

Nevada State Office of Energy New Energy Industry Task Force

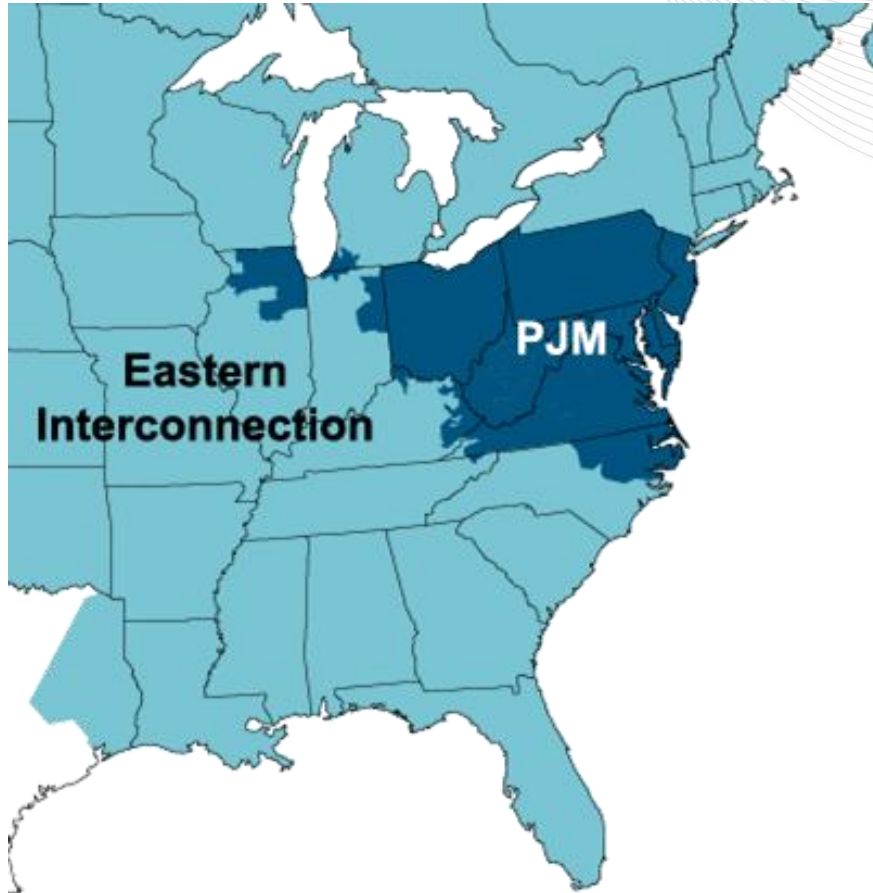
Overview of RTO Concepts

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PJM interconnection

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**21% of U.S. GDP
produced in PJM**

KEY STATISTICS

Member companies	850+
Millions of people served	60
Peak load in megawatts	163,848
MWs of generating capacity	185,600
Miles of transmission lines	59,750
GWh of annual energy	832,331
Generation sources	1,365
Square miles of territory	214,000
States served	13 + DC

As of 7/2012

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1 Reliability

- Grid Operations
- Supply/Demand Balance
- Transmission monitoring

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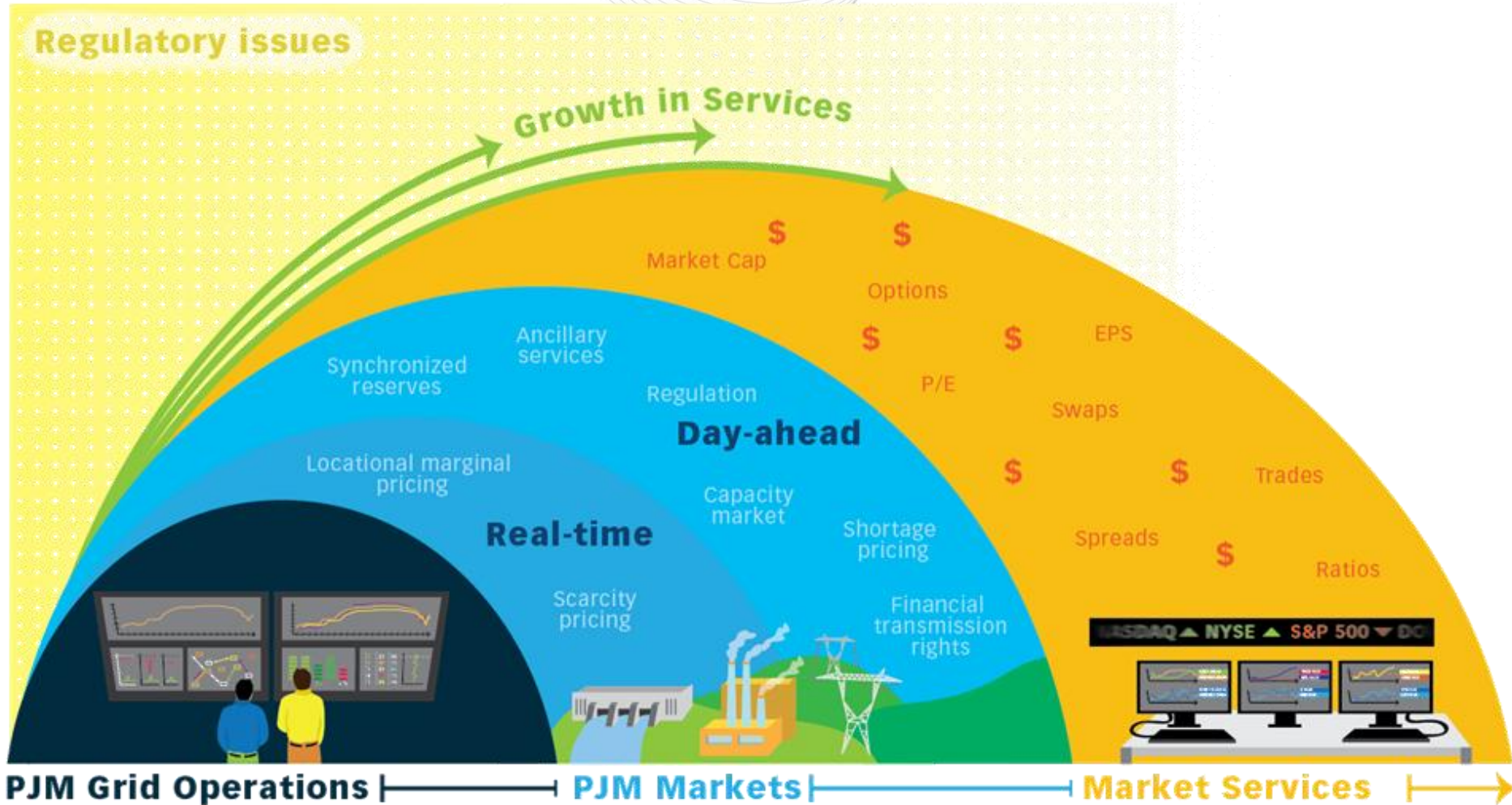
3 Regional Planning

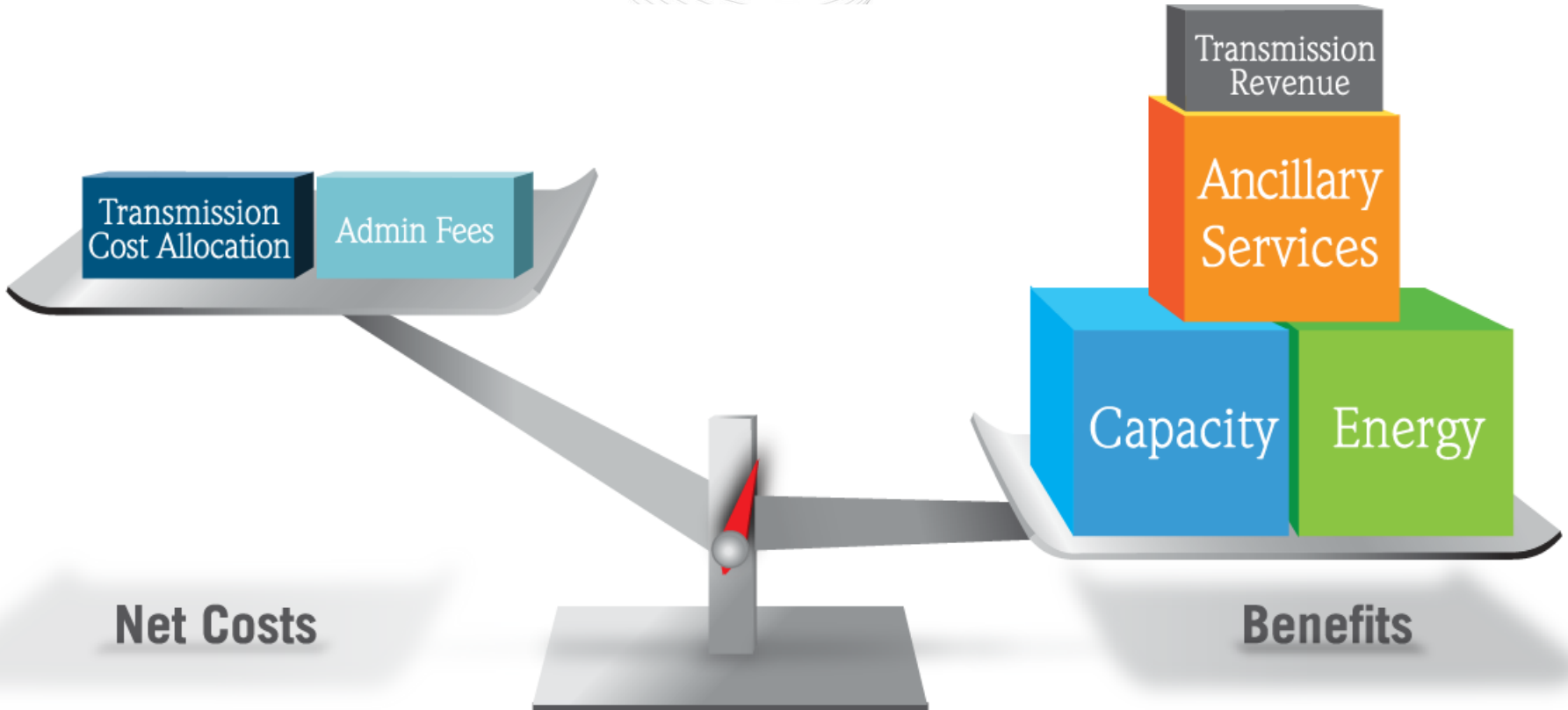
- 15-Year Outlook

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2 Market Operation

- Energy
- Capacity
- Ancillary Services





Reliability Perspective

- PJM and Transmission Owner coordinated
- Costs allocated depending on voltage level

Generation Perspective

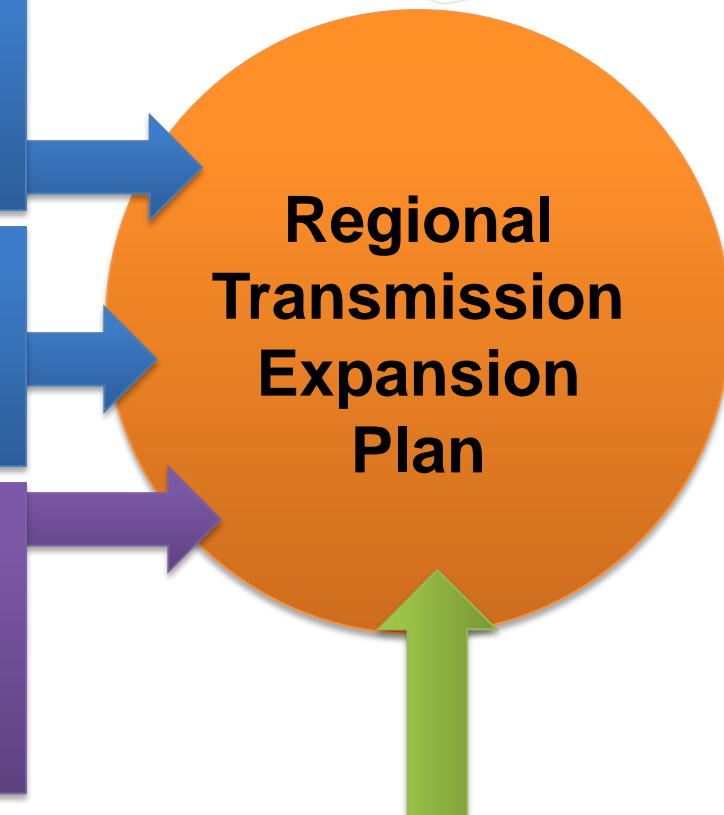
- Interconnection queue
- Costs borne by individual developers

Merchant Transmission Perspective

- Interconnection queue
- Cost borne by developer
- Cost recovery by subscription

State Agreement Approach (proposed)

- Transmission costs borne by sponsoring states (specify cost recovery)
- PJM scenario analyses



Example Merchant Projects: Linden VFT and Neptune

