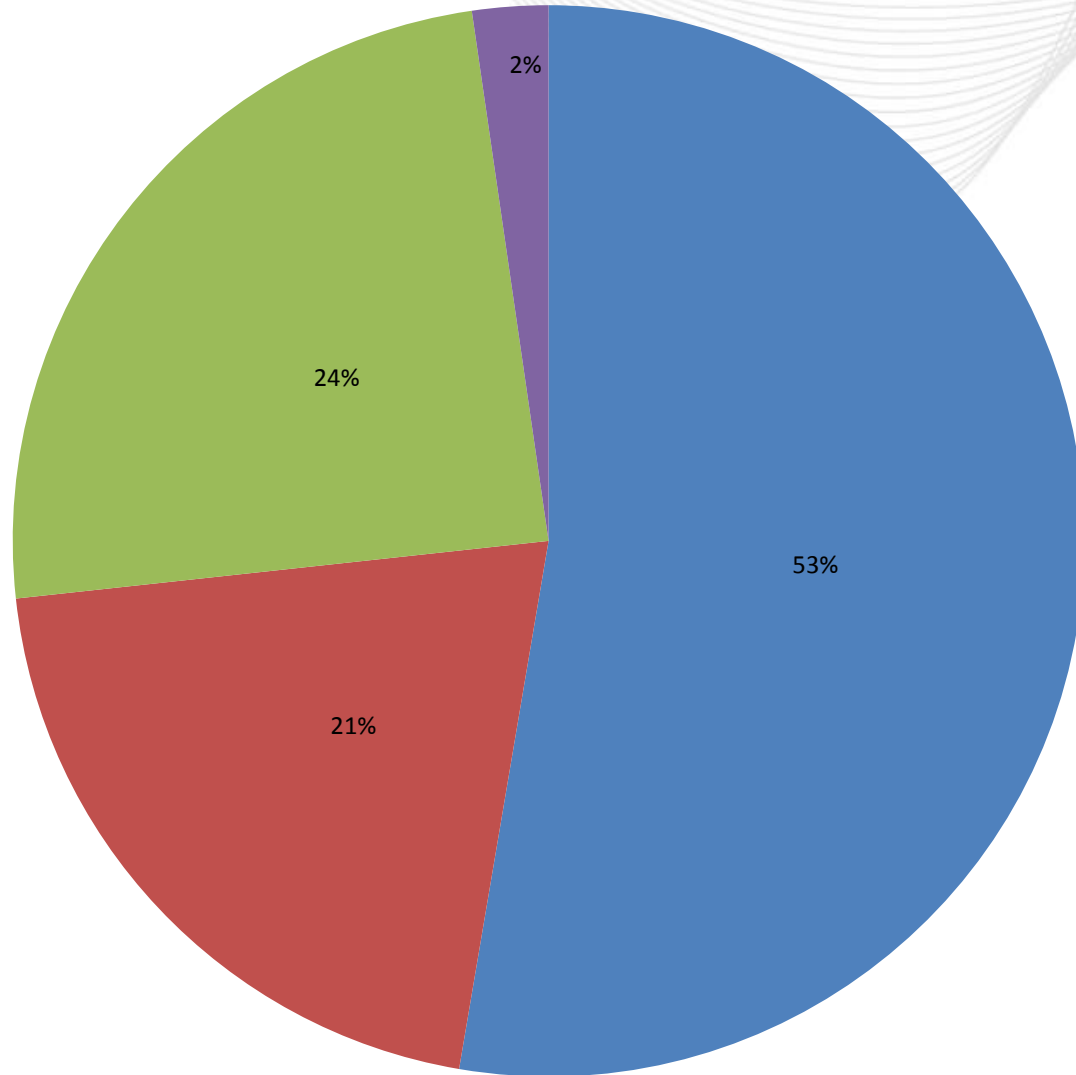- Prefer 15 vs 10 year benefit
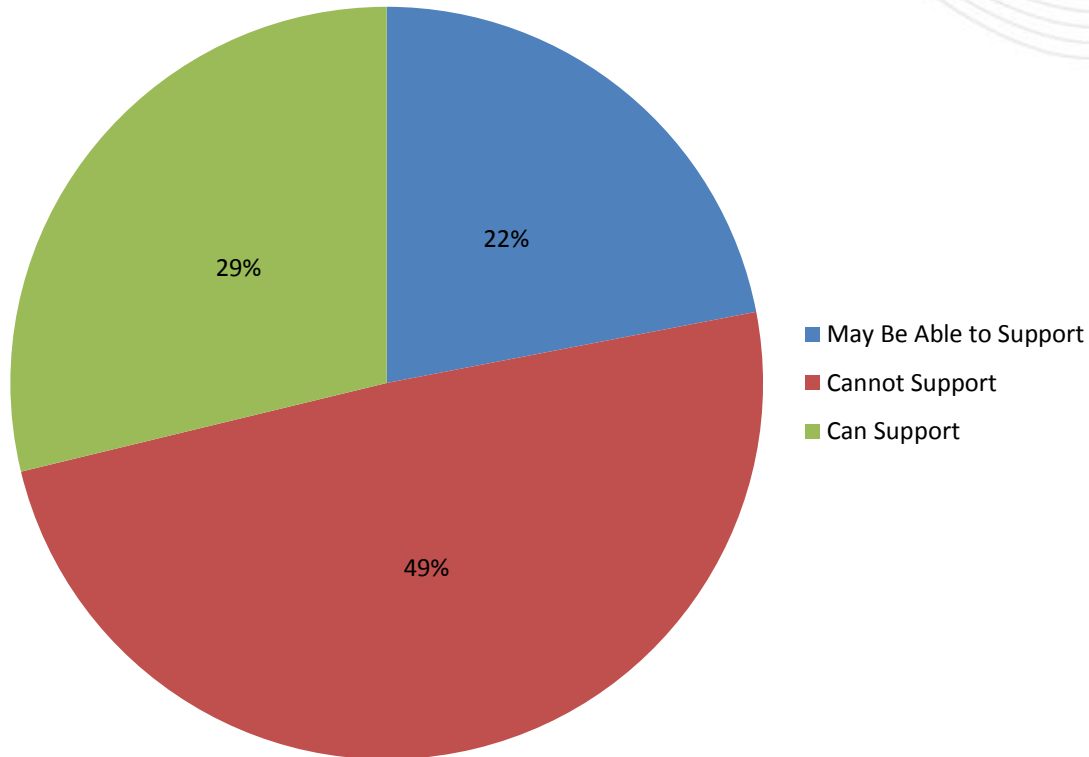
- $50M threshold too high for reevaluation

What is your preferred method for modeling FSA units?

- ■ By default, exclude from the base case the FSA and Suspended ISA resources, and their associated network upgrades at time of case build. Conduct required FSA sensitivity studies to be used for proposal evaluations, but not for B/C ratio test.

- ■ Suspended ISAs are included in the model at full capability. All FSAs are included in the model with their capabilities scaled to 40% of their proposed MW Energy. Scaled units should maintain similar economic performance as if they were modeled at full ca

- ■ Include all FSA and suspended ISA resources, but derated/reduced in size based upon commercial probability.

- ■ Status Quo

What is your preferred method for reevaluating market efficiency projects?
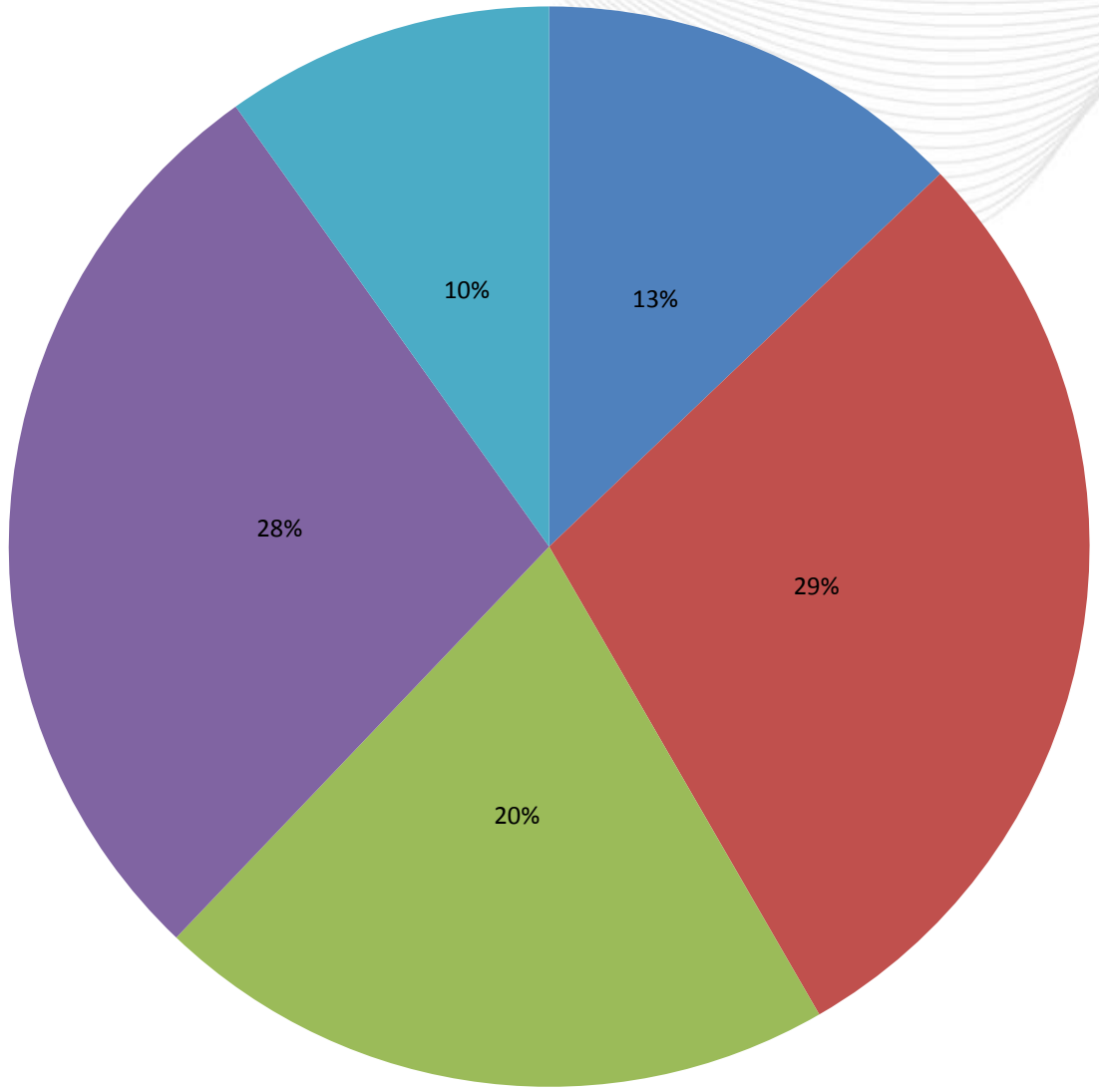
- PJM will only reevaluate projects with a capital cost of $20M or higher. For projects with a cost less than $20M, if project cost increases such that the B/C ratio (given the original benefits) falls below 1.25, then PJM will study the impacts of cancelli

- PJM will only reevaluate projects with a capital cost of $10M or higher. For projects with a cost less than $10M, if project cost increases such that the B/C ratio (given the original benefits) falls below 1.25, then PJM will study the impacts of cancelli

- PJM will reevaluate approved projects with a capital cost of $20M or higher only once following approval. That reevaluation will be conducted in the subsequent modeling cycle that immediately follows the modeling cycle when the project was approved. No re

- PJM will only reevaluate projects with a capital cost of $50M or higher. For projects with a cost less than $50M, if project cost increases such that the B/C ratio (given the original benefits) falls below 1.25, then PJM will study the impacts of cancelli

- Status Quo

What is your preferred method for adjusting the benefits calculation for in-service date?
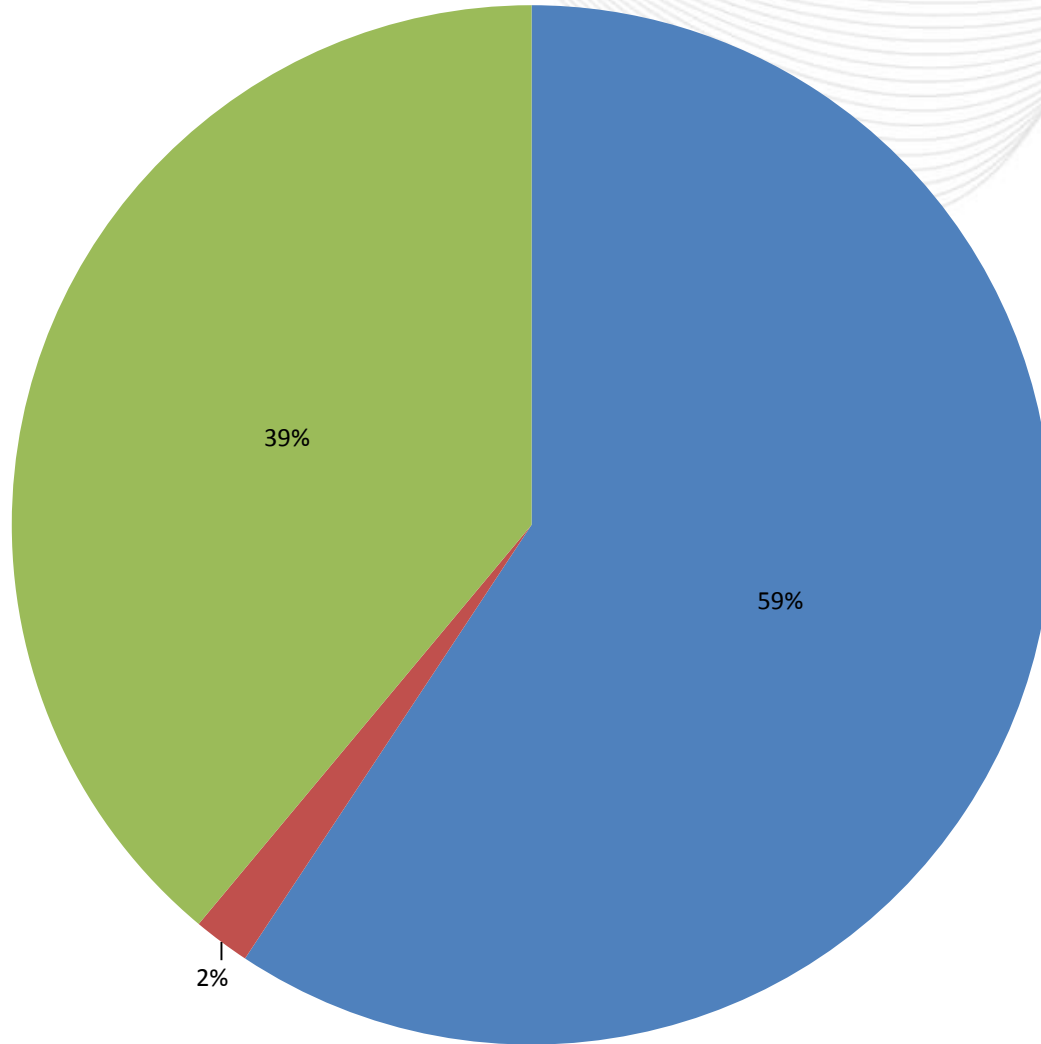

- ■ Energy benefits of projects that are proposed to be in service later than the RTEP year will be adjusted to account for any savings forgone due to later in-service date.

- ■ As a means of comparing between alternatives with different in-service dates, benefits can be adjusted for that difference as proposed by PJM (slides 9-10, item 3g from 6.15.2018 meeting). Ideally, this adjustment would be done following the Independent C

- ■ Status Quo (None)

What is your preferred method for developing a trend across simulation years?
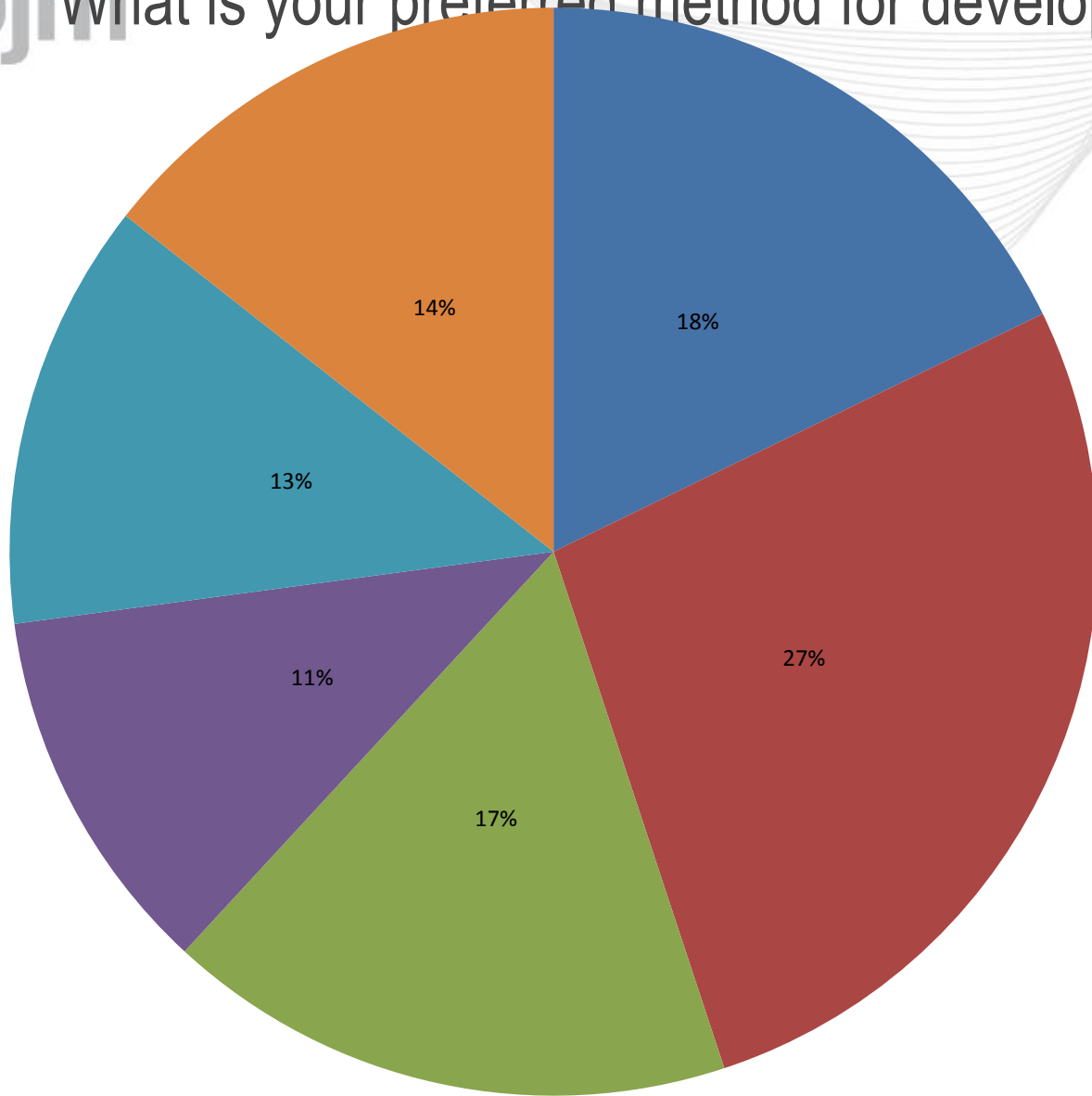
- RTEP-2, RTEP, RTEP+2, RTEP+4. 10-year B/C ratio (calculated based on 10 years of annual benefit and 10 years of annual revenue requirement) should exceed 1.25 threshold

- RTEP -2, RTEP, RTEP +2, RTEP +4, RTEP +6 (optional RTEP +10), (Trend using third order polynomial), Use polynomial trend values to replace interpolated years.

- RTEP-2, RTEP, RTEP+2, RTEP+4. Linear trend replaces interpolated values as shown on slides 2 and 3 of item 03g. 10-year B/C ratio (calculated based on 10 years of annual benefit and 10 years of annual revenue requirement) should exceed 1.00 threshold.

- RTEP-2, RTEP, RTEP+2, RTEP+4. 10-year B/C ratio (calculated based on 10 years of annual benefit and 10 years of annual revenue requirement) should exceed 1.00 threshold

- RTEP-2, RTEP, RTEP+2, RTEP+4. Interpolated between simulation years. Maximum annual benefit applied beyond the last simulation year, with annual escalation based on load projection.

- Status Quo

29%

65%

6%

- 1
- 1.25
- Neither
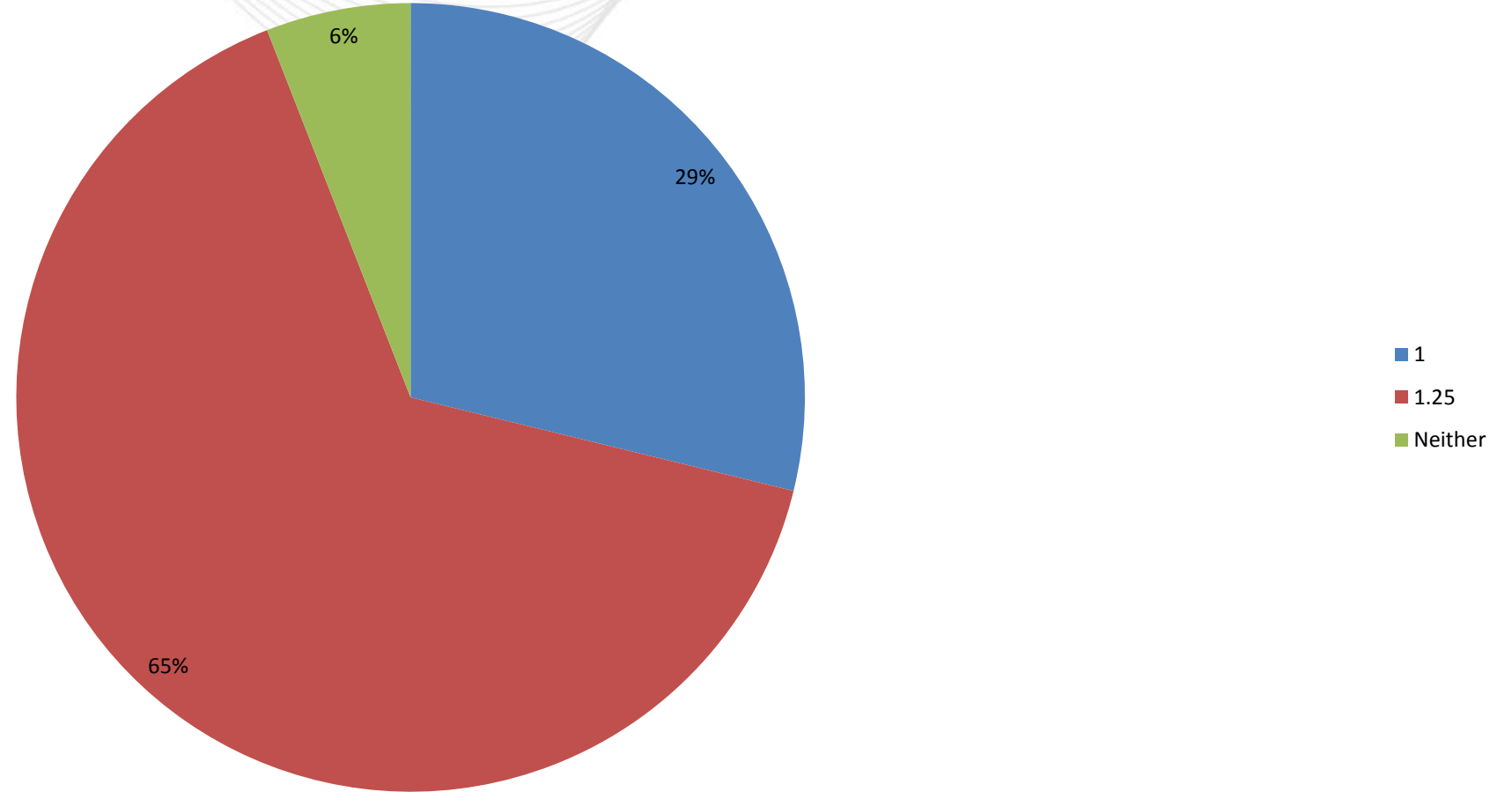
- Worries about valid trending by limiting simulation years
- Two requests for status quo option as is
- One request for status quo with update to reevaluation