

December 4, 2020

VIA ELECTRONIC MAIL
The PJM Board of Managers
c/o Ake Almgren, Ph.D.
PJM Interconnection, L.L.C.
2750 Monroe Boulevard
Audubon, Pennsylvania 19408

Re: End of Life (EOL) Transmission Planning

Dear Chairman Almgren and PJM Board of Managers:

On November 12, 2020, LS Power submitted a letter to the PJM Board (November 12 Letter) concerning End of Life (EOL) transmission planning issues and Attachment M-3 of the PJM Open Access Transmission Tariff (PJM OATT).¹ Specifically, LS Power requests that PJM or the PJM Market Monitor perform an “independent beneficiary analysis” for each proposed EOL high voltage project. As the Federal Energy Regulatory Commission (FERC) has recognized, Attachment M-3 Projects (such as the transmission projects listed in the November 12 Letter) are outside of the scope of PJM’s planning authority. As such, the November 12 Letter is no more than a thinly-veiled attack on FERC’s recent decision affirming the PJM Transmission Owners’ authority over planning to address EOL needs, and an attempt to undermine the existing, FERC-accepted transmission planning process and cost allocation methodologies for Attachment M-3 Projects in PJM. It is worth noting that FERC recently denied a complaint that LS Power filed making similar claims and seeking similar relief in MISO.²

As a threshold matter, it would be inappropriate for either the PJM Board or the PJM Market Monitor to perform the type of analysis that LS Power requests. The Attachment M-3 Projects at issue are asset management projects, which, by definition, are neither subject to the procedures set forth in Schedule 6 of the PJM Operating Agreement nor driven by PJM regional planning criteria. FERC has determined that these projects are outside of the scope of PJM’s regional planning authority and responsibility³ and that their planning is reserved to the PJM Transmission Owners.⁴ Thus, these projects are planned pursuant to the Attachment M-3 planning provisions set forth in the PJM OATT rather than the regional transmission planning process detailed in the Operating Agreement.⁵

¹ This is the third letter to the PJM Board that LS Power has submitted on EOL-related issues. See Letter dated May 12, 2020 and Letter dated June 30, 2020.

² *Coalition of MISO Transmission Customers v. Midcontinent Indep. Sys. Operator, Inc.*, 172 FERC ¶ 61,099 (2020).

³ *PJM Interconnection, L.L.C.*, 172 FERC ¶ 61,136, at PP 81-86 (2020).

⁴ *Monongahela Power Co.*, 162 FERC ¶ 61,129, at PP 96-97, *order on reh’g and compliance*, 164 FERC ¶ 61,217, at P 13 (2018).

⁵ In its Comments filed in FERC Docket No. ER20-2308, PJM acknowledged that planning for asset management projects is reserved to the PJM Transmission Owners.

Further, contrary to LS Power's assertions, nothing in Schedule 12 to the PJM OATT authorizes allocating the costs of Attachment M-3 projects beyond the Zone of the constructing Transmission Owner, as FERC recognized in approving Attachment M-3 as just and reasonable.⁶ Having failed at FERC, LS Power is now seeking to enlist PJM in an effort to advance its commercial interests irrespective of FERC Orders, PJM governing documents or, most significantly, sound transmission planning.

Finally, LS Power alleges that their consultant's analysis demonstrates that the transmission projects listed in the November 12 Letter have significant regional benefits. This claim is flawed and misleading at best and does not take into account the reasons why these EOL projects were constructed.⁷ The analysis that LS Power presents is defective in many respects. These defects however are currently moot since, as described above, the Commission has recently approved the Attachment M-3 amendments, thus making LS Power's requested analysis unnecessary and inappropriate. The requested analysis would only serve to undermine settled policy and precedent.

We appreciate the opportunity to correct the record on these important issues and present the views of the PJM Transmission Owners responsible for owning, operating and maintaining virtually all of the transmission assets charged with providing reliable service to 65 million people across the PJM footprint.

Respectfully,

American Electric Power Service Corporation on behalf of its affiliates, Appalachian Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company, Wheeling Power Company, AEP Appalachian Transmission Company, Inc., AEP Indiana Michigan Transmission Company, Inc., AEP Kentucky Transmission Company, Inc., AEP Ohio Transmission Company, Inc., and AEP West Virginia Transmission Company, Inc.

The Dayton Power and Light Company

Duke Energy Business Services, LLC on behalf of Duke Energy Ohio, Inc. and Duke Energy Kentucky, Inc.

Duquesne Light Company

East Kentucky Power Cooperative, Inc.

Exelon Corporation

⁶ *PJM Interconnection*, 172 FERC ¶ 61,136, at P 91 (2020).

⁷ Under Attachment M-3, which FERC accepted as just and reasonable, asset management projects are defined as modifications or replacements "undertaken to perform maintenance, repair, and replacement work, to address an EOL Need, or to effect infrastructure security, system reliability, and automation projects the Transmission Owner undertakes to maintain its existing electric transmission system and meet regulatory compliance requirements." Attachment M-3, sec. (b)(1).

FirstEnergy Service Company, on behalf of its transmission owning affiliates, including Jersey Central Power & Light Company, Mid-Atlantic Interstate Transmission, LLC, Monongahela Power Company, The Potomac Edison Company, West Penn Power Company, Trans-Allegheny Interstate Line Company and American Transmission Systems, Incorporated.

PPL Electric Utilities Corporation

Public Service Electric & Gas Company

Rockland Electric Company

UGI Utilities Inc.

Virginia Electric and Power Company dba Dominion Energy Virginia