PJM Planning Process Strawman

FYI Process

RPPTF
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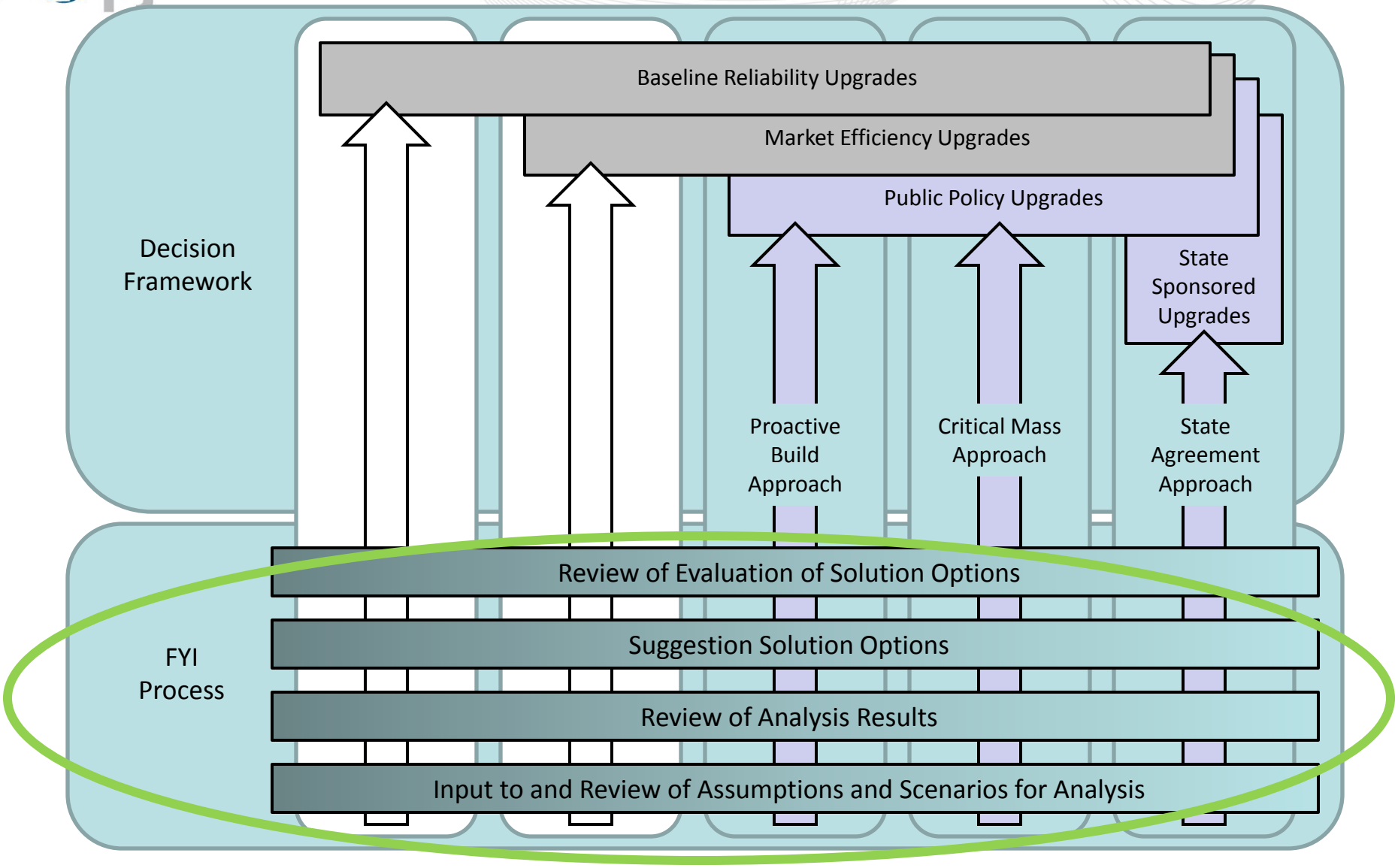
FYI Process

- Is the process used to inform all other decisions in the RTEP
- Is not a decision making approach
- Information coming out of the FYI Process will be used to make decisions about:
  - Transmission upgrades required to address reliability
  - Market efficiency upgrades
  - Transmission required to implement public policy initiatives


Decision Framework
Baseline Reliability Upgrades
Market Efficiency Upgrades
Public Policy Upgrades
State Sponsored Upgrades
Proactive Build Approach
Critical Mass Approach
State Agreement Approach
FYI Process
Review of Evaluation of Solution Options
Suggestion Solution Options
Review of Analysis Results
Input to and Review of Assumptions and Scenarios for Analysis

FYI Process

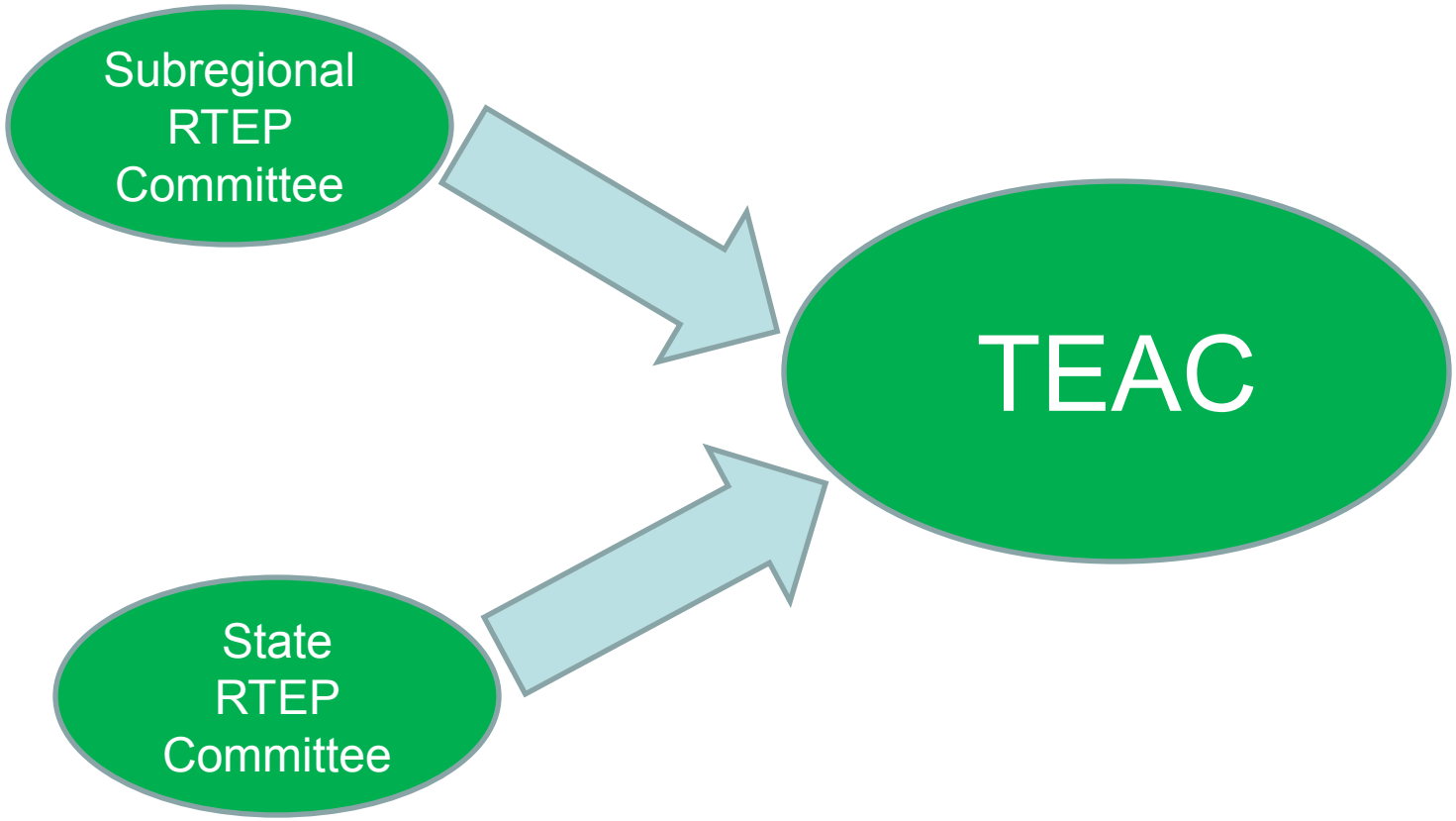
- Expands on existing analysis and communication done under Schedule 6 of the OA as part of the RTEP
- Perform extensive scenario planning analysis
- Provide for greater stakeholder interaction on front and back end
- Provide wide range of results to stakeholders including performance of various solution options
- FYI Process will inform expansion plan decision making
  - Sensitivity studies, assumption variations and scenario analyses will be used to make decisions about reliability and market efficiency transmission expansions
  - Provide information that may be used in other decision-making approaches (i.e. State Agreement, Critical Mass and Proactive approaches)

FYI Process – Stakeholder Interaction

- More extensive stakeholder discussion of input assumptions, scenarios, analysis results and solution alternatives
- Vetting of scenarios, assumptions and results will be reviewed with the TEAC
  - Include identifying sensitivity testing on assumptions
- State RTEP Committee
- Discuss range of sensitivities, scenario analyses and desired information with TEAC before each RTEP cycle

- State RTEP Committee
  - Enable states to more actively participate in the development of the assumptions and scenarios used in the RTEP
  - Completely voluntary
  - Does not commit the state to any decisions or cost allocations
  - States provide input on how to consider state policies in the RTEP
  - Open to state agencies deemed appropriate by the states
  - All input flows up to the TEAC for broader consideration

RTEP Stakeholder Interaction



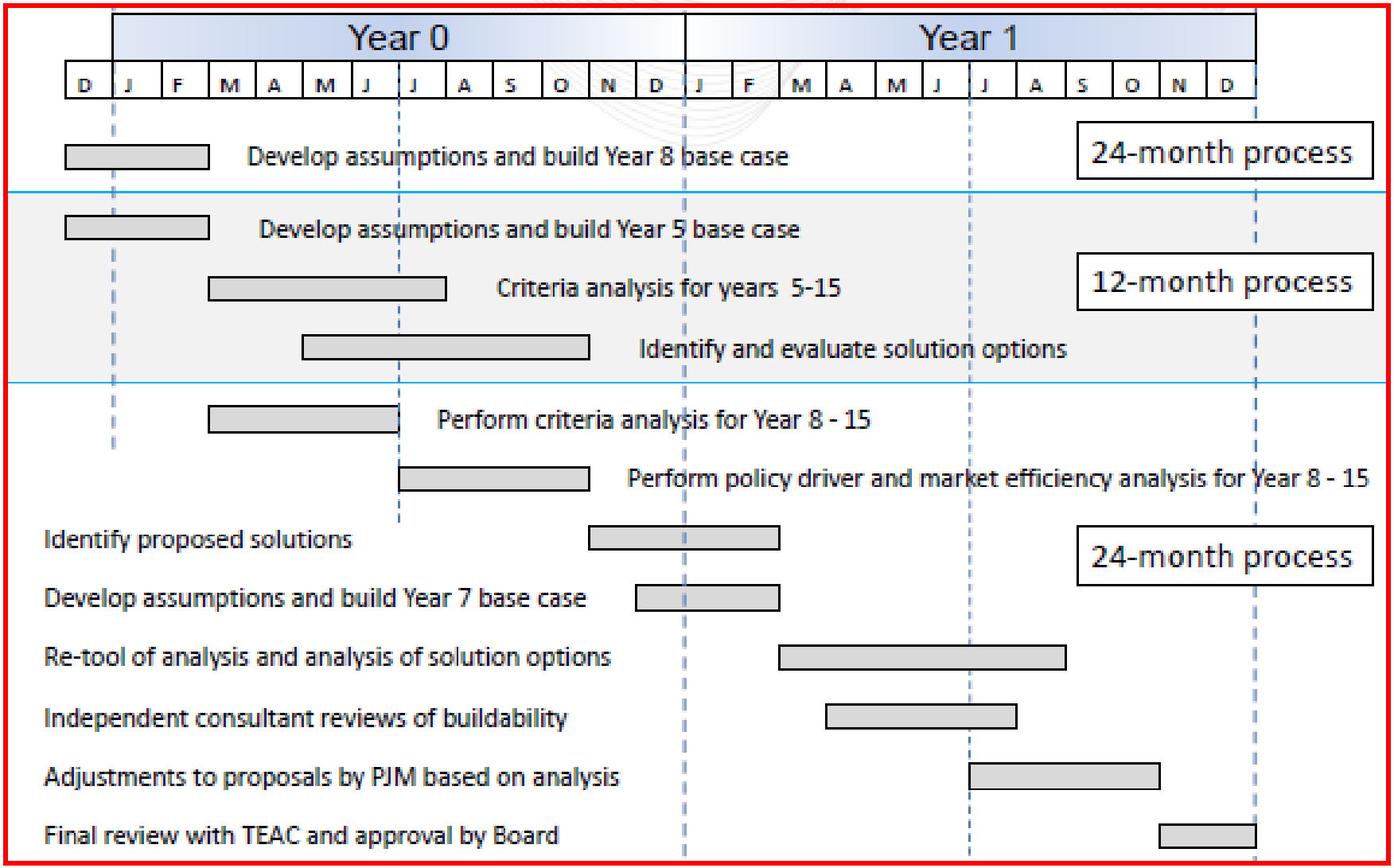
FYI Process – How it will work

- Overall Timeline
  - 24-month timeline would focus primarily for backbone transmission serving a regional function.
  - Two consecutive12-month timeline would focus on transmission analysis of facilities serving a more local function as well as transmission needs to address reliability criteria.

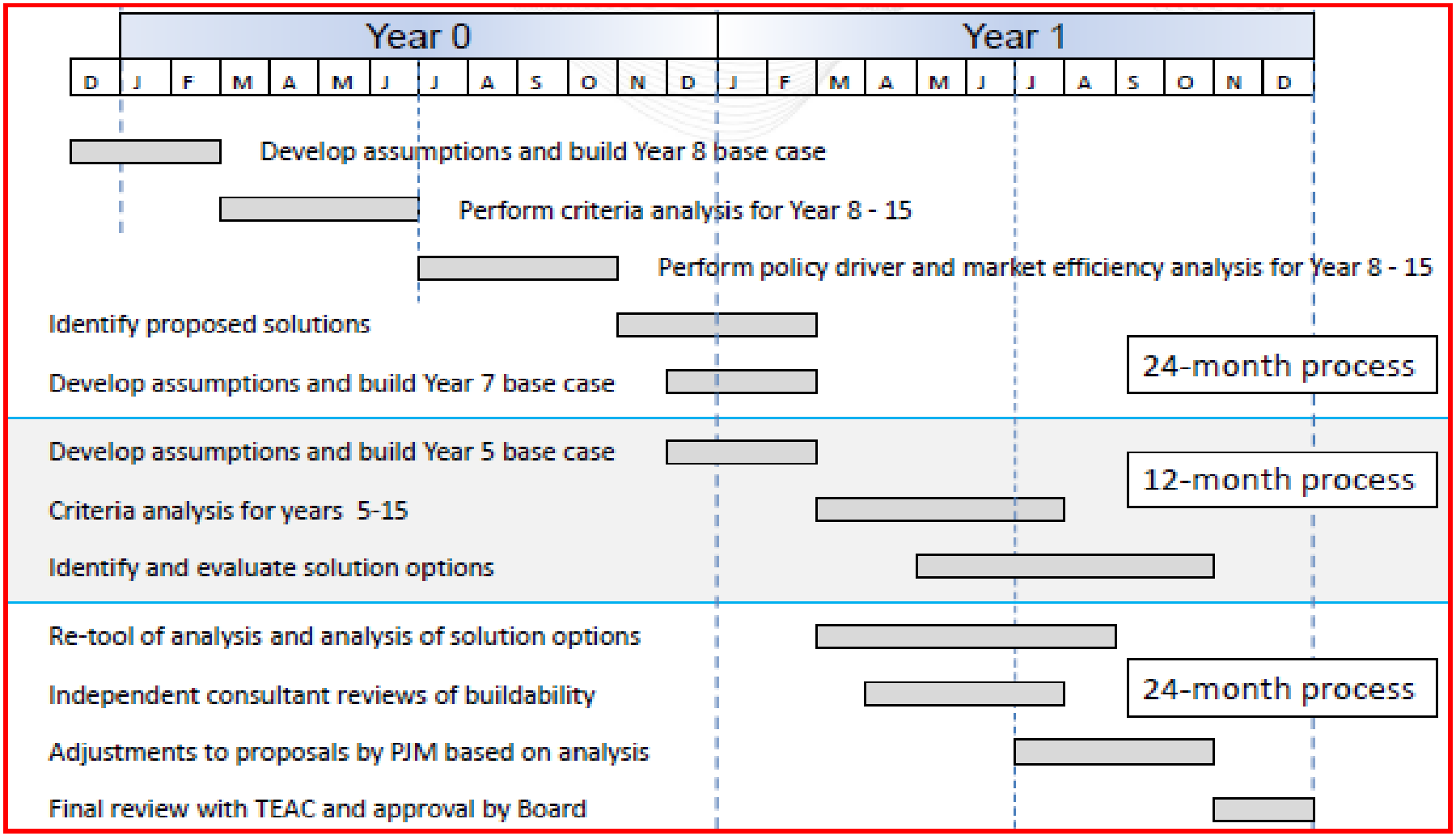
- Scenario Development – must be broad enough to address a wide range of uncertainty and to consider impact of policy initiatives
  - Resource scenarios (i.e. At-risk, RPS, Marcellus Shale Gas, DR, EE, ?)
  - Load Scenarios (i.e. High or low economic growth)
  - Other scenarios suggested by stakeholders

- Assumptions
- Power Flow Cases
  - Multiple cases based on the latest assumptions about topology, load, generation
    - Long Term Cases – 7 or 8 year representation of the system
    - Near Term Case – 5 year case
    - Retool Cases as required
- Analysis
  - Exhaustive reliability criteria testing (near and long term)
  - Market efficiency analysis
  - Scenario dependent analysis

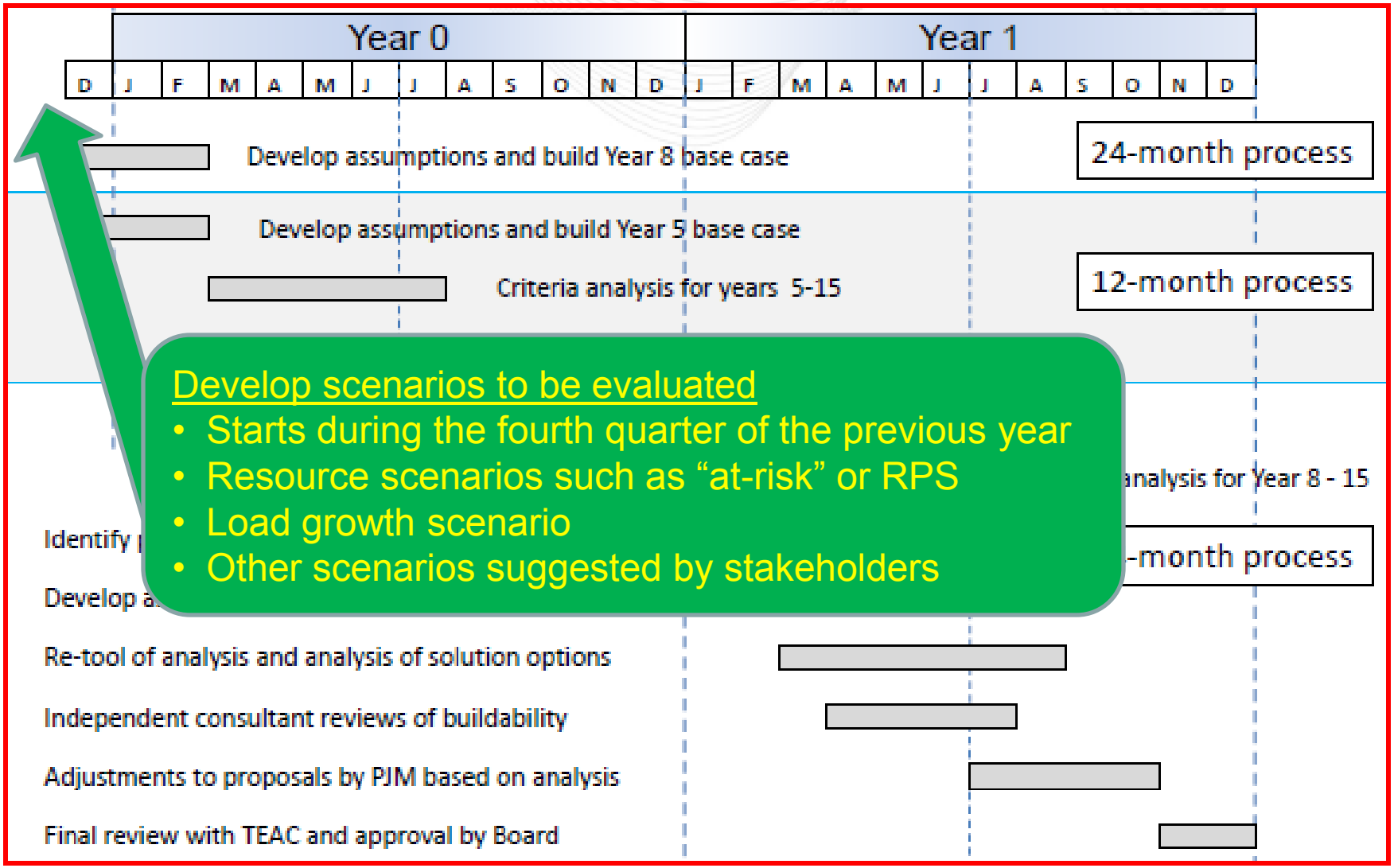
Timeline



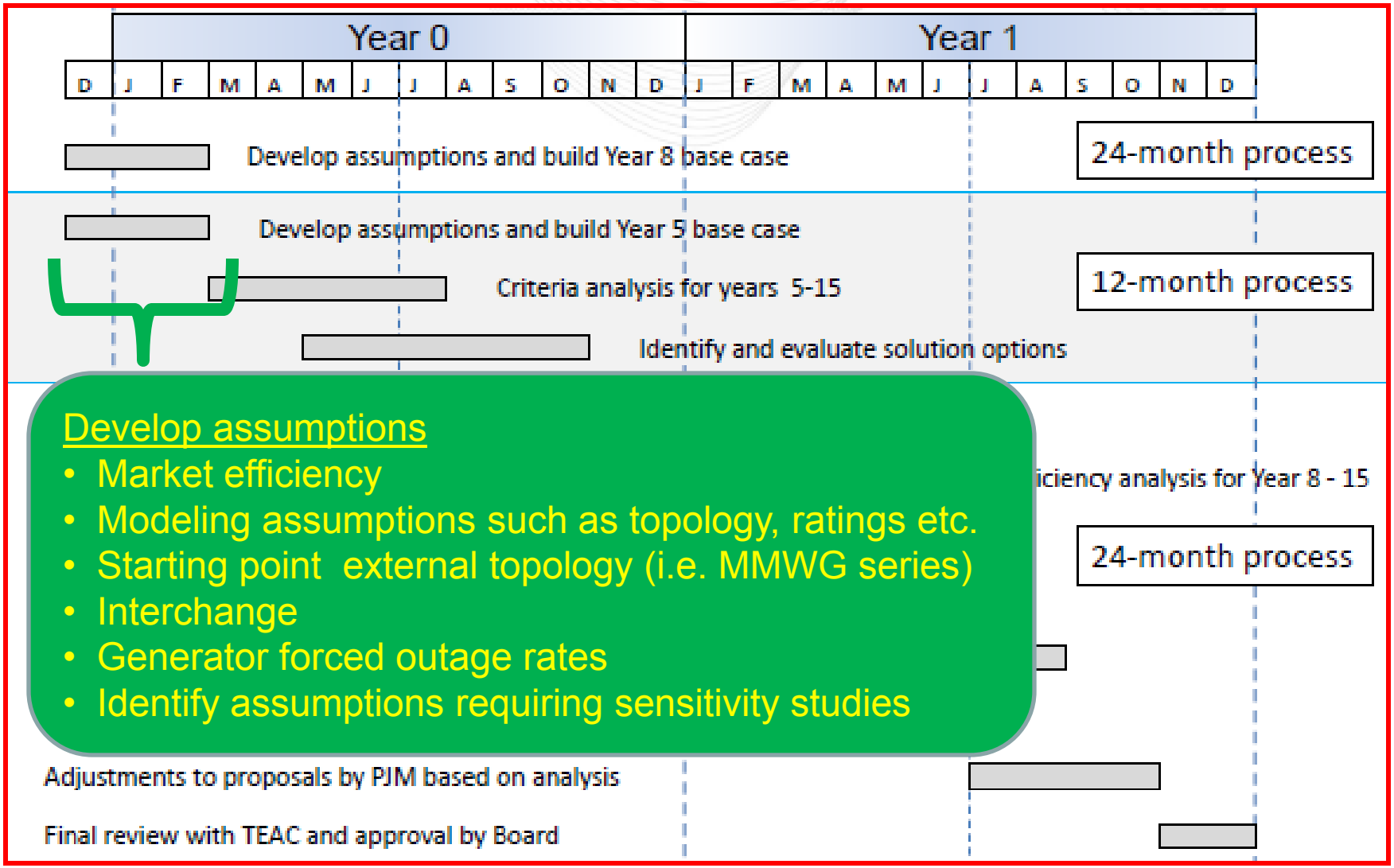
Timeline



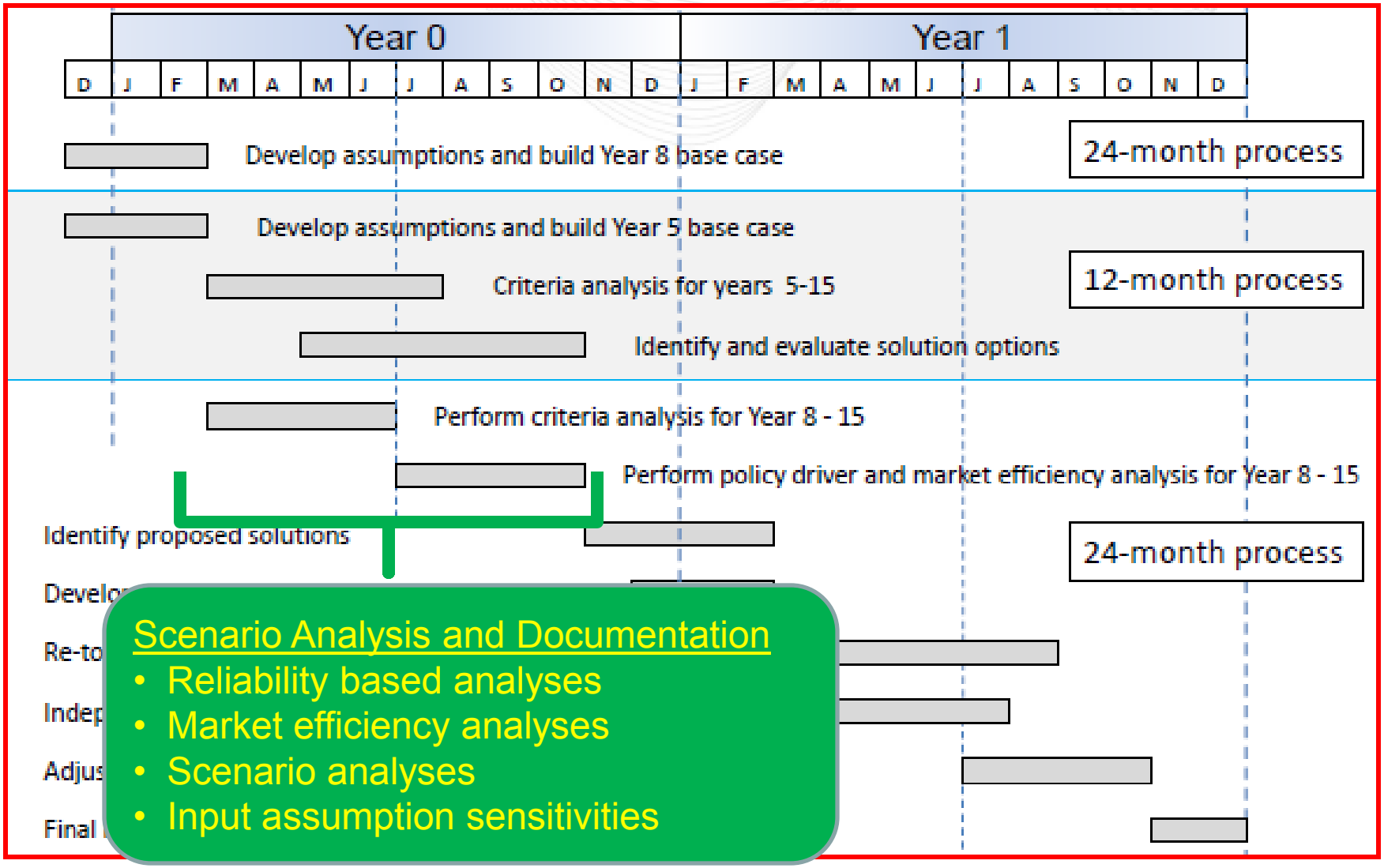
Timeline – Scenario Development



Timeline – Assumptions



Timeline – Assumptions



Enhanced Communication - Documentation

- Enhanced RTEP documentation
  - TEAC Presentations
  - Reports
  - Baseline Assessment
  - Regional Transmission Expansion Plan (February)

White Paper – "Enhancing PJM's RTEP Protocol"

- Posted with material for this meeting
  - Introduction discussing the need to enhance the RTEP Protocol
  - Existing RTEP protocol decision making framework
  - Description of the FYI Process
  - Description of new decision making approaches
    - State Agreement Approach
    - Critical Mass Approach
    - Proactive Approach
  - Next Steps

- PJM requests stakeholder feedback in the context of the white paper.