

February 21, 2019

The PJM Board of Managers
c/o Ake Almgren, Ph.D.
PJM Interconnection, L.L.C.
2750 Monroe Boulevard
Audubon, Pennsylvania 19408

Re: Supplemental Projects and Implementation of FERC-Approved Attachment M-3 Planning Process

Dear Chairman Almgren and PJM Board of Managers,

The PJM Transmission Owners (“PJM TOs”), identified and listed below, are writing to express support for PJM staff’s changes to Manual 14B, Revision 43, publicly posted on February 4, 2019. These Manual 14B changes reflect implementation of the FERC-approved Attachment M-3, are the result of months of discussion between, and compromise amongst, PJM, the PJM TOs and various stakeholders, including load interests, and are in alignment with FERC directives and PJM governing documents. As determined by FERC, Attachment M-3 provides stakeholders with increased transparency regarding the need for and selection of Supplemental projects.

Attachment M-3 represents the culmination of a multi-year effort to increase the transparency of the PJM Supplemental Project planning process that concluded with the September 26, 2018 FERC Order approving changes to the Attachment M-3 tariff provisions. PJM and the PJM TOs have worked closely with stakeholders since that time to implement the new Attachment M-3 tariff provisions and further improve transparency. The key changes that have been implemented to date include: (i) improving the structure of the regularly scheduled meetings, publishing time frames for posting of materials prior to meetings, and formalizing the process for submittal of stakeholder comments during and after these meetings, (ii) establishing greater consistency in presentations, (iii) providing PJM TO subject matter experts to answer stakeholder questions in real time, and (iv) developing a Transmission Cost Information Center that provides information to stakeholders regarding the status, costs and cost allocation of Baseline and Supplemental transmission projects.

The Attachment M-3 tariff provisions ensure that all stakeholders have multiple opportunities to understand the needs and solutions the PJM Transmission Owners have identified, while also inviting stakeholders to present any stakeholder needs and solutions that the PJM Transmission Owners should consider. In its Order resolving the Show Cause proceeding and its Order accepting the PJM and PJM TO compliance filings, FERC provided clear direction to ensure stakeholders have the opportunity for meaningful input in the planning of Supplemental projects, pursuant to Order No. 890. The PJM TOs have followed and implemented FERC’s Orders. This has resulted in a process that harmonizes the presentment of

Baseline and Supplemental projects such that there is minimal difference between the two presentments beyond the PJM Board's approval of Baseline projects.

We compliment PJM staff for its outstanding efforts to work collaboratively with all stakeholders to develop Manual 14B language that provides significant transparency while being consistent with the FERC Orders, PJM governing documents and the respective responsibilities of all parties. PJM incorporated all but two elements of the proposed Manual revisions requested by stakeholders and adopted alternative language that significantly addresses one of the two remaining stakeholder concerns. While PJM, acting in its independent capacity, has indicated that it is willing to provide for further consideration of certain suggested changes through an appropriate committee structure, PJM correctly determined that certain suggested changes went beyond and/or were not consistent with the FERC Orders, and that stakeholders were advancing positions through Manual changes that FERC had already rejected.

What must be considered is that PJM and the PJM TOs have the ultimate responsibility for "keeping the lights on." This consideration must be weighed when planning processes are modified. In navigating the Manual 14B revisions initiative, the PJM TOs believe PJM staff has done an excellent and balanced job in this regard.

The PJM TOs remain committed to a transparent and open process for vetting Baseline and Supplemental projects and look forward to continuing to work with PJM and stakeholders to continue to effectively implement the Attachment M-3 process, which is compliant with FERC's Orders and consistent with PJM governing documents. In that regard, the PJM Transmission Owners, with PJM's support, have scheduled three "lessons learned" sessions with the PJM Planning Committee in 2019 to assess the effectiveness and efficiency of the new Attachment M-3 protocols for the planning of Supplemental projects in PJM. PJM Transmission Owners share with PJM the responsibility for maintaining a reliable, safe, secure, resilient, efficient and cost-effective transmission grid, which is essential to providing modern energy solutions that support the economy and the long-term needs of customers.

Respectfully,

On behalf of

American Electric Power Service Corporation, on behalf of its affiliates
Antonio P. Smyth
Senior Vice President, Transmission Ventures, Strategy & Policy

The Dayton Power and Light Company
John Horstmann
Director of RTO Affairs

Dominion Energy Services, Inc. on behalf of
Virginia Electric and Power Company d/b/a Dominion Energy Virginia.
Kevin Curtis
Vice President Transmission

Duke Energy Business Services, LLC, on behalf of
Duke Energy Ohio, Inc. and Duke Energy Kentucky, Inc.
Sam Holeman
Duke Energy Vice President of System Planning and Operations

Duquesne Light Company
David T. Fisfis
Vice President, Rates & Regulatory Affairs, General Counsel and Corporate Secretary

East Kentucky Power Cooperative
Denver York
Senior VP of Power Delivery & System Operations

Exelon Corporation
Dave Weaver
Vice President Transmission Strategy

FirstEnergy Service Company, on behalf of FirstEnergy Transmission Owning Affiliates
Robert R. Mattiuz
Vice President – Compliance and Regulated Services

PPL Electric Utilities Corporation
David Bonenberger
Vice President Transmission and Substations

Public Service Electric and Gas Company
Kim C. Hanemann
Senior Vice President, Electric Transmission and Distribution

Rockland Electric Company
Frank Peverly
Vice President, Operations

UGI Utilities, Inc.
Eric W. Sorber
Director Engineering & Operations