

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

PJM Interconnection, L.L.C.

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Docket No. ER20-2308-000

LIMITED COMMENTS OF WIRES

Pursuant to the Federal Energy Regulatory Commission's ("FERC" or "Commission") notice issued on July 2, 2020 in the above-captioned proceeding, WIRES,¹ respectfully submits the following limited comments: (1) clarifying that transmission owners bear the ultimate responsibility and obligation to maintain reliability of their systems through asset management and aging infrastructure replacement, and (2) supporting PJM's comments detailing Commission precedent on the RTO's and the RTO Transmission Owners' respective roles in the planning of Supplemental Projects

I. BACKGROUND

On July 2, 2020, PJM filed a proposal developed and sponsored by AMP, ODEC, and LS Power to revise Schedule 6 of the Operating Agreement to move the planning of all Transmission Facilities determined as at their end-of-life, currently planned as either Supplemental Projects or FERC Form No. 715 projects to a new category of EOL Projects under PJM's RTEP process.

In an unprecedented move, PJM filed comments on the same day noting its independent views as the RTO and detailing (i) Commission precedent on PJM's and the PJM Transmission Owners' respective roles in the planning of Supplemental Projects and (ii) Commission

¹ WIRES is an international non-profit trade association of investor-, publicly-, and cooperatively-owned transmission providers and developers, transmission customers, regional grid managers, and equipment and service companies. This filing is supported by the full supporting members of WIRES but does not necessarily reflect the views of the Regional Transmission Operator/Independent System Operator ("RTO/ISO") associate members of WIRES. For more information about WIRES, please visit www.wiresgroup.com.

precedent clarifying a Transmission Owner's authority and an RTO's role over the planning of asset management activities and projects.

II. COMMENTS

A. Asset Management Decisions Should be Made by Transmission Owners as the Parties Bearing the Responsibility for Maintaining their Assets and for Maintaining Reliability

All transmission owners – incumbent and non-incumbent, new and old – as asset owners, bear both the liability and responsibility for maintaining their assets and maintaining reliability. Asset owners are clearly in the best position to make the correct decisions about whether and when to replace assets so that the grid is safe and reliable for customers. End of useful life decisions include assessments and analysis, but also involve technical and expert engineering judgement. Flexibility is a key element in providing transmission owners the ability to take into account new and/or developing technologies and changing circumstances in order to adapt. These imperatives must be balanced with the need to provide stakeholders with transparency and opportunities for input and consultation; however, ultimate responsibility and legal liability to maintain reliability resides with the owners of the transmission assets. As PJM notes in its Comments, the 205 Filing effectively assigns the determination of EOL to PJM.² WIRES agrees with PJM that, as a practical and legal matter, RTOs/ISOs simply do not have the information or authority to make assessments or determinations regarding the condition of assets.³ Yet, if this 205 Filing is accepted by FERC, the result will be just that – an RTO, in this case PJM, that will be making decisions about whether and when to replace transmission assets. That result is

² PJM Comments at 21.

³ This fact was explicitly recognized by PJM. PJM Comments at 18. See May 27, 2020 Letter from Dean Oskvig, Chair-Board Reliability Committee at page 4, available at: <https://www.pjm.com/-/media/about-pjm/who-we-are/public-disclosures/20200527-dean-oskvig-response-multiple-parties-re-end-of-life-trans-planning.ashx?la=en>.

patently ill-advised, especially in the current environment – with extreme weather events, aging infrastructure throughout the country, and physical security threats.

Order No. 890’s stated purpose was “to require coordinated, open, and transparent transmission planning” in order to “provide for more comparable open access transmission service, limit the potential for undue discrimination and anticompetitive conduct, and satisfy its statutory responsibilities under section 217 of the FPA.”⁴ Order No. 890 does not require transmission owners to cede these decisions to other parties, including RTOs.⁵ Indeed, doing so would pose an undue risk to reliability and resilience. Further, given the potential for inefficient asset management decision-making if RTOs are required to make such decisions, consumer costs could increase.

WIRES supports electric transmission investment in the United States and Canada, which remains critical for ensuring efficient and reliable electric service.⁶ Investor owned utilities must have the ability to replace failed or failing facilities, implement system security measures (both cyber and physical), and have in place the necessary software and controls to run their system reliably.

⁴ Order No. 890 at P 426.

⁵ *Calif. Pub. Utils. Comm’n, et al. v. Pacific Gas & Elec. Co.*, 164 FERC ¶ 61,161 (2018), *reh’g denied*, 168 FERC ¶ 61,171, at P 7, n. 19 (2019); *Southern Calif. Edison Co.*, 164 FERC ¶ 61,160 (2018), *reh’g denied*, 168 FERC ¶ 61,170, at P 7 n. 15 (2019).

⁶ “Much of the U.S. energy system predates the turn of the 20th century. Most electric transmission and distribution lines were constructed in the 1950s and 1960s with a 50-year life expectancy, and more than 640,000 miles of high voltage transmission lines in the lower 48 states’ power grids are at full capacity. . . . Without greater attention to aging equipment, capacity bottlenecks, and increased demand, as well as increasing storm and climate impacts, Americans will likely experience longer and more frequent power interruptions.”
– American Society of Civil Engineers, 2017 Infrastructure Report Card

III. CONCLUSION

For these reasons, WIRES respectfully submits that the Commission should reject the 205 Filing.

Respectfully submitted,

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July 23, 2020

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

/s/ Larry Gasteiger

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