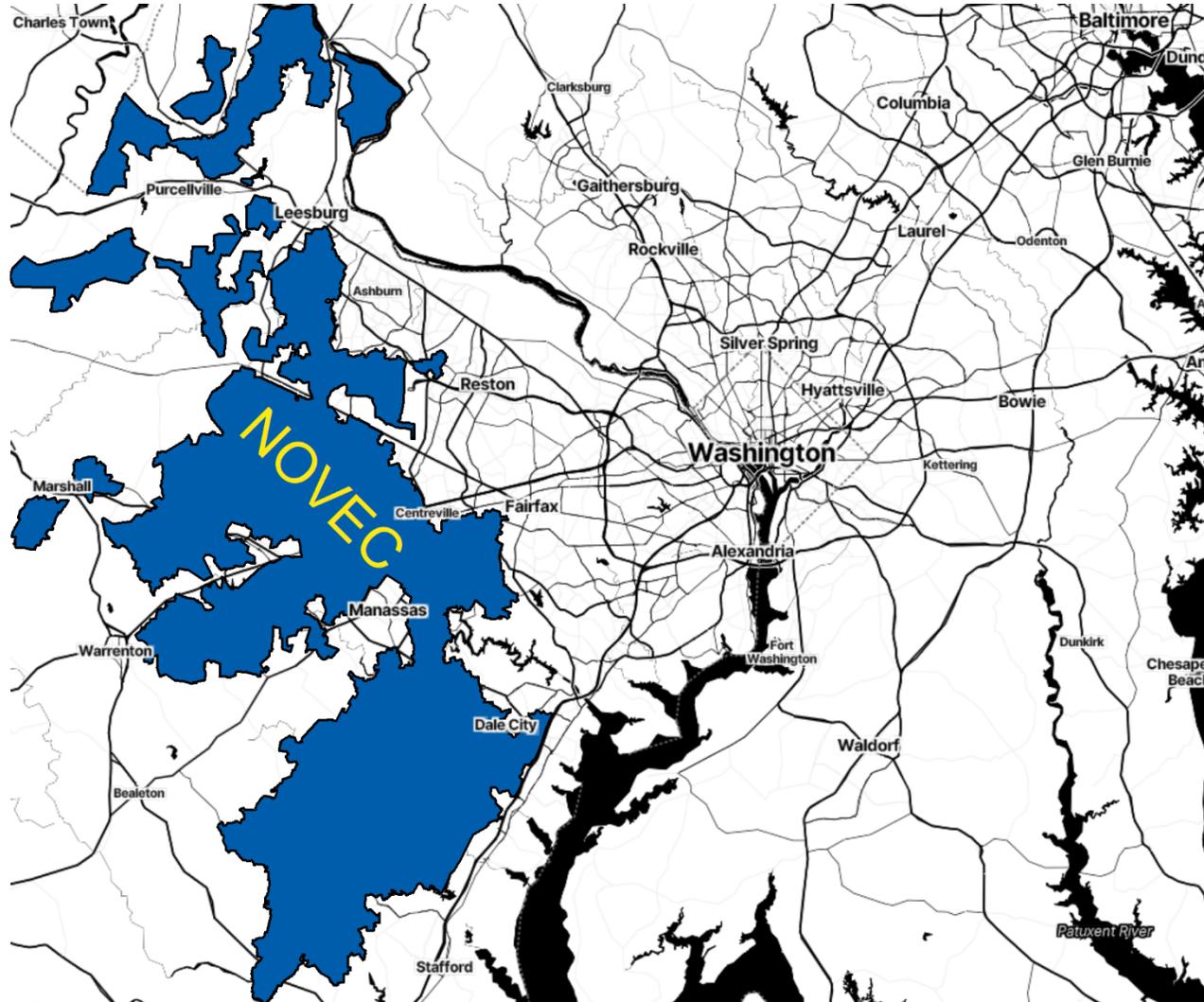# Proposals for Order 1920 compliance

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Northern Virginia Electric Cooperative (NOVEC)

PJM TEAC Special Session: Order 1920

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- NOVEC: Northern Virginia Electric Cooperative

- Largest US Cooperative in terms of revenue

- Service Territory: 651 square miles of primarily suburban/exurban

- Customer Mix: residential, small commercial, critical government facilities, data centers

- Meters: Approx. 180,000 (~275 per square mile)

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- Long-term planning to minimize rushed, last-minute, emergency analyses and (often sub-optimal) decisions
- Proactive, comprehensive planning to avoid reactionary or piecemeal evaluations that tend to be less efficient and cost more overall
- Sufficient time to accurately identify "least regrets" and determine actual needs
- Avoid socializing to ratepayers any costs that appropriately belong to specific cost-causers
- Retain ability to address regional conditions and preferences to the extent possible
- Maintain focus on optimizing reliability and affordability
- Identify and respect jurisdictional limits and/or preemptions, particularly where superseding laws and regulations conflict or otherwise limit PJM authority

- "Tag" all factors/inputs to scenario development that PJM determines are likely to trigger inappropriate cost shifts or otherwise obscure the true cost created by cost-causer(s)
  - Transfer the "tag" as inputs trigger needs for which solutions are chosen such that the potential cost-shifting remains transparent and, in fact, becomes clearer as the process executes
  - Develop procedures to: ensure clear indication throughout processes; consider the characteristic, as appropriate, in evaluation of proposed solutions; if chosen through any process that employs regional cost-allocation, produce satisfactory justification
- Of the 7 factors that require consideration in scenario development (detailed in Order1920's Part III.B.3), base weighting of the 4 non-mandatory factors on plausibility
  - Commitments (pledges/goals/etc.) not validated by conclusive evidence (submitted by the originating entity) of satisfactory progress to acquire indicated generation receive no weight

- Create a new category of RTEP driver on par with the existing four: Reliability, Market Efficiency, TO Criteria and Public Policy
  - Compile into this "Specific Interest" category all assumptions used in scenario development or needs included later (such as interconnection-related needs as detailed in O1920's Part IV.) that aren't already included in the existing categories
- Create category-specific evaluation process as currently done for the Market Efficiency (i.e., 1.25 B/C selection threshold) that includes the ability to accept and confirm voluntary-funding commitments (in compliance with O1920's Part III.E.5)
  - Solution solicitation and selection emanating from those evaluations must use long-lead proposal-window type unless voluntary funding has been verified
- Create category-specific cost-allocation methodology and/or mechanism as currently done for the Public Policy (i.e, State Agreement Approach)

- Modify procedures (Load Analysis Subcommittee and elsewhere as necessary) to: **require LSEs to provide three scenarios** for forecast-adjustment requests; **specify how PJM evaluates** such submissions and, from them, **determines what inputs to include** in scenario development (per Order 1920's Part III.3)
  - Baseline forecast based on best-available data
  - High and low forecasts within reasonable and disclosed ranges of uncertainty

- Modify procedures (LAS and elsewhere as necessary) to: **require LSEs** requesting forecast adjustments **to provide bus-level forecasts** for each scenario and **specify how PJM uses bus-level data** (such as direct incorporation into downstream modeling, as appropriate)

- Additive to existing submission requirements and other revisions that PJM demonstrates are needed to validate adjustment requests

Attachment C: Decisional Process