

DRAFT -- December 9, 2011 -- DRAFT

PJM TOA-AC RTEPWG **Break-Away Proposal** **Preliminary Transmission Owner Considerations and Concerns**

1. Concern that this break-away proposal is attempting to fix a symptom rather than a root cause. If the issue is that there are a number of generators contributing to the need for a reinforcement and they cannot all proceed forward because they do not all have their Facilities Studies, then the appropriate solution would be to see what can be done to issue the final Facilities Studies and tender the ISAs to these generators in a timely manner. At that point, the generators would be required to either execute the ISA or cancel in 60 days.
2. Concern that any break-away proposal should adequately consider the impact to the other parties in the same cluster who do not yet have their completed Facilities Studies. This is an equity issue and such parties should somehow be protected.
3. Not clear whether the six-month Term allows all projects in the cluster to receive and act on the results of their Facilities Studies. In addition, not clear whether it's reasonable to assume that the projects within a given cluster will receive their Facilities Studies around the same time.
4. Concern that any break-away proposal would increase the number of retools necessary.
5. Not clear how this break-away proposal would significantly improve the cluster problem.
6. Not clear whether once a project "breaks-away" the remaining projects in the cluster need to go back through the Facilities Study phase again. Currently, retools of Facilities Studies are not performed. If this needs to be done for each individual project, this would be time consuming and costly and would undermine the goal of speeding up the study process. Also, who would pay for those additional study costs? Need to examine any additional consequences to the study process from allowing a project to "break-away" at the ISA stage.
7. General concern with the potential adverse impact the break-away projects will have on study resources and the timeliness of the remaining studies.
8. Not clear whether additional study time/resources would be required to determine the baseline for the 2.5x upgrade cost threshold. Also not clear is the rationale for the 2.5x. In addition, not clear whether this aspect of the break-away proposal is still on the table or has been withdrawn.
9. Consider proposing tougher queue re-entry provisions for returning Break-Away projects.

DRAFT -- December 9, 2011 -- DRAFT

10. Concern that some effort would be needed to develop the appropriate rules under which this break-away proposal would work that would ensure that no gaming opportunities are created.
11. Concern that the break-away proposal will burden the existing study process, and that more effective solutions to the study problems caused by the clustering of generators need to be found.