

1.5.9 Consideration of Transmission Enhancements and Upgrades for Public Policy Requirements

- (a) State governmental entities authorized by their respective states individually or jointly or federal governmental entity (or entities) may propose Public Policy Requirements for consideration in the regional transmission expansion planning process.
- (b) Each year the Transmission Expansion Advisory Committee shall review and comment on the assumptions to be used in performing the analyses for consideration of Public Policy projects. Such assumptions shall include, but not be limited to, input from the federal and state agencies authorized to define the Public Policy Requirements and the key modeling assumptions. Following review and comment by the Transmission Expansion Advisory Committee, the Office of the Interconnection shall submit the assumptions to be used in performing the analysis for the Public Policy Requirements to the PJM Board for consideration.
- (c) The Office of Interconnection shall examine the Public Policy Requirements and perform analyses associated with meeting these requirements for consideration in the regional plan. These studies should include evaluation of transmission alternatives including a determination of the costs and benefits of alternatives to more efficiently integrate the Public Policy Requirements in the regional plan. The Office of Interconnection shall provide to the Transmission Expansion Advisory Committee a detailed review of: (i) the Public Policy transmission alternatives, (ii) project costs, (iii) a full account of any additional benefits, including reliability and market efficiency benefits, using PJM established methodologies, (iv) sponsoring entities, to the extent state governmental agencies and/or other entities volunteer to assume cost responsibility. The Transmission Expansion Advisory Committee, which includes OPSI representatives and other interested stakeholders shall review and comment on the alternatives prior to the selection of the recommended Public Policy driven transmission enhancements and/or upgrades.
- (d) The costs of any Public Policy driven projects selected for inclusion in the regional plan will be allocated to zones in a way that is roughly commensurate with in accordance with the cost responsibility assignment procedures in Schedule 12. Notwithstanding, State governmental entity(ies) may agree voluntarily to be responsible for the allocation of costs for a proposed transmission expansion or enhancement that addresses Public Policy Requirements identified by the state(s).

1.5.10 Multi-Need Projects

- (a) The Office of the Interconnection shall evaluate proposed Long-lead Projects, Short-term Projects, and Public Policy Projects to determine whether the projects alone or, in combination, and with or without modification by the Office of the Interconnection provide efficient and cost effective solutions to multiple needs, which may include meeting reliability, market-efficiency, and Public Policy Requirements. If the Office of the Interconnection identifies a proposed project, combination of proposed projects, or modifications to a proposed project(s) or a new project as being the most efficient and cost effective solution to meet multiple needs, such project or projects shall become a Multi-Need Project.

(b) For each Multi-Need Project, the Office of the Interconnection shall identify the percentage of the project (component) that is attributable to each need it addresses. Cost responsibility for each component of a Multi-Need Project shall be assigned in accordance with the cost responsibility assignment procedures in Schedule 12 associated with the need the component addresses. If a Multi-Need Project includes a Public Policy Project component that is associated with project proposed by a state(s), the Office of the Interconnection shall notify the affected state(s) and provide the costs and benefits of the Public Policy Project component in the Multi-Need Project.

1.6(a) Based on the studies and analyses performed by the Office of the Interconnection under this Schedule 6, the PJM Board shall approve the Regional Transmission Expansion Plan in accordance with the requirements of this section 1.6. The PJM Board shall approve the inclusion of reliability-based and economic-based transmission enhancements and expansions, and public policy projects in the Regional Transmission Expansion for cost allocation purposes. Supplemental Projects shall not be included in the Regional Transmission Plan for cost allocation purposes. PJM Board review of Supplemental Projects recommended for inclusion in the Regional Transmission Expansion Plan shall consider whether such projects could adversely impact the reliability of the Transmission System.