



NEWS
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PJM BOARD AUTHORIZES \$318 MILLION IN TRANSMISSION UPGRADES

Also approves reserve margin of 15.8% for 2021-22

(Valley Forge, Pa. – Dec. 6, 2017) – The PJM Interconnection Board authorized \$318 million in electric transmission projects to ensure efficient and reliable power supplies for the 65 million people PJM serves. It also approved the Installed Reserve Margin of 15.8 percent for 2021-22.

“Maintaining the reliability of the grid involves continuously reviewing the system and moving ahead with transmission projects,” said PJM President and CEO Andrew L. Ott. “Today, the board has authorized a number of smaller projects, each of which is important to maintaining reliability and efficiency for people who depend on both PJM and our members.”

There are 10 projects in the PJM Mid-Atlantic Region and two in the PJM Western Region. Although many individual projects cost less than \$5 million, they maintain transmission grid reliability and wholesale power market efficiency.

The two Western Region projects are a new \$20 million 138-kilovolt line and substation project in the ComEd Zone and rebuilding a 161-kV line to alleviate summer and winter peak condition overloads in the AEP Zone (\$16.48 million).

Among the larger projects in the approved group, two will alleviate reliability issues in densely populated areas of northern New Jersey. One will dismantle and rebuild a 230-kV line to address load requirements for future growth. The project is estimated to cost \$90.4 million. Another project in North Jersey replaces an overloaded 230-kV line at an estimated cost of \$80 million.

Installed Reserve Margin

The PJM Board also approved the Installed Reserve Margin (IRM) for each of the next four delivery years based on results from PJM’s annual [Installed Reserve Margin Study](#). The IRM and other parameters help determine the price and amount of capacity procured in PJM’s Reliability Pricing Model capacity auctions.

The IRM is an additional amount of capacity above the forecasted peak demand for a year. Having the additional capacity ensures that sufficient resources are available to maintain power supplies if some resources are unavailable or demand for electricity is higher than expected.

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The study results re-set IRM for the delivery years of 2018/19, 2019/20 and 2020/21 and establish the initial IRM for 2021/22.

The board approved a 15.8 percent IRM for the 2021/2022 delivery year, a 16.1 percent IRM for the 2018/2019 delivery year, and a 15.9 percent IRM for the 2019/2020 and 2020/2021 delivery years.

[PJM Interconnection](#), founded in 1927, ensures the reliability of the high-voltage electric power system serving 65 million people in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia. PJM coordinates and directs the operation of the region's transmission grid, which includes over 82,000 miles of transmission lines; administers a competitive wholesale electricity market; and plans regional transmission expansion improvements to maintain grid reliability and relieve congestion. PJM's regional grid and market operations produce annual savings of \$2.8 billion to \$3.1 billion. For the latest news about PJM, visit PJM Inside Lines at insidelines.pjm.com.

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