

Transmission for Public Power Still Not a Level Playing Field

American Public Power Association
October 10, 2017

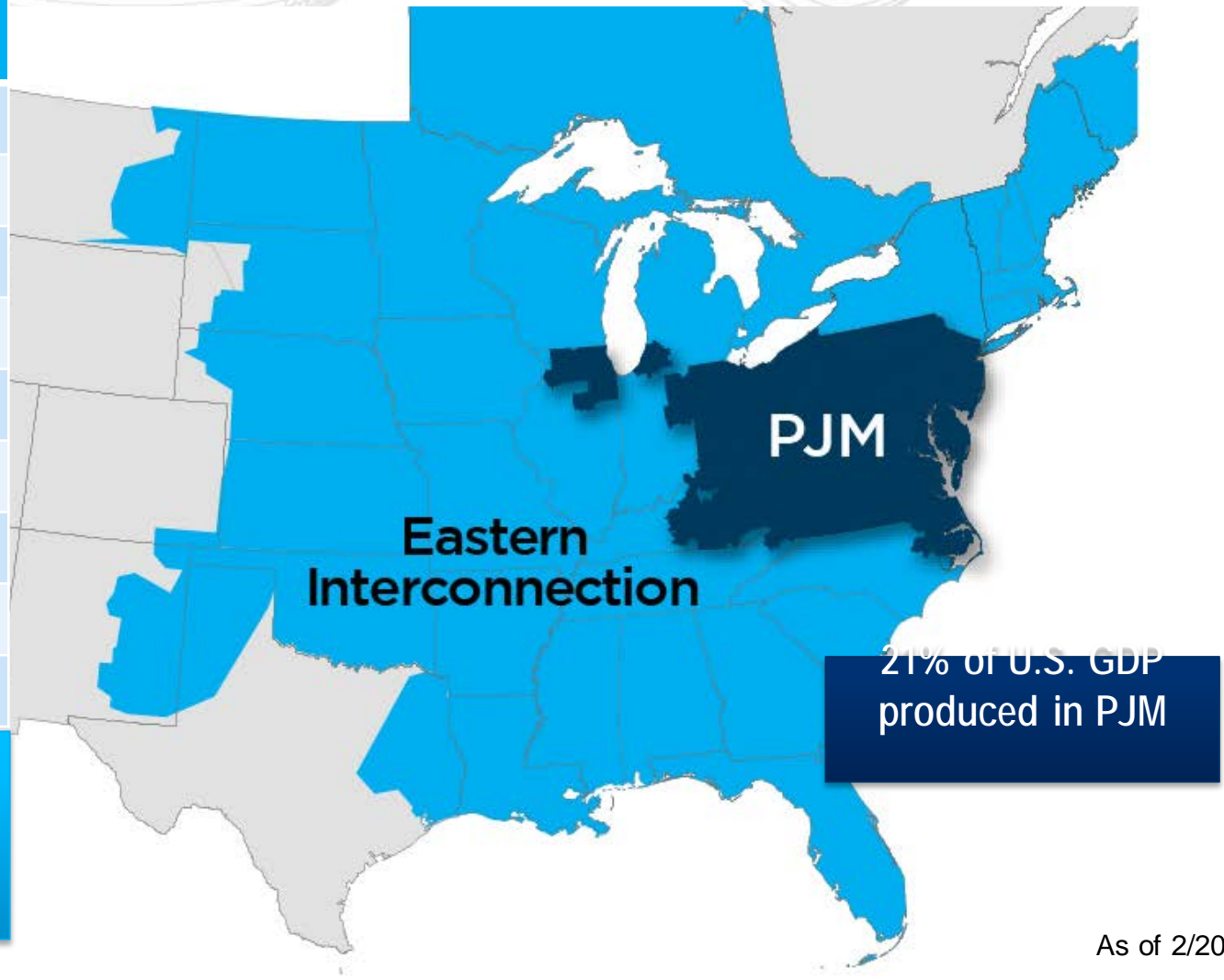
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Key Statistics

Member companies	1,000+
Millions of people served	65
Peak load in megawatts	165,492
MW of generating capacity	176,569
Miles of transmission lines	82,546
2016 GWh of annual energy	792,314
Generation sources	1,304
Square miles of territory	243,417
States served	13 + DC

- 27% of generation in Eastern interconnection
- 28% of load in Eastern Interconnection
- 20% of transmission assets in Eastern Interconnection



As of 2/2017

- Public Power entities first integrated into PJM with larger zones such as:
 - AEP
 - Dominion
 - FirstEnergy
- Recently, Public Power entities requested to integrate as stand-alone zones:
 - Eastern Kentucky Power Cooperative (EKPC)
 - Southern Maryland Electric Cooperative, Inc. (SMECO)

Joined in 1927

Joined in 1956

Joined in 1965

Joined in 1981

Joined in 2002

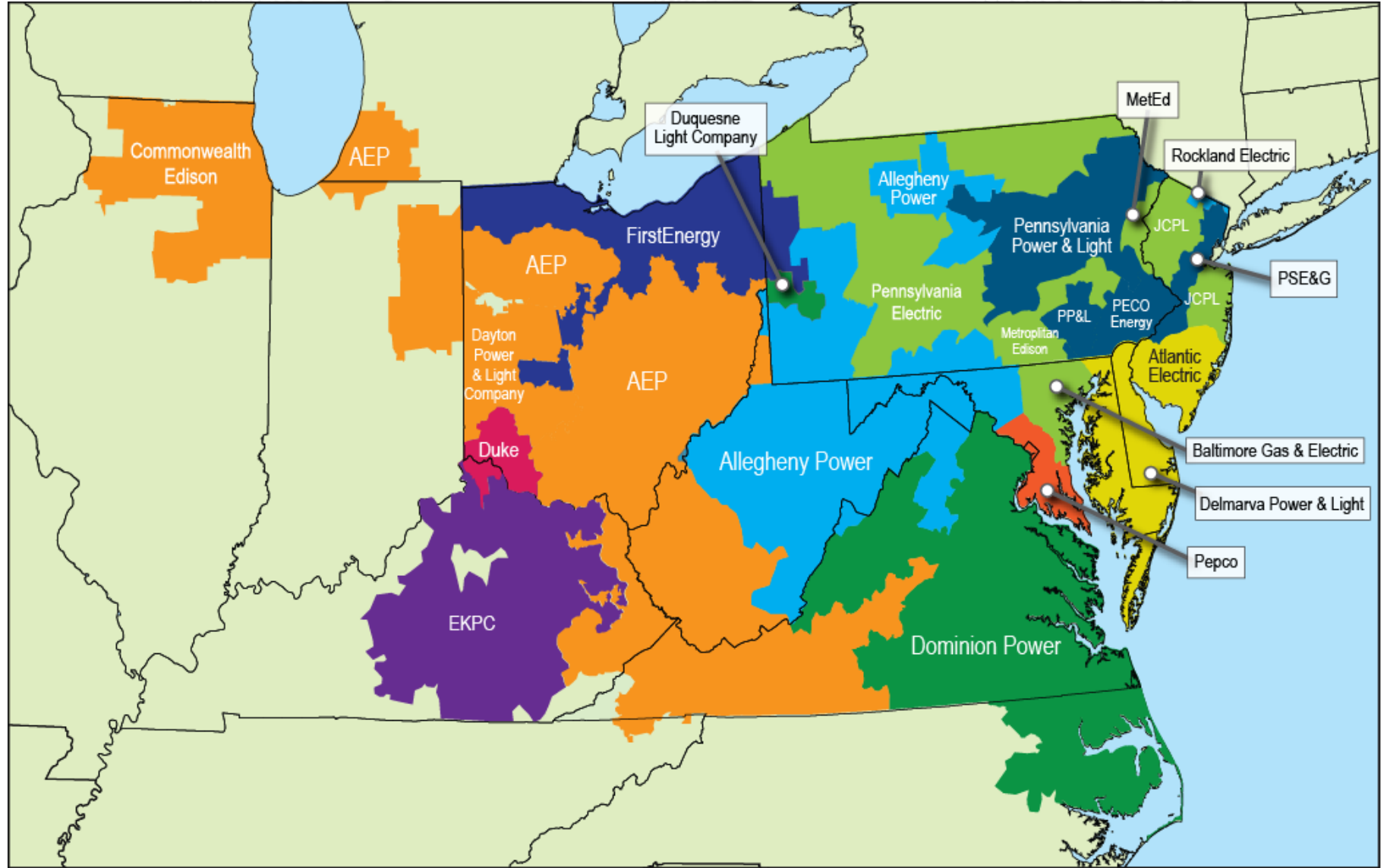
Joined in 2004

Joined in 2005

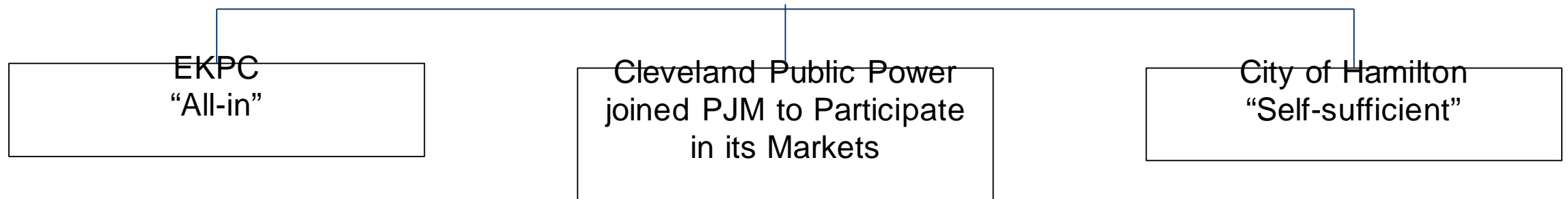
Joined in 2011

Joined in 2012

Joined in 2013



- A Public Power entity has choices when integrating into PJM.
- It is up to the Public Power entity to select from PJM's menu of options how it wishes to participate in the PJM region. Choices range from “all-in” to “self-sufficient”:



- Public Power entities generally have less experience with “life in a large RTO” and, therefore, may require more support than other integrations
- Grandfathered arrangements can be challenging
- Degree of reliance on or interdependence with neighboring regions may prove challenging if the neighboring region is not joining the RTO
- Level of buy in by the state regulatory commission could affect the integration
- Legal issues, e.g., waivers of FERC regulations may be required to integrate

- Pluses:
 - Economies of scale as it relates to energy and resource adequacy
 - Participation in PJM's robust markets
 - Relief from certain compliance obligations and associated penalties
- Minuses:
 - Cost concerns, particularly those around cost responsibility for enhancements and expansions associated with PJM's regional transmission expansion plan (RTEP)

