



RPPTF

Toll-free call-in number 866-398-2885

Passcode: 934672

March 27, 2013

1:00 p.m., Eastern Standard Time

- Call to Order, Announcements, Roll call, 25 min
 - Fran Barrett
 - Review past Action Items, Prior Meeting Revisions (ME)
- FERC Order on Order 1000 Compliance Filings 60 min
 - Pauline Foley
- Multi-Driver Approach 60 min
 - Steve Herling
 - Generation and Merchant Transmission Interconnection refresher
 - Please see slides 9, 18-22 inclusive from June 24, 2011 Deck
 - Please see slides 10-18, inclusive from July 22, 2011 Deck
- Action Items, RPPTF Tasks and Schedule, Conclude meeting 10 min
 - Fran Barrett

#	Owner	Status	Date Opened	Date Closed	Item
Administration					
1	F.Barrett	Closed		3/14/2013	Administration – Complete RPPTF Protocol determination on polling / voting final recommendation to MRC. Voting Required.
2	F. Barrett	Closed		3/27/2013	Add Action Item Slide to future decks
3	Marie/Fran	Closed		3/25/2013	Clean revise Slide 5 (Market Efficiency) of 3/14 deck
4	Marie/Fran	Closed		3/25/2013	Clean up Mar 14th Deck and repost to include stakeholder ideas and comments
Market Efficiency					
1	PJM Legal	Closed		3/14/2013	Confirm whether any resulting MRC/MC actions on ME yielding an OA revision result in a FERC Tariff filing? Confirmed - filings made as required by OA or Tariff changes.
2	PJM	Open	14-Mar		Refine and document process - How to include/exclude FSA units
Interregional Coordination					
1		Open	14-Mar		Interregional Compliance Filing(s) - PJM to share "What" material to file and "When" it will be filed
Multi-Driver Approach					
1	PJM	Closed		3/25/2013	Add Principles/Assumption - A discrete point in time to satisfy need for certainty / financing
2	PJM	Closed		3/25/2013	Add Principle/Assumption – For cases regarding special treatment e.g. Undergrounding, Dairy Farm easements
3	PJM	Closed		3/14/2013	Revise Deck - Fix slide 22 (numeral order of resulting solution). Completed
4	PJM	Closed		3/14/2013	Revise Deck - Correct initial project costs. Check the math on Slides 24, 25
5	PJM	Closed		3/14/2013	Tease out Pros / Cons of alternatives/ use cases
6	S. Herling	Closed/Ongoing		3/14/2013	Touch base with TO's regarding elements of RPPTF Report/Recommendations to the MRC as well as those elements that will be handled separately by TO's
7	PJM	Open			Footnote 26 of Conditional Approval of TO Cost Allocation filing – Ensure a definition of Multi-Driver is developed
8	PJM	Open	14-Mar		Provide review on two Hybrid "con's" (notated in deck)
9	PJM	Open	14-Mar		Develop MDA use case for "special" cases (i.e. undergrounding)
10	PJM	Open	14-Mar		Definition - What constitutes "incremental" versus "non-incremental" (3/14/2013 original slides 18-19)

- Status - The Market Efficiency discussion has been tabled
- As we concluded the ME dialog, a topic arose associated with the potential to include FSA units. An approach was requested to:
 - permit PJM to remove select item(s) from ME analysis,
 - reduce modeling error due to completion, technological or timing risks resulting from large generation (e.g. nuclear generation station) or *FSA-related* transmission ($\geq 500\text{kV}$) projects
 - ensure a large project and or associated planned transmission does not skew or mask likely congestion should the project not proceed
 - allow PJM to exercise judgment and care
 - be designed to enable transparent and clear communications to stakeholders, *including posting of all FSA generation proposed as exclusions*
 - *address and remove any duplicates*
 - *ensure “suspended” ISA projects are not included and duly noted*
 - ensure any true-up to the analysis would be made in the subsequent annual RTEPP
 - *provide a forum, (such as the TEAC), to*
 - *challenge planned inclusions and or exclusions on the FSA listing*
 - *enable collective discussion and decision making*

- Docket Nos. ER13-198-000, ER13-195-000, ER13-90-000 - ORDER ON COMPLIANCE FILINGS
 - (Issued March 22, 2013)
- Docket No. EL05-121-008 - ORDER ON REHEARING
 - (Issued March 22, 2013)
- Ms. Foley will provide the Task Force with a summary and accept comments

- To date – the RPPTF has worked issues relating to the interplay of Reliability, Market Efficiency, and Public Policy projects
- The next couple RPPTF meetings will return to a prior topic – the role of generation interconnection and or merchant transmission in a potential Multi-Driver Approach
- Mr. Herling will share previous RPPTF efforts as a refresher
- The following slides are excerpts from prior RPPTF Meetings (6/24/2011 and 7/22/2011)

- Critical Mass Approach
 - How do we integrate interconnection projects as drivers for a Critical Mass project?
 - Cannot perform System Impact Studies with and without Critical Mass project
 - would double the workload and make backlog issues worse
 - At-risk generation drivers (through Proactive Build) coupled with pending interconnection projects
 - Pending interconnection projects, alone
 - Any of the above coupled with State Agreement project drivers
 - Any of the above coupled with Market Efficiency project drivers
 - Need to identify cost allocation/assignment approach for interconnections (access fee vs. but-for vs. pro rata cost assignment)

- Integration With Interconnection Queue
 - Need to identify cost allocation/assignment approach for interconnections (access fee vs. but-for vs. pro rata cost assignment)
 - Will not have identified a but-for cost via a System Impact Studies without Critical Mass project – again, would double the workload and make backlog issues worse
 - Attachment facilities would be identified separately and be a separate charge to the generator

- Integration With Interconnection Queue
 - Cannot perform System Impact Studies with and without Critical Mass project – would double the workload and make backlog issues worse
 - Impact Studies will identify incremental upgrades – Critical Mass will identify comprehensive upgrades for multiple projects
 - Incremental upgrades may be cheaper or more expensive than share of comprehensive upgrades
 - Incremental upgrades may be faster to build
 - Incremental upgrades are often obsolete and replaced by bigger upgrades as subsequent Impact Studies are completed

- Critical Mass Approach
 - Access fee is simple to implement
 - Could be higher or lower than but-for cost for individual projects
 - Could leave some portion of project cost to be borne by network service customers
 - Could create different treatment for different projects in queue
 - Do we apply access fee to all generators?
 - Do we apply access fee only to renewable resources?
 - Do we apply access fee only to resources associated with Critical Mass projects?

- Critical Mass Approach
 - Pro-rata cost assignment is less simple to implement
 - Could be higher or lower than but-for cost for individual projects
 - Use of Critical Mass project may not be best indicator of contribution to multiple violations driving need to transmission upgrades
 - Use of portion of capability by other drivers may not be readily calculated to the MW
 - Should ensure that all project costs (portion not associated with other drivers) are borne by generators
 - Could create different treatment for different projects in queue

- Critical Mass Approach
 - What are appropriate triggers for examination of Critical Mass projects?
 - Could require that some portion of capability be associated with a “primary” driver, such as reliability
 - Possible need contribution from queued generation cannot be based on executed ISAs
 - If a generator already as an ISA, a fully developed set of but-for upgrades would already need to have been examined through a Facilities Study – generator would already be proceeding on that basis
 - Could use amount of generation in an area, but must recognize the potential drop-out rate

- Questions
 - How much capability should already be accounted for through “bright line” drivers?
 - How many other potential drivers must exist related to excess capability above “bright line” drivers to provide reasonable certainty that Critical Mass project will be needed?
 - How do we integrate interconnection analysis with RTEP analysis for a Critical Mass project?
 - How do we establish cost responsibility for generators related to a Critical Mass project?

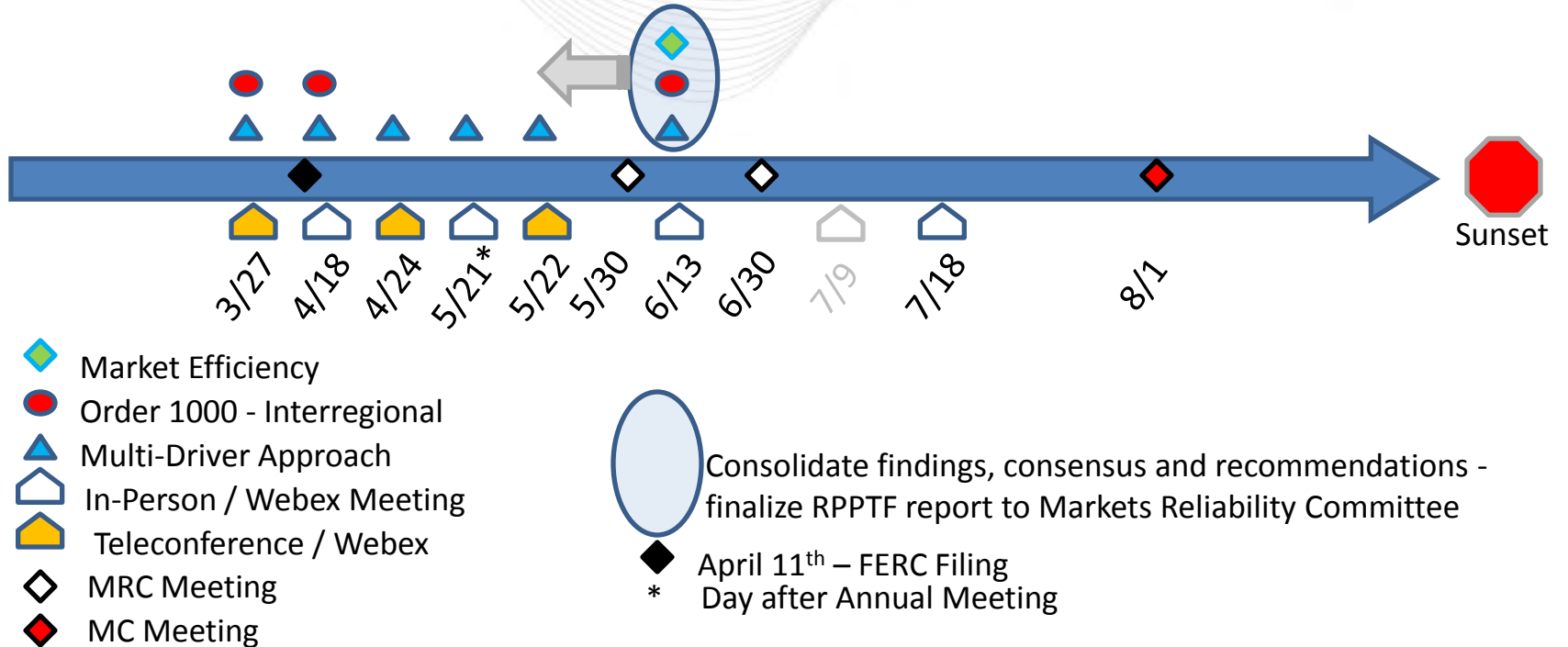
- Critical Mass Options – Capability for Interconnection Projects
 - Offer capability through some form of solicitation
 - Give priority based on queue position (?)
 - Would need to segregate interconnection projects and Critical Mass project from other Impact Study analyses – can't allow capability to be taken for free
 - Will have to complete solicitation quickly and move projects to execution of ISA – can't carry projects in traditional System Impact Studies and Critical Mass projects as same time
 - Solicitation allows later queued projects to jump ahead if others are not willing to subscribe to Critical Mass project

- Critical Mass Options – Capability for Interconnection Projects
 - Lock into Critical Mass project and move “next” group of interconnection customers onto that capability
 - What constitutes “next” group of customers?
 - Critical Mass project cost shares may be higher or lower than Impact Study upgrades depending on how they are determined
 - Customers with System Impact Study in hand may not want to face potential delays or uncertainty of moving to Critical Mass project
 - If we allow customers to opt out of Critical Mass project we still have the issue of segregating the capability from those Impact Study analyses

- Critical Mass Options – Capability for Interconnection Projects
 - Lock into Critical Mass project and retool any interconnection customer that doesn't have an executed ISA
 - Simple to implement
 - Creates potential delays for projects that are close to execution of ISA
 - Could create big cost swings for some interconnection customers – would depend on what changes are made to cost allocation process for interconnection customers

- Cost Allocation Issues
 - Allocations for projects will likely be unique based on drivers
 - Develop guidelines based on drivers, but not specific formulaic approach
 - Would likely need to identify percentage of capability attributed to various need drivers and then allocate within those drivers, e.g. 50% required for reliability criteria violations
 - Same capability can provide multiple values, e.g. reliability and market efficiency
 - File specific project allocation for each project at FERC
 - Need to address identification of cost responsibility for generators using capability of Critical Mass projects

- Market Efficiency
 - Benefit/Cost (tabled)
 - Generator Expansion (tabled)
 - Adjusted Production Cost (tabled)
 - Consideration of Large Projects-Inclusion of ISA&FSA Units(pending)
- Multi-Driver Approach
 - Reliability (in process)
 - Market Efficiency (in process)
 - Public Policy (in process)
 - Generator interconnection (pending)
- Order 1000
 - Regional Compliance Filing (filed)
 - Interregional Compliance Filing (in process)



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