



To: PJM MRC and MC Committee Members
From: Craig Glazer, PJM
Re: Eastern Interconnection Planning Collaborative Update
Date: August 10, 2011

Note that there have been no material changes in status of the EIPC efforts since our last report dated July 14, 2011. That report is repeated below.

This memorandum will provide a brief update on the activities of the Eastern Interconnection Planning Collaborative (EIPC) since the last MRC and MC meetings. A number of PJM members serve on the Stakeholder Steering Committee (SSC) of the EIPC (along with the states in the PJM region) and also are available as a resource concerning activities of the individual sectors.

The EIPC Stakeholder Steering Committee (“SSC”) has finalized most of its proposed “futures” and related sensitivities around those chosen futures. The assumptions governing those futures and the related sensitivities are then used by the EIPC consultant, Charles River Associates (“CRA”), as inputs to CRA’s NEEM model. The NEEM model is a tool which identifies those resources which are economic in light of the particular future assumptions inputted into the model. The results of the NEEM model runs then are to be utilized by the SSC in arriving at its final three futures. Those futures are then provided to the EIPC planners who are tasked, under the EIPC bid, to develop and price transmission needed to reliably meet that future.

Since the last report to the MRC and MC, CRA has completed its NEEM model runs for a number of the identified futures and related scenarios. A great deal of data in the form of the NEEM runs is now available to stakeholders and posted on the EIPC website. The final macroeconomic results are expected to be issued by CRA in early September. Moreover, the Planning Authorities will be undertaking a high level transmission analysis associated with these scenarios which should be completed in mid-September. At that point, the SSC should be identifying the final three future scenarios for which they are requesting a “build out” transmission analysis from the Planning Authorities. Those analyses are targeted for completion by the Planning Authorities in mid-2012.

In addition, the states through a separate grant, are charged with identifying “energy zones” i.e. geographic areas where resources such as fuel, gas pipelines or wind resources are optimally available and where local environmental impacts can best be minimized. As this is solely a function of the Eastern Interconnection States Planning Council (“EISPC”), questions on the designation of energy zones is best addressed to the PJM region’s state representatives to the EISPC.

For more information, please contact your SSC sector representatives or Craig Glazer of PJM at 202-423-4743 or Chuck Liebold of PJM at 610-666-8281.