



To: PJM MRC and MC Committee Members
From: Craig Glazer, PJM
Re: Eastern Interconnection Planning Collaborative Update
Date: November/December, 2011

This memorandum will provide a brief update on the activities of the Eastern Interconnection Planning Collaborative (EIPC) since the last MRC and MC meetings. A number of PJM members serve on the Stakeholder Steering Committee (SSC) of the EIPC (along with the states in the PJM region) and also are available as a resource concerning activities of the individual sectors.

After an extensive review of various futures and the results of CRA's modeling of same, the EIPC Stakeholder Steering Committee ("SSC") has completed Phase One of its work, approving three future scenarios which will, in Phase II of the Project, form the basis of model transmission "build-outs" to be undertaken by the EIPC Planning Authorities. One scenario incorporates a federal constraint on power plant CO2 emissions, the second is based on implementation of a national renewable portfolio standard and the third is designed, in the view of the SSC, to represent its modified "Business as Usual" case.

The first scenario, with its nationally imposed constraint on carbon emissions, includes aggressive implementation of energy efficiency and demand response, largely driven by a pre-determined price on carbon. The second scenario, which calls for a nationally implemented 30% renewable portfolio standard, calls for additions of offshore wind generation as well as maintenance of a diversity of resources including natural gas, hydro and coal. The third "business as usual" scenario incorporates the changes to the "roll-up" of the existing transmission planner's regional plans as previously determined by the SSC. This scenario will include planned transmission additions and will incorporate pending EPA regulations.

In Phase II of the project, the transmission planners will identify at a high level what transmission will be needed to meet the resource mix identified in the three scenarios.

The EIPC Planning Authorities have submitted for stakeholder comment drafts of its proposed Report to the Department of Energy summarizing the work of the EIPC on Phase One. Those comments will be considered by the Planning Authorities with the goal of submitting a final report to DOE in December.

Should you have any questions or need additional information, please contact Craig Glazer (202-423-4743) or Chuck Liebold (610-666-8281) at PJM or your EIPC sector representative.