

AWC DECEMBER 4th COMMENTS ON MULTI-DRIVER MATRIX

1. **Project Definition:** For HVDC Facilities Regional Facilities, the proposed definition in the PJM TO Filing with an additional third alternative criteria added to proposed Schedule 12, Section (b)(i)(D) to state:

or, (3) such D.C. facility (a) employs technology allowing independent control of power flows and A.C.-side reactive power generation by the Transmission Provider, (b) is capable of reversible power flow operation at the direction of the Transmission Provider, (c) has no HVDC converter rated at less than 500 MW, and (d) connects to at least two Load Delivery Areas or has three or more separate A.C. points of interconnection.

2. **Benefit Determination: 100% load weighted LMP reductions**
3. **Benefit Determination lower voltage: 100% load weighted LMP reductions**
4. **Cost allocation regional: 50% load ratio share and 50% zones with decreased net load payments.**
5. **Cost allocation lower voltage: 100% decreased net load payments**

- 6. General Expansion: reduce load to through scaled demand response at Major Busses.**

- 7. Benefit Component: Value transmission and generation that will be connected by the transmission but condition any resulting allocation on the generation materializing with contracts by a date certain. Vary important for renewable energy development.**

Multi-Driver Approach

- 1. Project Assignment : Hierarchical**

- 2. Project Re-Assignments Pre-Construction : MDA Project analysis done at or around RTEP inclusion and no further changes to the assignments to buckets.**

- 3. Cost Overruns: distributed to buckets in accord with the original MDA percentages.**

- 4. Inclusion of Operation Performance: Absolutely. Recent weather events have taught us that this is crucial.**

- 5. Aging infrastructure: Absolutely**

6. Inclusion of interconnection projects; Depends on circumstances, locationally constrained renewable energy must be recognized as requiring flexible treatment to reflect their unique issues.