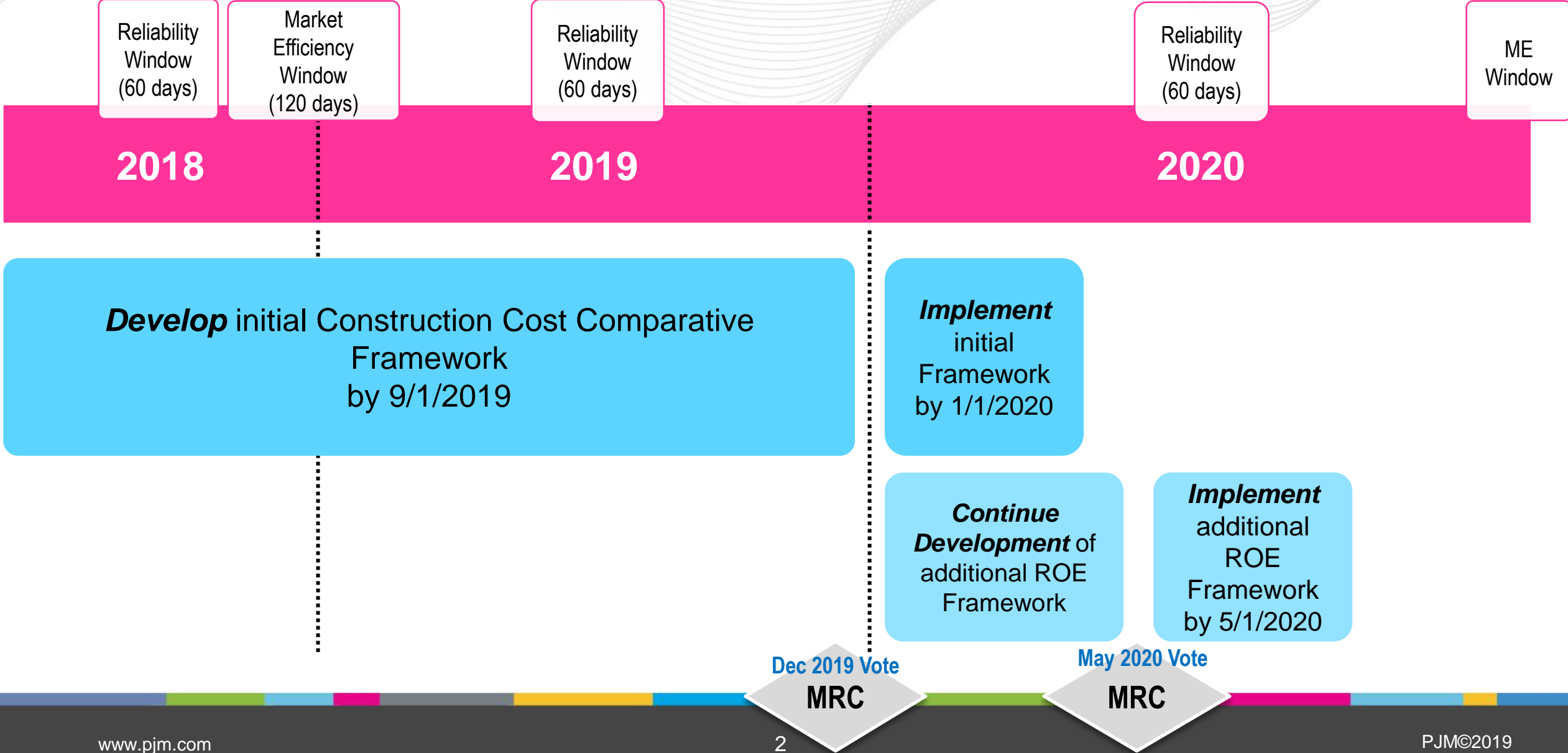


# Cost Containment Status and Next Steps

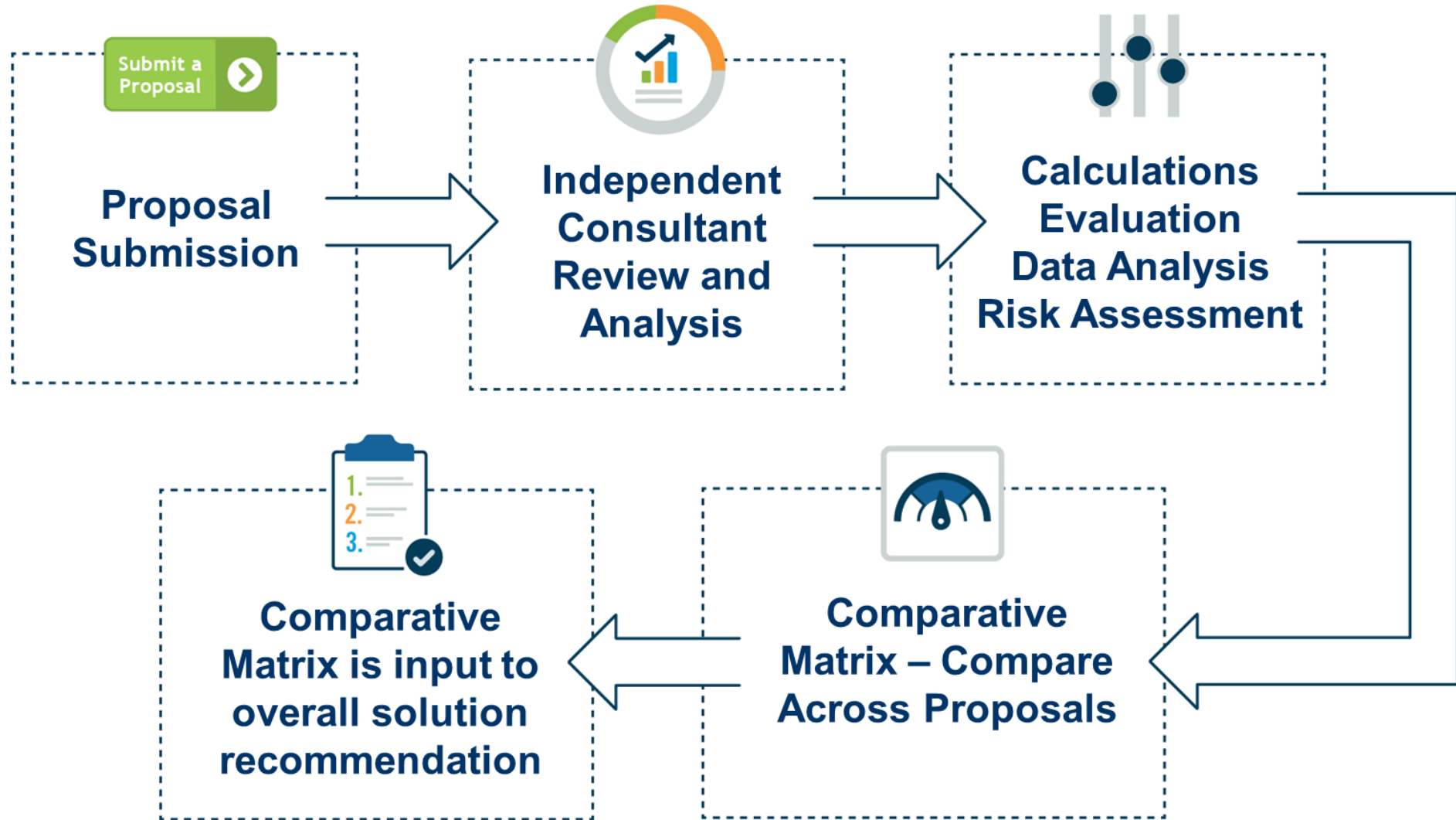
Mark Sims  
Manager, Infrastructure Coordination  
Planning Committee  
February 7, 2019



# Anticipated Schedule for FERC 1000 Cost Containment Framework



# Major Components of Cost Containment Evaluation



## STATUS

 Process under active development

- PJM & IMM
- Completed PJM / IMM / Consultant conference on Nov. 15, 2018



**Independent  
Consultant  
Review and  
Analysis**



**Calculations  
Evaluation  
Data Analysis  
Risk Assessment**

**Constructability  
Analysis**

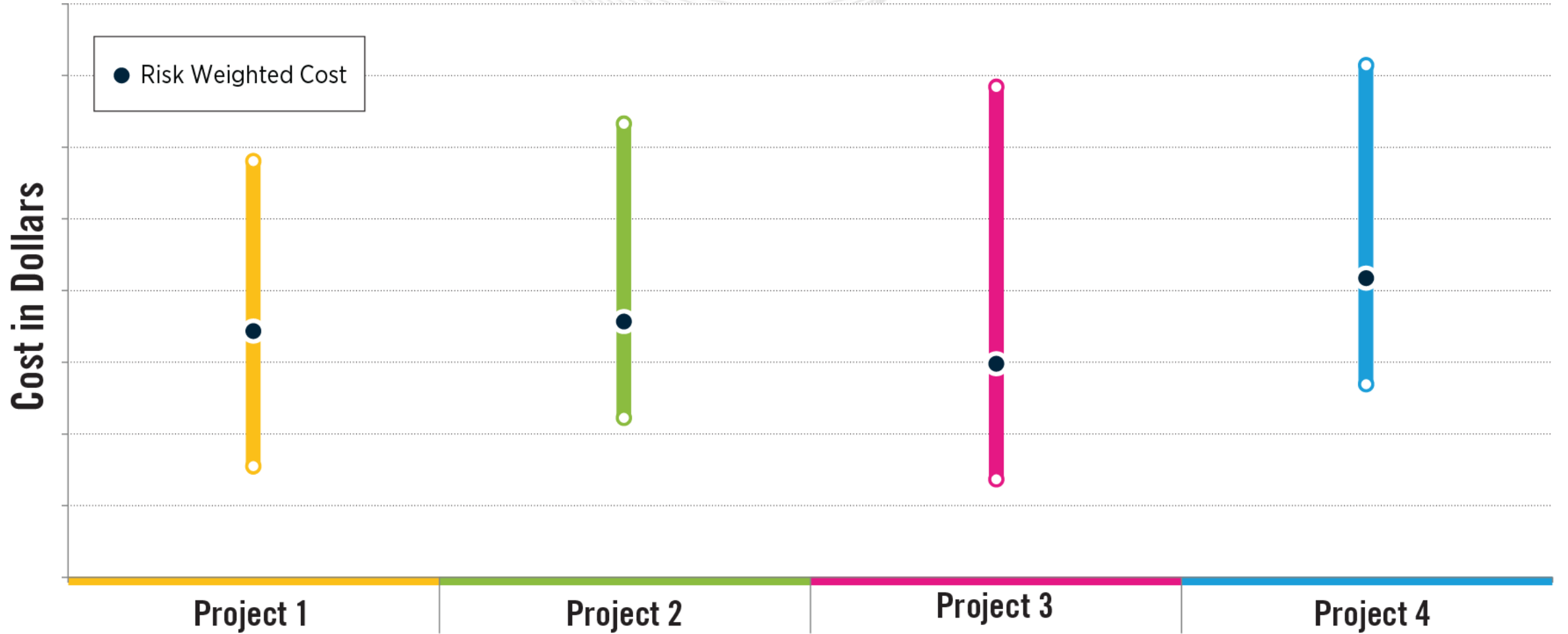
**Financial  
Analysis**

**Legal  
Analysis**

- **Constructability Analysis**
  - Determine a cost estimate and schedule
  - Identify project specific risk factors
  - Determines relative likelihood for identified project specific risk factors

- Legal Analysis
  - Evaluate the cost containment legal language
- Financial Analysis
  - Develop base revenue requirement analysis case
    - Normalization
    - Base case
  - Determine scenarios to evaluate performance

# Project Net Present Value Revenue Requirement Estimates





- Continue coordination with the IMM
- Continue framework development
- Update Planning Committee