



Organization of PJM States, Inc. (OPSI)

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June 8, 2020

Dear Transmission Owners,

Attached you will find a number of proposed edits to your noticed M-3 additions. In an attempt to provide enhanced transparency to the OPSI states within the noticed M-3 additions, particularly as they relate to the states and jurisdictions where transmission facilities must be sited, certified or otherwise approved, OPSI¹ provides the following edits:

- The proposal has been edited to require that Transmission Owners provide the members of OPSI, in addition to PJM, their annual Candidate End of Life Needs List;
- Any OPSI member who wishes not to receive any End of Life Needs List may indicate as much to the relevant Transmission Owners; and
- After being informed by PJM that an M-3 need will be addressed through a Required Transmission Enhancement, should the Transmission Owner decide to proceed with the M-3 project, it will be required to provide conspicuous notice to all OPSI members of its determination.

These proposed edits should not be construed as acceptance of the remainder of the noticed M-3 additions.

Thank you for your consideration of these edits and we look forward to receiving communication of your acceptance of them.

Sincerely,

s/s Gregory V. Carmean

Gregory V. Carmean,
Executive Director, OPSI

¹ This letter was unanimously supported by the OPSI Board on June 8, 2020.

May 7, 2020

**Notice of Transmission Owners Consultation with the Members
Committee Regarding Proposed Amendments to Attachment M-3 of the
PJM Tariff**

Pursuant to Section 7.3.2 of the Consolidated Transmission Owners Agreement (“CTOA”) and Section 9.1(b) of the PJM Interconnection, L.L.C. (“PJM”) Tariff, the CTOA Administrative Committee hereby initiates consultation with the PJM Members Committee with regard to proposed changes to Attachment M-3 of the PJM Tariff (“Proposed Attachment M-3 Amendments”). As discussed herein, the PJM Transmission Owners are proposing to implement through Attachment M-3 the PJM proposal presented at the April 30, 2020 Markets and Reliability Committee meeting, the key tenets of which PJM noted, “enhance transparency; honor Transmission Owner responsibility over asset management decisions; and use PJM’s expertise and authority to develop the [Regional Transmission Expansion Plan (‘RTEP’)], and in some circumstances, determine the more cost-effective regional solution to replace a retired facility.”¹ In addition, and consistent with the PJM proposal, the Attachment M-3 Amendments would expand the scope of Attachment M-3 Stakeholder review to cover certain asset management projects and clarify the roles between PJM and the PJM Transmission Owners in planning transmission projects in PJM.

Background: Planning Supplemental Projects and Asset Management Projects in PJM

PJM Transmission Owners plan Supplemental Projects that address a need to expand or enhance Transmission Facilities,² where the responsibility for planning to address such needs has not been transferred to PJM pursuant to the CTOA. Supplemental Project planning is conducted under Attachment M-3 of the PJM Tariff. Attachment M-3 was added to the PJM Tariff to memorialize an open and transparent framework for planning Supplemental Projects in accordance with the requirements of Order No. 890.³ Under Attachment M-3, PJM Transmission Owners review their planning criteria, models and assumptions with Stakeholders at an annual “Assumptions Meeting,” present their transmission needs and discuss Stakeholder transmission needs at a “Needs Meeting” and review potential solutions to those needs with Stakeholders at a “Solutions Meeting.” Following an additional opportunity for Stakeholder input, selected Solutions are incorporated into a “Local Plan” which is integrated into the PJM RTEP without requiring approval by the PJM Board.

¹ <https://www.pjm.com/-/media/committees-groups/committees/mrc/2020/20200430/20200430-item-08c-1-pjm-solution-package-presentation.ashx>.

² Unless otherwise indicated, capitalized terms have the meaning set forth in the CTOA or the PJM Tariff.

³ *Preventing Undue Discrimination and Preference in Transmission System Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241 (“Order No. 890”), *order on reh’g*, Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 (2007), *order on reh’g*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh’g*, Order No. 890- C, 126 FERC ¶ 61,228, *order on clarification*, Order No. 890-D, 129 FERC ¶ 61,126 (2009).

PJM Transmission Owners also develop transmission projects to perform maintenance, repair, and replacement work, including the need to replace certain PJM Transmission Facilities that have reached the end of their useful life (“EOL Needs”), 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. Such projects fall under the general category of “Asset Management Projects.” Although FERC has ruled that Asset Management Projects are not subject to the requirements of Order No. 890,⁴ in order to bring greater transparency and consistency to the determination of whether an Asset Management Project need is reviewed under Attachment M-3, the PJM Transmission Owners are proposing to expand the scope of Attachment M-3 to provide for the review of all planning for Asset Management Project needs meeting certain criteria discussed below under the open and transparent Attachment M-3 planning process.

Recently, PJM has requested that the PJM Transmission Owners provide to PJM additional information regarding their identification of and planning for meeting EOL Needs. PJM has stated that such information will enhance PJM’s ability to develop the RTEP and anticipate the future needs of the PJM Transmission System. In order to address PJM’s request for additional information regarding PJM Transmission Owner EOL Needs, the PJM Transmission Owners are proposing to provide to PJM on an ongoing basis non-binding five- year projections of EOL Needs that are identified under their documented EOL Needs planning processes. Because this information is subject to change, it will be non-binding. As this information is also proprietary and competitively sensitive, such information can only be provided to PJM by the PJM Transmission Owners on a strictly confidential basis.

The PJM Transmission Owners agree with the view expressed by PJM that in certain circumstances an RTEP project could also address an EOL Need and, if so, it may be more efficient and cost effective to coordinate the planning of the RTEP project and the EOL Need. In order to address this shared concern for additional coordination of certain EOL Needs and RTEP project planning, the PJM Transmission Owners are proposing to add procedures to Attachment M-3 to address instances in which PJM determines that an RTEP project need could also address an EOL Need identified by a PJM Transmission Owner. Under the proposed procedures, PJM will disclose the EOL Need as part of the RTEP planning process, and, as appropriate, include the overlapping needs in a Project Proposal Window under Section 1.5.8(c) of Schedule 6 of the Operating Agreement. These additional procedures also set forth the process to be followed if the PJM Transmission

Owner determines that a project proposal

⁴ *Southern California Edison Co., et al.*, 164 FERC ¶ 61,160 (2018) (“SCE Order”), *reh’d denied*, 168 FERC ¶ 61,170 (2019); *California Pub. Util. Commission v. Pacific Gas & Elec. Co.*, 164 FERC ¶ 61,161 (2018) (“PG&E Order”), *reh’g denied*, 168 FERC ¶ 61,171 (2019) (collectively referred to as the “California Orders”).

that emerges from the RTEP planning process does not address its identified EOL Need. The proposed process is comparable to the process set forth in Section 1.4.2.2 of PJM Manual 14B.

Finally, as noted above, pursuant to the CTOA, the PJM Transmission Owners transferred to PJM certain responsibilities to plan transmission expansions and enhancements, while retaining the responsibility to plan as Supplemental Projects, expansions or enhancements not transferred to PJM. In addition, as clarified by FERC in the California Orders, Asset Management Projects that do not increase transmission capacity by more than an incidental amount are not subject to Regional Transmission Organization planning responsibilities under Order No. 890 and thus remain the responsibility of the PJM Transmission Owners.⁵ In order to clarify the scope of Attachment M-3, which applies to planning needs that have not been transferred to PJM, the proposed Attachment M-3 Amendments identify the planning responsibilities that have been transferred to PJM. All transmission planning in PJM other than those identified PJM responsibilities, including planning to address Asset Management Project needs as specified in the proposed Attachment M-3 Amendments, will be conducted under the Attachment M-3 planning process.

The Proposed Changes and Additions to Attachment M-3

Acting pursuant to Section 9.1 of the PJM Tariff and Article 7 of the CTOA, the PJM Transmission Owners are proposing the following revisions to Attachment M-3 under the Proposed Attachment M-3 Amendments:

Attachment M-3, Section (a), Applicability

Section (a) extends the applicability of Attachment M-3 to Asset Management Projects as defined in section (b) and describes the expansion and enhancement planning responsibility that has been transferred to PJM by the PJM Transmission Owners and, thus, is not subject to Attachment M-3. Each of PJM's planning responsibilities that has been transferred by the PJM Transmission Owners is listed, including those planning responsibilities transferred by individual PJM Transmission Owners under FERC Form No. 715 (section (a)(2)). In addition, Section (a)(5) identifies the PJM planning responsibility under section (d)(2) to address situations where a single project can more efficiently and cost effectively address an EOL Need (as defined in section (b)) and a PJM planning

criteria need.

Attachment M-3, Section (b), Definitions

Section (b) includes definitions used in the Attachment M-3 Amendments.

1. “Asset Management Project” describes the range of planning activities undertaken by PJM Transmission Owners to maintain and repair their systems, including replacing

⁵ SCE Order at PP 30-32 and n. 55; PG&E Order at PP 66-68 and n. 119.

Transmission Facilities, as necessary, where the project as planned does not result in more than an Incidental Increase in transmission capacity. The definition encompasses the scope of activities described by FERC in the California Orders.⁶

2. “Attachment M-3 Project” is defined to include both Supplemental Projects and certain Asset Management Projects that would become subject to Attachment M-3 planning. Since Asset Management Projects could range from major transmission line replacements to repairs of transmission towers or minor substation equipment, in order to utilize the Attachment M-3 process efficiently, only Asset Management Projects that affect PJM modeling of the Transmission System are included within the definition of Attachment M-3 Project. In engineering terms, this includes projects that affect the connectivity of Transmission Facilities or significantly affect Transmission Facility ratings or impedance. Asset Management Project needs that meet any of these criteria will be subject to the Attachment M-3 planning process.

3. “Incidental Increase” adopts the definition used by FERC in the California Orders.⁷

4. “Transmission Facilities” are defined as in the CTOA, section 1.27.

5. “EOL Need” is defined to include a whole transmission line operating at or above 100 kV and a transformer, the high side of which operates at or above 100 kV and the low side of which is not connected to distribution facilities. This definition is used to identify the projected Transmission Facility replacement needs that the PJM Transmission Owners will identify to PJM and which would be eligible for PJM planning when a single project could address the EOL Need as well as PJM Planning Criteria Need(s). This definition should capture the vast majority of potential Transmission Facility replacement needs that could reasonably benefit from such coordinated planning. The 100 kV threshold is also consistent with the generally accepted definition of the Bulk Electric System.

6. “Candidate EOL Needs List” is the list of projected EOL Needs provided to PJM under section (d)(1)(iii).

7. “Form No. 715 EOL Planning Criteria” recognizes that some PJM Transmission Owners have included EOL Need planning criteria in their FERC Form No. 715. This definition is used in Section (d) to extend the additional procedures

specified in that section to such needs. In addition, this section clarifies that PJM Transmission Owners shall not be required to file Form No. 715 EOL Planning Criteria other than as required by FERC regulations generally applicable to Form No. 715.

⁶ *Id.*

⁷ SCE Order at P 33; PG&E Order at P 68.

8. “Attachment M-3 EOL Planning Criteria” are PJM Transmission Owner planning criteria to address EOL needs. This definition is used in section (d) to require PJM Transmission Owners to articulate and identify the planning criteria they use to address EOL Needs to be presented at the annual Assumptions Meeting along with other planning criteria, models and assumptions used in Attachment M-3 Project planning.

9. “PJM Planning Criteria Need” is a need PJM planning addresses in preparing the RTEP as described in section (a). This would include both reliability and economic projects planned by PJM.

10. “RTEP Planning Process” is the planning process to develop the RTEP.

Attachment M-3, Section (c), Procedures For Review of Attachment M-3 Projects.

Section (c) is identical to Sections 1 to 7 of the current text of Attachment M-3 with four additions. First, as noted above, the Attachment M-3 process has been extended to certain Asset Management Projects, as specified in the section (b)(2). Second, consistent with existing practice, section (c)(1) confirms that when the Transmission Expansion Advisory Committee (“TEAC”) considers an Attachment M-3 Project need, which it does when the need is for a project operating at 200 kV and above, the TEAC is subject to the requirements of Attachment M-3.

Third, the procedure for submission of comments on Solutions to be included in the Local Plan has been clarified. The existing text of Attachment M-3 specified the period of time that PJM Transmission Owners must consider Stakeholder comments on the Solutions to be included in the Local Plan, but did not specify how Stakeholders would know that Solutions have been selected, thus initiating their opportunity to comment on those Solutions. A sentence has been added to Section (c)(5) providing for the posting of the selected Solutions which begins a comment period of at least ten days, following which the PJM Transmission Owner will begin consideration of any comments received on the Solutions. This clarification is consistent with the structure of the existing Attachment M-3 provisions as well as current practice under the Attachment M-3 Process Guidelines.

Fourth, a provision has been added to Section (c)(7) acknowledging that a PJM Transmission Owner is free to use the Attachment M-3 process for Asset Management

Project needs that are not subject to Attachment M-3, but which the PJM Transmission Owner believes would benefit from consideration through its processes. This addition is comparable to the existing provision in section (c)(7) acknowledging a PJM Transmission Owner's ability to conduct additional meetings or communications with Stakeholders regarding Attachment M-3 Projects in addition to those provided for in Attachment M-3, as several PJM Transmission Owners currently do.

Attachment M-3, Section (d), Additional Procedures for Identification and Planning of EOL Needs

Needs This section describes additional procedures applicable to planning to address EOL

Section (d)(1) requires that each PJM Transmission Owner develop documentation for its Attachment M-3 EOL Planning Criteria (section (d)(1)(i)) and that such planning criteria be presented at least annually, which would normally occur at the annual Assumptions Meeting (section (d)(1)(ii)). The latter requirement is also inherent in section (c)(2), since Asset Management Projects, which include projects to address EOL Needs, as proposed would be subject to the Attachment M-3 planning process.

Section (d)(1)(iii) requires each PJM Transmission Owner to provide to PJM annually an updated "Candidate EOL Needs List" which is a five-year non-binding projection of its EOL Needs identified under its documented Attachment M-3 EOL Planning Criteria. This list is subject to change and is highly confidential, proprietary and competitively sensitive.

Accordingly, its dissemination is limited to PJM. The only exception to this limitation is the need to disclose a projected EOL Need in connection with the planning to address an identified overlap between the projected EOL Need and a PJM Planning Criteria Need under the RTEP Planning Process.

Section (d)(2)(i) requires a PJM Transmission Owner to consult with PJM, if PJM makes an initial determination that a projected EOL Need on the PJM Transmission Owner's Candidate EOL Needs List, which the PJM Transmission Owner has confirmed remains a projected EOL Need, could be addressed by a single Solution that also addresses one or more PJM Planning Criteria Needs. This provision is intended to facilitate PJM's ability to confirm the scope of the overlap, the current status of the relevant PJM Transmission Owner's planning to address the projected EOL Need, and the feasibility of planning a single project to address both needs.

Section (d)(2)(ii) establishes what happens if the PJM Planning Process results in a single Solution that is intended to address both a projected EOL Need confirmed by the relevant Transmission Owner and the PJM Planning Criteria Needs. If the Solution is not

one proposed by the affected PJM Transmission Owner, the PJM Transmission Owner must determine whether the Solution does, in fact, address its projected EOL Need. If it determines it does not and the PJM Transmission Owner determines that it still must address the projected EOL need through an Attachment M-3 Project, it must provide documentation to PJM and Stakeholders supporting its determination at the next meeting of the TEAC or Subregional RTEP Committee that considered the single Solution. As noted above, this process is comparable to that set out in PJM Manual 14B.

*Transmission Owners' Notice of Members Committee Consultation
May 7, 2020*

Proposed Attachment M-3 Amendments and Establishment of the Comment Period

Attachment A to this stakeholder notice is a redlined version of Attachment M-3 showing the proposed changes and additions. Attachment B is a clean version of Attachment M-3 as proposed to be amended. The PJM Transmission Owners are proposing that the Proposed Attachment M-3 Amendments be made effective 60 days after filing.

Written comments on the Attachment M-3 Amendments may be submitted for consideration by email to: ([Comments for Transmission Owners@pjm.com](mailto:Comments_for_Transmission_Owners@pjm.com)) on or before June 8, 2020.

Attachment A
Attachment M-3 Amendments
Redline Version

ATTCHMENT
M-3
ADDITIONAL PROCEDURES FOR PLANNING
~~OF SUPPLEMENTAL PROJECTS~~ AND ASSET MANAGEMENT PROJECTS

(a) Applicability. Each Transmission Owner shall be responsible for planning and constructing in accordance with Schedule 6 of the Operating Agreement as provided in this Attachment M-3, to the extent applicable, (i) Asset Management Projects, as defined herein, (ii) Supplemental Projects, as defined in section 1.42A.02 of the Operating Agreement, and (iii) any other transmission expansion or enhancement of Transmission Facilities that is not planned by PJM to address one or more of the following planning criteria: ~~This document provides additional details of the process that PJM and the PJM Transmission Owners will follow in connection with planning Supplemental Projects, as defined in section 1.42A.02 of the Operating Agreement, in accordance with Schedule 6 of the Operating Agreement.~~
~~This process will only apply to Transmission Owners that plan Supplemental Projects~~

1. NERC Reliability Standards (which includes Applicable Regional Entity reliability standards);
2. Individual Transmission Owner planning criteria as filed in FERC Form No. 715 and posted on the PJM website, provided that the Additional Procedures for the Identification and Planning of EOL Needs, set forth in section (d), shall apply, as applicable
3. Criteria to address economic constraints in accordance with section 1.5.7 of the Operating Agreement or an agreement listed in Schedule 12-Appendix B;
4. State Agreement Approach expansions or enhancements in accordance with section 1.5.9(a)(ii) of the Operating Agreement; or
5. An expansion or enhancement to be addressed by the RTEP Planning Process pursuant to section (d)(2) of this Attachment M-3 in accordance with RTEP Planning Process procedures in Schedule 6 of the Operating Agreement.

This Attachment M-3 shall not apply to CIP-014 mitigation projects that are subject to Attachment M-4.

(b) Definitions.

1. Asset Management Project. “Asset Management Project” shall mean any modification or replacement of a Transmission Owner’s Transmission Facilities that results in no more than an Incidental Increase in transmission

capacity 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.

2. Attachment M-3 Project. “Attachment M-3 Project” means (i) an Asset Management Project that affects the connectivity of Transmission Facilities that are included in the Transmission System, affects Transmission Facility ratings or significantly changes the impedance of Transmission Facilities; (ii) a Supplemental Project; or (iii) any other expansion or enhancement of Transmission Facilities that is not excluded from this Attachment M-3 under any of clauses (1) through (5) of section (a).
3. Incidental Increase. “Incidental Increase” shall mean an increase in transmission capacity achieved by advancements in technology and/or replacements consistent with current Transmission Owner design standards, industry standards, codes, laws or regulations, which is not reasonably severable from an Asset Management Project. A transmission project that results in more than an Incidental Increase in transmission capacity is an expansion or enhancement of Transmission Facilities.
4. Transmission Facilities. “Transmission Facilities” shall have the meaning set forth in the Consolidated Transmission Owners Agreement, section 1.27.
5. EOL Need. “EOL Need” shall mean a need to replace a transmission line between breakers operating at or above 100 kV or a transformer, the high side of which operates at or above 100 kV and the low side of which is not connected to distribution facilities, which the Transmission Owner has determined to be near the end of its useful life, the replacement of which would be an Attachment M-3 Project.
6. Candidate EOL Needs List. “Candidate EOL Needs List” shall have the meaning ascribed to it in section (d)(1)(iii).
7. Form No. 715 EOL Planning Criteria. “Form No. 715 EOL Planning Criteria” shall mean planning criteria filed by a Transmission Owner in FERC Form No. 715 to address EOL Needs. No Transmission Owner may be compelled to file a Form No. 715 EOL Planning Criteria not required to be filed pursuant to FERC regulations applicable to Form No. 715.
8. Attachment M-3 EOL Planning Criteria. “Attachment M-3 EOL Planning Criteria” shall mean planning criteria utilized by a Transmission Owner under Attachment M-3 to address EOL Needs.
9. PJM Planning Criteria Need. “PJM Planning Criteria Need” shall mean a need to plan a transmission expansion or enhancement of Transmission Facilities other than those reserved to each Transmission Owner in accordance with section (a).

10. RTEP Planning Process. “RTEP Planning Process” shall mean the process by which PJM develops the Regional Transmission Expansion Plan under Schedule 6 of the Operating Agreement.

(c) Procedures for Review of Attachment M-3 Projects. The following procedures shall be applicable to the planning of Attachment M-3 Projects:

- 1.** **Review of Supplemental Attachment M-3 Projects.** As described in sections 1.3(c) and (d) of Schedule 6 of the Operating Agreement, the Subregional RTEP Committees shall be responsible for the review of Supplemental Attachment M-3 Projects. The Subregional RTEP Committees shall have a meaningful opportunity to participate and provide feedback, including written comments, throughout the transmission planning process for Supplemental Attachment M-3 Projects. Disputes shall be resolved in accordance with the procedures set forth at Schedule 5 of the Operating Agreement. For purposes of this section (c), reference to the Subregional RTEP Committees shall be deemed to include the Transmission Expansion Advisory Committee (TEAC) when the TEAC reviews Attachment M-3 Projects in accordance with these procedures.

- 2.** **Review of Assumptions and Methodology.** In accordance with sections 1.3(d), 1.5.4(a), and 1.5.6(b) and 1.5.6(c) of Schedule 6 of the Operating Agreement, each Subregional RTEP Committee shall schedule and facilitate a minimum of one Subregional RTEP Committee meeting to review the criteria, assumptions, and models Transmission Owners propose to use to plan and identify Supplemental Attachment M-3 Projects (Assumptions Meeting). Each Transmission Owner shall provide the criteria, assumptions, and models to PJM for posting at least 20 days in advance of the Assumptions Meeting to provide Subregional RTEP Committee Participants sufficient time to review this information. Stakeholders may provide comments on the criteria, assumptions, and models to the Transmission Owner for consideration either prior to or following the Assumptions Meeting. The Transmission Owner shall review and consider comments that are received within 10 days of the Assumptions Meeting and may respond or provide feedback as appropriate.

- 3.** **Review of System Needs.** No fewer than 25 days after the Assumptions Meeting, each Subregional RTEP Committee shall schedule and facilitate a minimum of one Subregional RTEP Committee meeting per planning cycle to review the identified criteria violations and resulting system needs, if any, that may drive the need for a Supplemental Attachment M-3 Project (Needs Meeting). Each Transmission Owner will review the identified system needs and the drivers of those needs, based on the application of its criteria, assumptions, and models that it uses to plan Supplemental Attachment M-3 Projects. The Transmission Owners shall share and post their identified criteria violations and drivers no fewer than 10 days in advance of the Needs Meeting. Stakeholders may provide comments on the criteria violations and

drivers to the Transmission Owner for consideration prior to, at, or following the Needs Meeting. The Transmission Owner shall review and consider comments that are received within 10 days of the Needs Meeting and may respond or provide feedback as appropriate.

- 4. Review of Potential Solutions.** No fewer than 25 days after the Needs Meeting, each Subregional RTEP Committee shall schedule and facilitate a minimum of one Subregional RTEP Committee meeting per planning cycle to review potential solutions for the identified criteria violations (Solutions Meeting). The Transmission Owners shall share and post their potential solutions, as well as any alternatives identified by the Transmission Owners or stakeholders, no fewer than 10 days in advance of the Solutions Meeting. Stakeholders may provide comments on the potential solutions to the Transmission Owner for consideration either prior to or following the Solutions Meeting. The Transmission Owner shall review and consider comments that are received within 10 days of the meeting and may respond or provide feedback as appropriate.
- 5. Submission of Supplemental Attachment M-3 Projects.** Each Transmission Owner will finalize for submittal to the Transmission Provider Supplemental Attachment M-3 Projects for inclusion in the Local Plan in accordance with section 1.3 of Schedule 6 of the Operating Agreement and the schedule established by the Transmission Provider. Stakeholders may provide comments on the Supplemental Attachment M-3 Projects in accordance with section 1.3 of Schedule 6 of the PJM Operating Agreement before the Local Plan is integrated into the Regional Transmission Expansion Plan. Stakeholders shall have at least 10 days to comment on the Local Plan after the solutions selected by the Transmission Owner for inclusion in the Local Plan are posted. Each Transmission Owner shall review and consider comments that are received at least 10 days before the Local Plan is submitted for integration into the Regional Transmission Expansion Plan.
- 6. Information Relating to Supplemental Attachment M-3 Projects.** Information relating to each Transmission Owner's Supplemental Attachment M-3 Projects will be provided in accordance with, and subject to the limitations set forth in, section 1.5.4 of Schedule 6 of the Operating Agreement. Local Plan Information will be provided to and posted by the Office of Interconnection as set forth in section 1.5.4(e) of Schedule 6 of the Operating Agreement.
- 7. ~~No Limitation on Additional Meetings and Communications~~ Use of Attachment M-3 For Other Transmission Projects.**

 - i.** Nothing in this Attachment M-3 precludes any Transmission Owner from agreeing with stakeholders to additional meetings or other communications regarding Supplemental Attachment M-3 Projects, in addition to the Subregional RTEP Committee process.

ii. Nothing in this Attachment M-3 precludes a Transmission Owner from using the procedures set forth in section (c) to solicit stakeholder input in the planning of Transmission Facilities not subject to this section (c) or the RTEP Planning Process.

(d) Additional Procedures for the Identification and Planning of EOL Needs.

1. EOL Need Planning Criteria Documentation and Identification

- i. Each PJM Transmission Owner shall develop documentation for its Attachment M-3 EOL Planning Criteria and/or its Form 715 EOL Planning Criteria through which each identifies EOL Needs.
- ii. Each Transmission Owner's Attachment M-3 EOL Planning Criteria and/or Form 715 EOL Planning Criteria shall be clearly and separately delineated and presented by the Transmission Owner at least once annually pursuant to section (c)(2) and/or in its FERC Form No. 715 at a meeting of the TEAC.
- iii. Annually, each Transmission Owner will provide to PJM and each member of the Organization of PJM States, Inc.(OPSI) a Candidate EOL Needs List comprising its non-public confidential, non-binding projection of up to 5 years of EOL Needs that it has identified under the Transmission Owner's processes for identification of EOL Needs documented under section (d)(1)(i). Each Transmission Owner may change its projection as it deems necessary and will update it annually. Any Candidate EOL Needs List provided to PJM and OPSI members shall remain confidential, except to the extent necessary for PJM to make the determination referenced in clause (a) of section (d)(2)(ii). Any OPSI member who does not wish to receive a Transmission Owner's EOL Needs List shall indicate as much in writing to the relevant Transmission Owner(s).

2. Coordination of EOL Needs Planning With PJM Planning Criteria Needs.

- i. If, as part of the RTEP Planning Process, PJM initially determines that a substantial electrical overlap exists such that a single Solution may address a validated PJM Planning Criteria Need(s) identified during the current PJM planning cycle under the RTEP Planning Process and address a projected EOL Need on the Candidate EOL Needs List, which the relevant Transmission Owner has confirmed remains a projected EOL Need, the relevant Transmission Owner shall consult with PJM regarding such potential overlap.
- ii. If, (a) PJM determines through the RTEP Planning Process that a proposed Required Transmission Enhancement would more efficiently and cost- effectively address the identified PJM Planning Criteria Need

and may, as well, address the projected EOL Need confirmed under section (d)(2)(i), and (b) the proposed Required Transmission Enhancement is not a solution proposed by the Transmission Owner pursuant to section (c)(4), and (c) the Transmission Owner determines that the projected EOL Need is not met by the proposed Required Transmission Enhancement and determines that it will plan an Attachment M-3 Project to address the projected EOL Need or propose a project to address the Form No. 715 EOL Planning Criteria, the Transmission Owner will provide

documentation to PJM and stakeholders on the rationale supporting its determination at the next appropriate meeting of the TEAC or Subregional RTEP Committee that considered the proposed Required Transmission Enhancement. Subsequent to its presentation at the next appropriate meeting of the TEAC or Subregional RTEP Committee, the Transmission Owner will also provide conspicuous notice to all OPSI members of its determination.

(e) Modifications. This Attachment M-3 may only be modified under section 205 of the Federal Power Act if the proposed modification has been authorized by the PJM Transmission Owners Agreement-Administrative Committee in accordance with section 8.5 of the Consolidated Transmission Owners Agreement.

Attachment B
Attachment M-3 Amendments
Clean Version

ATTACHMENT M-3
ADDITIONAL PROCEDURES FOR PLANNING
SUPPLEMENTAL PROJECTS AND ASSET MANAGEMENT PROJECTS

(a) **Applicability.** Each Transmission Owner shall be responsible for planning and constructing in accordance with Schedule 6 of the Operating Agreement as provided in this Attachment M-3, to the extent applicable, (i) Asset Management Projects, as defined herein, (ii) Supplemental Projects, as defined in section 1.42A.02 of the Operating Agreement, and (iii) any other transmission expansion or enhancement of Transmission Facilities that is not planned by PJM to address one or more of the following planning criteria:

1. NERC Reliability Standards (which includes Applicable Regional Entity reliability standards);
2. Individual Transmission Owner planning criteria as filed in FERC Form No. 715 and posted on the PJM website, provided that the Additional Procedures for the Identification and Planning of EOL Needs, set forth in section (d), shall apply, as applicable
3. Criteria to address economic constraints in accordance with section 1.5.7 of the Operating Agreement or an agreement listed in Schedule 12-Appendix B;
4. State Agreement Approach expansions or enhancements in accordance with section 1.5.9(a)(ii) of the Operating Agreement; or
5. An expansion or enhancement to be addressed by the RTEP Planning Process pursuant to section (d)(2) of this Attachment M-3 in accordance with RTEP Planning Process procedures in Schedule 6 of the Operating Agreement.

This Attachment M-3 shall not apply to CIP-014 mitigation projects that are subject to Attachment M-4.

(b) **Definitions.**

1. Asset Management Project. "Asset Management Project" shall mean any modification or replacement of a Transmission Owner's Transmission Facilities that results in no more than an Incidental Increase in transmission capacity 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.

2. Attachment M-3 Project. “Attachment M-3 Project” means (i) an Asset Management Project that affects the connectivity of Transmission Facilities that are included in the Transmission System, affects Transmission Facility ratings or significantly changes the impedance of Transmission Facilities; (ii) a Supplemental Project; or (iii) any other expansion or enhancement of Transmission Facilities that is not excluded from this Attachment M-3 under any of clauses (1) through (5) of section (a).
3. Incidental Increase. “Incidental Increase” shall mean an increase in transmission capacity achieved by advancements in technology and/or replacements consistent with current Transmission Owner design standards, industry standards, codes, laws or regulations, which is not reasonably severable from an Asset Management Project. A transmission project that results in more than an Incidental Increase in transmission capacity is an expansion or enhancement of Transmission Facilities.
4. Transmission Facilities. “Transmission Facilities” shall have the meaning set forth in the Consolidated Transmission Owners Agreement, section 1.27.
5. EOL Need. “EOL Need” shall mean a need to replace a transmission line between breakers operating at or above 100 kV or a transformer, the high side of which operates at or above 100 kV and the low side of which is not connected to distribution facilities, which the Transmission Owner has determined to be near the end of its useful life, the replacement of which would be an Attachment M-3 Project.
6. Candidate EOL Needs List. “Candidate EOL Needs List” shall have the meaning ascribed to it in section (d)(1)(iii).
7. Form No. 715 EOL Planning Criteria. “Form No. 715 EOL Planning Criteria” shall mean planning criteria filed by a Transmission Owner in FERC Form No. 715 to address EOL Needs. No Transmission Owner may be compelled to file a Form No. 715 EOL Planning Criteria not required to be filed pursuant to FERC regulations applicable to Form No. 715.
8. Attachment M-3 EOL Planning Criteria. “Attachment M-3 EOL Planning Criteria” shall mean planning criteria utilized by a Transmission Owner under Attachment M-3 to address EOL Needs.
9. PJM Planning Criteria Need. “PJM Planning Criteria Need” shall mean a need to plan a transmission expansion or enhancement of Transmission Facilities

other than those reserved to each Transmission Owner in accordance with section (a).

10. RTEP Planning Process. "RTEP Planning Process" shall mean the process by which PJM develops the Regional Transmission Expansion Plan under Schedule 6 of the Operating Agreement.

(c) Procedures for Review of Attachment M-3 Projects. The following procedures shall be applicable to the planning of Attachment M-3 Projects:

1. **Review of Attachment M-3 Projects.** As described in sections 1.3(c) and (d) of Schedule 6 of the Operating Agreement, the Subregional RTEP Committees shall be responsible for the review of Attachment M-3 Projects. The Subregional RTEP Committees shall have a meaningful opportunity to participate and provide feedback, including written comments, throughout the transmission planning process for Attachment M-3 Projects. Disputes shall be resolved in accordance with the procedures set forth at Schedule 5 of the Operating Agreement. For purposes of this section (c), reference to the Subregional RTEP Committees shall be deemed to include the Transmission Expansion Advisory Committee (TEAC) when the TEAC reviews Attachment M-3 Projects in accordance with these procedures.
2. **Review of Assumptions and Methodology.** In accordance with sections 1.3(d), 1.5.4(a), and 1.5.6(b) and 1.5.6(c) of Schedule 6 of the Operating Agreement, each Subregional RTEP Committee shall schedule and facilitate a minimum of one Subregional RTEP Committee meeting to review the criteria, assumptions, and models Transmission Owners propose to use to plan and identify Attachment M-3 Projects (Assumptions Meeting). Each Transmission Owner shall provide the criteria, assumptions, and models to PJM for posting at least 20 days in advance of the Assumptions Meeting to provide Subregional RTEP Committee Participants sufficient time to review this information. Stakeholders may provide comments on the criteria, assumptions, and models to the Transmission Owner for consideration either prior to or following the Assumptions Meeting. The Transmission Owner shall review and consider comments that are received within 10 days of the Assumptions Meeting and may respond or provide feedback as appropriate.
3. **Review of System Needs.** No fewer than 25 days after the Assumptions Meeting, each Subregional RTEP Committee shall schedule and facilitate a minimum of one Subregional RTEP Committee meeting per planning cycle to review the identified criteria violations and resulting system needs, if any, that may drive the need for an Attachment M-3 Project (Needs Meeting). Each Transmission Owner will review the identified system needs and the drivers of those needs, based on the application of its criteria, assumptions, and

models that it uses to plan Attachment M-3 Projects. The Transmission Owners shall share and post their identified criteria violations and drivers no fewer than 10 days in advance of the Needs Meeting. Stakeholders may provide comments on the criteria violations and drivers to the Transmission Owner for consideration prior to, at, or following the Needs Meeting. The Transmission Owner shall review and consider comments that are received within 10 days of the Needs Meeting and may respond or provide feedback as appropriate.

4. **Review of Potential Solutions.** No fewer than 25 days after the Needs Meeting, each Subregional RTEP Committee shall schedule and facilitate a minimum of one Subregional RTEP Committee meeting per planning cycle to review potential solutions for the identified criteria violations (Solutions Meeting). The Transmission Owners shall share and post their potential solutions, as well as any alternatives identified by the Transmission Owners or stakeholders, no fewer than 10 days in advance of the Solutions Meeting. Stakeholders may provide comments on the potential solutions to the Transmission Owner for consideration either prior to or following the Solutions Meeting. The Transmission Owner shall review and consider comments that are received within 10 days of the meeting and may respond or provide feedback as appropriate.
5. **Submission of Attachment M-3 Projects.** Each Transmission Owner will finalize for submittal to the Transmission Provider Attachment M-3 Projects for inclusion in the Local Plan in accordance with section 1.3 of Schedule 6 of the Operating Agreement and the schedule established by the Transmission Provider. Stakeholders may provide comments on the Attachment M-3 Projects in accordance with section 1.3 of Schedule 6 of the PJM Operating Agreement before the Local Plan is integrated into the Regional Transmission Expansion Plan. Stakeholders shall have at least 10 days to comment on the Local Plan after the solutions selected by the Transmission Owner for inclusion in the Local Plan are posted. Each Transmission Owner shall review and consider comments that are received at least 10 days before the Local Plan is submitted for integration into the Regional Transmission Expansion Plan.
6. **Information Relating to Attachment M-3 Projects.** Information relating to each Transmission Owner's Attachment M-3 Projects will be provided in accordance with, and subject to the limitations set forth in, section 1.5.4 of Schedule 6 of the Operating Agreement. Local Plan Information will be provided to and posted by the Office of Interconnection as set forth in section 1.5.4(e) of Schedule 6 of the Operating Agreement.
7. **No Limitation on Additional Meetings and Communications or Use**

of Attachment M-3 For Other Transmission Projects.

- i.** Nothing in this Attachment M-3 precludes any Transmission Owner from agreeing with stakeholders to additional meetings or other communications regarding Attachment M-3 Projects, in addition to the Subregional RTEP Committee process.
- ii.** Nothing in this Attachment M-3 precludes a Transmission Owner from using the procedures set forth in section (c) to solicit stakeholder input in the planning of Transmission Facilities not subject to this section (c) or the RTEP Planning Process.

(d) **Additional Procedures for the Identification and Planning of EOL Needs.**

1. EOL Need Planning Criteria Documentation and Identification

- i.** Each PJM Transmission Owner shall develop documentation for its Attachment M-3 EOL Planning Criteria and/or its Form 715 EOL Planning Criteria through which each identifies EOL Needs.
- ii.** Each Transmission Owner's Attachment M-3 EOL Planning Criteria and/or Form 715 EOL Planning Criteria shall be clearly and separately delineated and presented by the Transmission Owner at least once annually pursuant to section (c)(2) and/or in its FERC Form No. 715 at a meeting of the TEAC.
- iii.** Annually, each Transmission Owner will provide to PJM a Candidate EOL Needs List comprising its non-public confidential, non-binding projection of up to 5 years of EOL Needs that it has identified under the Transmission Owner's processes for identification of EOL Needs documented under section (d)(1)(i). Each Transmission Owner may change its projection as it deems necessary and will update it annually. Any Candidate EOL Needs List provided to PJM shall remain confidential within PJM, except to the extent necessary for PJM to make the determination referenced in clause (a) of section (d)(2)(ii).

2. Coordination of EOL Needs Planning With PJM Planning Criteria Needs.

- i.** If, as part of the RTEP Planning Process, PJM initially determines that a substantial electrical overlap exists such that a single Solution may address a validated PJM Planning Criteria Need(s) identified during the current PJM planning cycle under the RTEP Planning Process and address a projected EOL Need on the Candidate EOL Needs List, which the relevant Transmission Owner has confirmed remains a projected EOL Need, the relevant Transmission Owner shall consult with PJM regarding such potential overlap.
- ii.** If, (a) PJM determines through the RTEP Planning Process that a proposed Required Transmission Enhancement would more efficiently and cost-effectively address the identified PJM Planning Criteria Need and may, as well, address the projected EOL Need confirmed under section (d)(2)(i), and (b) the proposed Required Transmission Enhancement is not a solution proposed by the Transmission Owner

pursuant to section (c)(4), and (c) the Transmission Owner determines that the projected EOL Need is not met by the proposed Required Transmission Enhancement and determines that it will plan an Attachment M-3 Project to address the projected EOL Need or propose a project to address the Form No. 715 EOL Planning Criteria, the Transmission Owner will provide documentation to PJM and stakeholders on the rationale supporting its determination at the next appropriate meeting of the TEAC or Subregional RTEP Committee that considered the proposed Required Transmission Enhancement.

- (e) **Modifications.** This Attachment M-3 may only be modified under section 205 of the Federal Power Act if the proposed modification has been authorized by the PJM Transmission Owners Agreement-Administrative Committee in accordance with section 8.5 of the Consolidated Transmission Owners Agreement.