



# Markets and Reliability Committee (MRC) Meeting FERC Order No. 1000 Project Proposal Fees

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- Review proposed tiered proposal fee and fee amounts (Second Read)
  - Planning Committee unanimously supported on July 9, 2015 with no abstentions
- Seek formal MRC endorsement

- The Regional Planning Process Senior Task Force (RPPTF) developed a consensus-based proposal fee for the costs of engineering and contractor analysis of proposed FERC Order No.1000 projects
  - \$30,000 non-refundable fee for greenfield projects
  - Two year “test” period
- The MRC and Members Committee (MC) approved the proposed fee and structure on October 30, 2014 and November 20, 2014, respectively
  - The MRC seconded and affirmatively voted an amendment to apply the proposed fee to all greenfield projects and Upgrade projects estimated to be in excess of \$20M
- FERC found the proposal unduly discriminatory and preferential because it required a fee for all greenfield projects but not for upgrades below \$20M.
- On February 26th, the MRC and MC endorsed a PJM recommendation to accommodate the FERC identified deficiency and to add a \$20M threshold provision to all projects. All projects exceeding this level (whether greenfield or Upgrade) shall pay a fee.

As PJM prepared the filing package and considered recent data from windows conducted since the initial filing, it was apparent that the \$30,000 fee may now exceed the financial needs arising from the internal labor and external consulting costs associated with competitive windows expected during the ~ 2 year test/pilot period.

This conclusion is based upon the:

- increased number of projects under this amended approach, coupled with
- the most recent data collected from the limited 2014 windows

- In light of this, PJM Staff has:
  - reviewed and projected likely dispersion of projects affected by the new threshold
  - employed the current window proposal data available
    - recognizing the data set is limited as PJM and window participants gain experience with this process, and
  - sought to develop a revised fee structure for PC, MRC and MC consideration

- Maintain all RPPTF developed terms approved by the MRC regarding the proposal fee
- Amend the fee structure to add a tiered approach to the filing package where there is:
  - No fee (\$0) for any proposed projects (upgrade and greenfield) below \$20M
  - \$5,000 fee for any proposed projects (upgrade and greenfield) greater than \$20M and less than \$100M
  - \$30,000 fee for any proposed projects (upgrade and greenfield) greater than \$100M

- Seek Markets and Reliability Committee endorsement
- Pending MRC endorsement, submit to Members Committee for earliest consideration and endorsement
- Submit filing package to FERC with goal to apply fees starting in 2016

Questions?