



16 Robin Drive
Hockessin, DE 19707

March 12, 2018

VIA EMAIL

The PJM Board of Managers
c/o Mr. Howard Schneider
PJM Interconnection, L.L.C.
2750 Monroe Boulevard
Audubon, Pennsylvania 19408

Re: Artificial Island Transmission Project

Dear Chairman Schneider and PJM Board of Managers,

Thank you for the opportunity to present our concerns regarding the implementation of the Artificial Island Transmission Project. The Delaware Energy Users Group (DEUG) views recent events as creating new potential cost concerns for large energy consumers in Delaware.

In late February 2018, the co-owners of Salem, Exelon Generation and PSEG Nuclear, filed notice to suspend future plant improvements not mandated by regulations. PSEG Nuclear stated that a similar action may be appropriate for the Hope Creek Plant as well.

These actions call into question the long-term operational viability of the Salem and Hope Creek plants. Both owners state that capital projects may be reinstated if the New Jersey legislature approves new consumer funded subsidies to provide additional revenue to the plants. This requirement has not occurred as of this date.

Under the current Artificial Island Transmission Project cost allocation, Delaware large energy consumers will pay a significant share of the cost. The cost increase is at a level that will severely impair the competitiveness of Delaware businesses. This scenario becomes far worse should the driving reason for the Transmission Project, Salem and Hope Creek reliability, cease to exist.

DEUG respectfully urges the Board of Managers to evaluate the Artificial Island Transmission Project with PJM Staff to account for the recent events and address the following:

- Is the Artificial island Project required if one or more nuclear units are retired at the Artificial Island site?
- Does the retirement of one or more plants at the Artificial island site change the scope of the Transmission Project?
- Should the Project timeline be delayed to minimize expenditures until a long-term commitment is established for the Salem and Hope Creek plants?

Thank you for your time and consideration.

Sincerely,



Michael K. Messer
President – Delaware Energy Users Group

Cc (Via email):

Mr. Robert J. Howatt, Delaware Public Service Commission
Mr. Jordan Seemans, Delaware Governor's Office
Mr. Andrew C. Slater, Delaware Public Advocate

The Delaware Energy Users Group is an unincorporated association including:

*E.I. du Pont de Nemours & Co. Linde LLC Burris Logistics Christiana Care Health Services
Kuehne Chemical Co. Delaware Park Racetrack & Slots Delaware City Refining Co., LLC*