

RPPTF Meeting Materials
June 13, 2013
Comments of Walter R. Hall, II
Md PSC

From: Barrett, Fran S.
Sent: Tuesday, June 11, 2013 4:25 PM
To: 'Walter Hall II'
Subject: RE: Comment on Proposed Multi-Driver Voting Materials

Thank you Walter. - Fran

From: Walter Hall II [<mailto:whall@psc.state.md.us>]
Sent: Tuesday, June 11, 2013 4:25 PM
To: Barrett, Fran S.
Subject: RE: Comment on Proposed Multi-Driver Voting Materials

Yes to each of your questions. Best regards. WRHII

From: barretfs@pjm.com [<mailto:barretfs@pjm.com>]
Sent: Tuesday, June 11, 2013 4:23 PM
To: Walter Hall II
Cc: greg@opsi.us; Bob Erwin; Miles Mitchell
Subject: RE: Comment on Proposed Multi-Driver Voting Materials

Walter – thank you for sharing your comments and perspectives on the MDA deck and status quo.

Would you permit me to share your comments with the RPPTF Stakeholders ?

Would you be prepared to share your reasoning with the balance of the stakeholders on Thursday?

I am preparing a transmittal to the RPPTF this afternoon and would appreciate your response in order to include with the mailing.

Regards, Fran
(610) 666-8888

From: Walter Hall II [<mailto:whall@psc.state.md.us>]
Sent: Tuesday, June 11, 2013 4:15 PM
To: Barrett, Fran S.
Cc: Greg Carmean; Bob Erwin; Miles Mitchell
Subject: Comment on Proposed Multi-Driver Voting Materials

This email is to advise that the MD PSC believes that the proposed RPPTF Multi-Driver voting materials raise serious issues of non-compliance with FERC Order 1000 in that they appear to propose that transmission projects proposed to satisfy State and other Public Policy requirements are to be subject to materially less advantageous cost recovery and allocation procedures than are reliability and cost-efficiency projects. The MD PSC believes that FERC has clearly stated in Order 1000 that, while differing cost allocation procedures may be used for different categories of transmission projects, the differences

in treatment must be rational, non-discriminatory and not preferential. A cost allocation for Public Policy Projects which requires that they must be constructed as stand-alone transmission lines, not designed to serve other transmission needs (i.e. reliability and cost-efficiency), except where combined in and approved by FERC in a "one-off" filing determined as required by PJM on an as yet unexplained basis, and where similar disadvantageous conditions are not imposed upon transmission projects developed for reliability and cost-efficiency reasons, appears to violate FERC's requirement that Public Policy be integrated into the transmission development process along with reliability and cost-efficiency and given equal and non-discriminatory treatment.

Moreover, the proposed separation and unequal treatment of Public Policy transmission project development would appear to conflict with FERC's understanding of PJM's commitments respecting cost allocation for such projects as stated in Paragraph 441 of FERC's March 22 Order as follows: "We accept the PJM Transmission Owners proposal to apply the cost allocation methods proposed for Reliability and Economic Projects to transmission facilities that address public policy requirements in addition to reliability and economic transmission needs. . . . Because the Commission has found that PJM's proposal to include public policy requirements in its sensitivity analyses complies with Order No. 1000, and therefore addresses transmission needs driven by public policy requirements, there is no need for a separate cost allocation method associated with a non-existent project category. Specifically, PJM identifies reliability transmission needs and economic constraints that result from the incorporation of public policy requirements into PJM's sensitivity analyses, and then allocates the costs of the solutions to such transmission needs in accordance with the type of benefits they provide. Thus, we conclude that PJM does not need a separate regional cost allocation method for projects to address transmission needs driven by public policy requirements as the costs of such projects are appropriately allocated based on the type of transmission need that PJM's consideration of public policy requirements creates." This description of PJM's cost allocation approach to Public Policy transmission projects is, in the MD PSC's view, not consistent with Slide 4's proposed "status quo" methodology.

I will participate in discussion of this matter at the RPPTF Stakeholder Meeting on Thursday. Best regards. WRHII