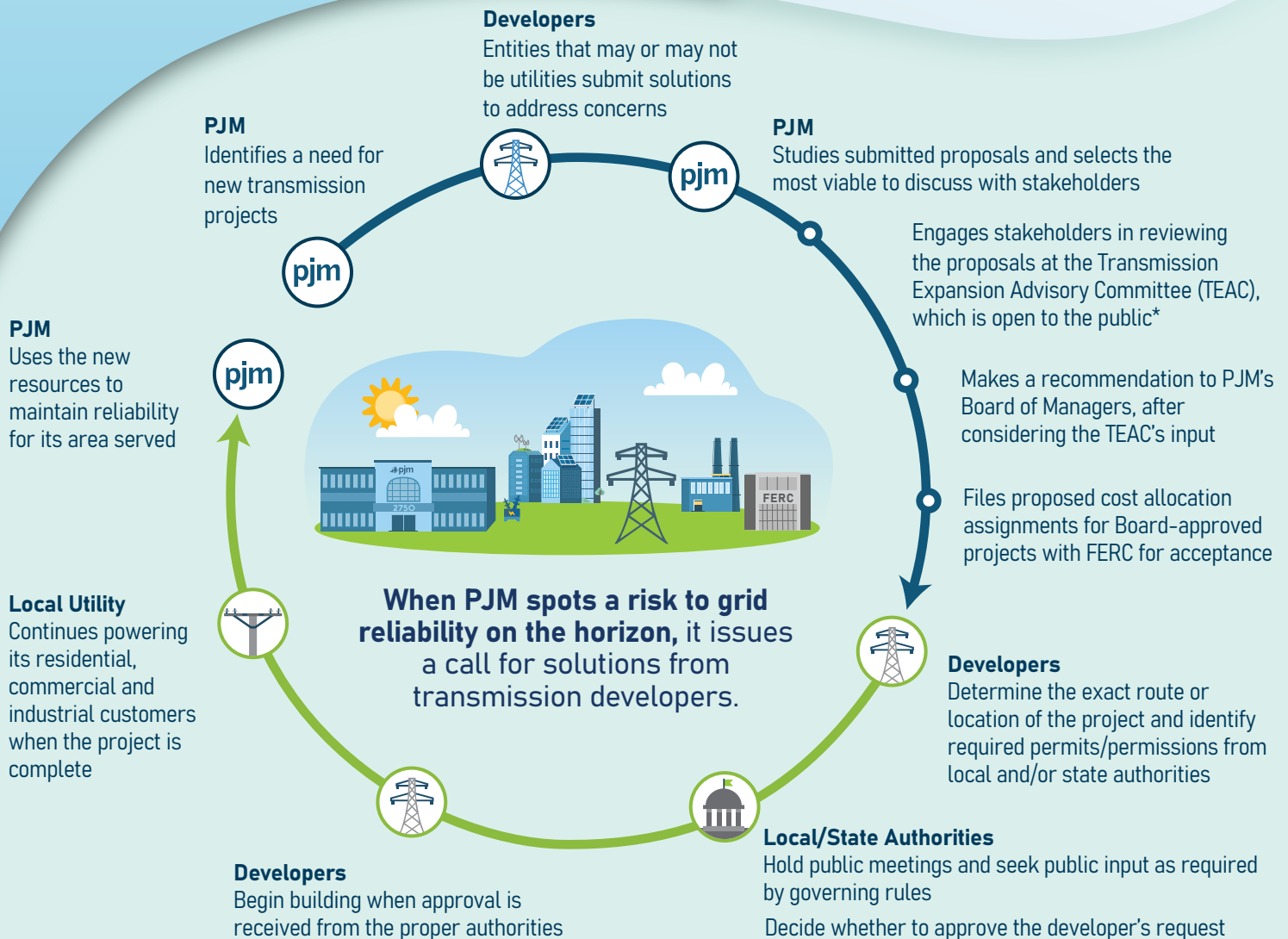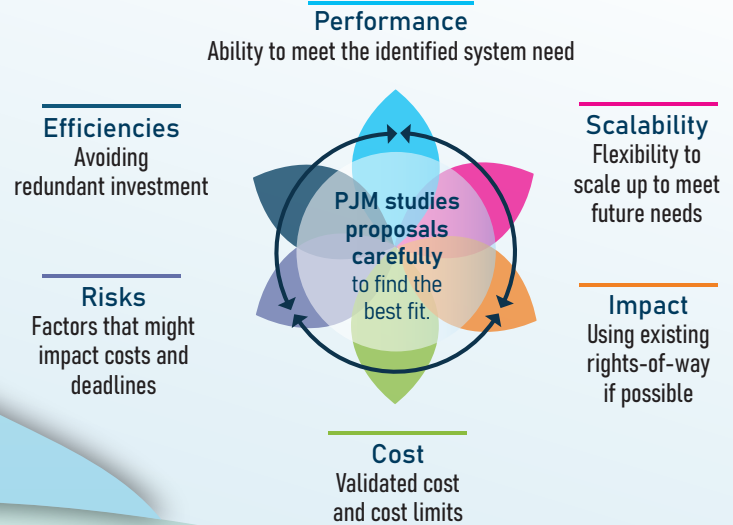# HOW TRANSMISSION PROJECTS ARE PLANNED FOR THE REGIONAL ELECTRIC GRID

PJM is like the air traffic controller of the grid. PJM's Planning Department continually analyzes the high-voltage electric system to make sure energy can flow to more than 65 million customers in 13 states and Washington, D.C. — today and years into the future. Reliability is PJM's no. 1 job.

PJM is made up of 1,000+ members representing relevant energy industry sectors, customer interests and state consumer advocates. Additional non-member stakeholders, including state regulatory authorities and environmental organizations, take part in PJM's stakeholder meetings, which generally are open to the public.

PJM is independent and revenue neutral, meaning PJM does not make a profit. PJM is regulated by the Federal Energy Regulatory Commission.

PJM's Planning Department looks at:

Performance
Ability to meet the identified system need

Efficiencies
Avoiding redundant investment

Scalability
Flexibility to scale up to meet future needs

PJM studies proposals carefully to find the best fit.

Risks
Factors that might impact costs and deadlines

Impact
Using existing rights-of-way if possible

Cost
Validated cost and cost limits

Developers
Entities that may or may not be utilities submit solutions to address concerns

PJM
Identifies a need for new transmission projects

PJM
Studies submitted proposals and selects the most viable to discuss with stakeholders

Engages stakeholders in reviewing the proposals at the Transmission Expansion Advisory Committee (TEAC), which is open to the public*

Makes a recommendation to PJM's Board of Managers, after considering the TEAC's input

Files proposed cost allocation assignments for Board-approved projects with FERC for acceptance

PJM
Uses the new resources to maintain reliability for its area served

When PJM spots a risk to grid reliability on the horizon, it issues a call for solutions from transmission developers.

Developers
Determine the exact route or location of the project and identify required permits/permissions from local and/or state authorities

Local Utility
Continues powering its residential, commercial and industrial customers when the project is complete

Developers
Begin building when approval is received from the proper authorities

Local/State Authorities
Hold public meetings and seek public input as required by governing rules

Decide whether to approve the developer's request

*TEAC participants include local utilities, transmission and generation owners, public power entities, consumer advocates, regulatory agencies and other groups from 13 states and Washington, D.C.

pjm®

Working to Perfect the Flow of Energy ®