

CONE Triennial Review Process

Includes Approved Problem/Opportunity Statement

Issue Source

The FERC accepted Offer of Settlement and Settlement Agreement among PJM and numerous other settling parties in FERC Docket No. ER12-513-000 required that a stakeholder process be conducted to identify any desired changes in the CONE triennial review process in light of lessons learned from the most recent triennial review process.

Stakeholder Group Assignment

The issues will be addressed through special meetings of the Markets and Reliability Committee.

Key Work Activities

- Education on the Triennial Review Process and previous CONE determinations
- Assessment of the current effective Tariff's Handy-Whitman Index adjustment method for Gross CONE
- Assessment of any other desired changes in the CONE review process such as the use of forward looking Energy and Ancillary Service Offset in the determination of Net CONE, timing of the Triennial Review process, or changes in the determination of other input parameters that govern the determination of Gross CONE.
- Development of governing document and manual revisions to implement proposed changes.

Expected Deliverables

The necessary changes to manuals and governing documents will be provided as a result of the work effort.

Expected Overall Duration of Work

It is expected that the work will be completed in sufficient time to govern the 2014 triennial review. Specifically, this process will be completed to support any FERC filings by March 1, 2014.

Decision-Making Method

The group will endeavor to achieve Tier 1 consensus on a single proposal although Tier 2 decision making is acceptable.