

Regional Planning Process Task Force

December 18, 2013 – Draft Notes & Action Items

1. Slide 11 “3% OF (not “on”) project cost” – Power Point “RPPTF DEA REVIEW OF STAKEHOLDER COMMENTS – PJM updated and posted revised presentation
2. Force Majeure applicability - The CIA is intended primarily as a bridge agreement until entities that are not currently signatories to the CTOA become signatories. PJM and stakeholders will review the Force Majeure provision in the context of the CIA is intended to address the duration when the project is in development/engineering/construction phase. Will the DEA be posted once it is executed? PJM anticipates posting the executed DEA with confidential and CEII information redacted as appropriate. PJM anticipates the same approach for the CIA.
3. If a project is delayed and the cost is increased, will PJM adjust the amount of the Letter of Credit? If a project is delayed and the project cost increases, PJM anticipates the LOC would be adjusted and the agreement would be amended to reflect the changes.
4. Will PJM require Letter of Credit for “provider of last resort”? If a project is an “Order 1000 greenfield project”, then a LOC will be required. If the project is an “upgrade” consistent with the Order 1000 filings, then an LOC will not be required.
5. Clarify LOC requirement if a PJM CTOA Transmission Owner “steps into shoes” for a Designated Entity in the case of a default. As the conditions can be very different depending on the time of default and the stage of the project, PJM anticipates evaluating on a case by case basis what would be appropriate action consistent with the Tariff rules at that time.
6. Will PJM announce situations that require mitigation or operational procedures and the impacts to the system if a project is delayed? Consistent with the current practices, the TEAC forum will continue to be used by PJM to provide updates and seek stakeholder input. Also, PJM will continue to post the construction status of all RTEP projects on PJM.com
7. PJM will review the CTOA and CIA provisions to ensure that 16.0.1 (CTOA) and 16.0.4 (CIA) are properly aligned.
8. Concerns were raised about the timing issue of when an entity signs the CTOA and when the facility is energized/interconnected with the PJM system. PJM anticipates a similar process as has been used with merchant transmission projects, where the entity generally signs the CTOA within days of actual energization.
 - a. Questions were raised as to whether or not a CIA is needed or if alternatives could be used. All to consider the value of the CIA as proposed or offer alternative approach.
9. Language – points discussed
 - a. LS power indicated that concerns with the DEA language not workable for obtaining financing. LS Power to provide a use case for “project finance” to illustrate the concerns.