

Highlights of LS Power / DC Office of People's Counsel

May 2018 MRC Alternative Motion with Friendly Amendment

- Approves all PJM Enhanced Disclosure Templates Developed from February 2018 – May 2018 Stakeholder Process. Greater transparency and uniformity related to all aspects of transmission costs is required by developers. This greater transparency applies to Upgrades of existing Transmission Facilities, as well as new Transmission Facilities.
- Clarifies that PJM shall retain the ability to select the project based on all relevant factors, with cost and binding cost containment being just one component.
- Binding cost containment proposals related to construction cost caps, project total return on equity (including incentive adders), and/or capital structure shall be considered by PJM in the evaluation process.
- Caps on O&M costs will not be part of the selection process; PJM requirement for consideration of annual revenue requirement caps is removed from previous Alternative Motion.
- Adds OA tariff language that the materials provided to the TEAC shall describe in a clear and transparent manner, the method by which the Office of Interconnection scrutinized the cost aspects of each finalist proposal, including any binding cost commitments.
- PJM Office of Interconnection, after seeking the advice and recommendation of the PJM Independent Market Monitor, shall develop an initial Comparative Framework to evaluate the quality and effectiveness of binding cost containment proposals (related to construction cost caps) vs. cost estimate proposals. The initial Comparative Framework shall be presented by December 2018 to the MRC, along with the advice and recommendation of the PJM Independent Market Monitor, for a vote and to be effective for the 2018 Long-lead Project Proposal Window.
- An additional ROE Comparative Framework, including analysis of an ROE or capital structure commitment, along with any appropriate proposal for PJM planning process time-line changes, shall be added to the Comparative Framework in 2019. The additional ROE Comparative Framework shall be presented by May 2019 to the MRC, along with the advice and recommendation of the PJM Independent Market Monitor, for a vote to be effective for the 2019 windows to be held after May 1, 2019.