

# Mid-Atlantic Renewable Energy Coalition

P.O. Box 385  
Camden, Delaware 19934

April 6, 2011

Via Electronic Mail

Mr. Howard Schneider, Chair, PJM Board of Managers  
The PJM Board of Managers  
PJM Interconnection, L.L.C.  
955 Jefferson Avenue  
Valley Forge Corporate Center  
Norristown, PA 19403-2497

Re: Regional Planning Process Task Force Discussions

Dear Mr. Schneider and Members of the PJM Board:

On March 28, 2011, the PSEG Companies, Baltimore Gas and Electric Company, the PPL PJM Companies and Rockland Electric Company (jointly the "Companies") submitted comments on PJM's plan to file a proposed tariff modification to include public policy initiatives in PJM's "rate-based" transmission planning process. In essence, the Companies requested PJM to suspend its plan to file this modification on the basis that there is no legal or regulatory requirement for PJM to plan in response to such initiatives and furthermore suggest that planning to account for these policies, most of which are laws on the books in PJM states, is very controversial.

The Mid-Atlantic Renewable Energy Coalition ("MAREC") supports PJM's sound approach and disagrees with the Companies' position. MAREC is a coalition of wind energy development companies, wind turbine manufacturers, service companies and public interest organizations dedicated to the development of renewable energy technologies in the Mid-Atlantic region. Ten states in the PJM footprint and the District of Columbia have enacted laws which specify that significant portions of sales by their electric distribution companies and suppliers come from renewable energy technologies. As you know these laws are commonly called renewable portfolio standards ("RPS"). In all but one state where these laws have been enacted within PJM, the RPS laws are mandatory standards that must be met in annually increasing amounts. MAREC applauds PJM for its leadership and handling to date of these extremely important state initiatives. MAREC also commends AEP and Exelon for their April 4, 2011 comments on this issue. AEP correctly acknowledges that this issue has been addressed by other regions and accepted by FERC. MAREC supports AEP's and Exelon's comments.

It is notable that each of the Companies serve load in some of the most transmission constrained territories in PJM. If PJM does not take the "required" development of renewables into account in its Regional Transmission Expansion Plan Process ("RTEP"), then surely much of the required generation may not be built. The inability of the transmission system to transmit electricity generated from

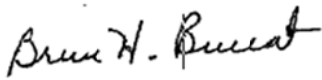
## MAREC Letter to PJM

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renewables sufficiently into the states requiring ever-increasing amounts of renewables will cause considerably higher pricing for renewables due to a shortage of energy developed from these technologies and scarcity of transmission resources. This will create an increasing burden on states in the region that are already capacity constrained from both a generation and transmission standpoint. Moreover, PJM's proposed approach is eminently reasonable, as it is designed to comport with the will and laws of the states in its footprint.

PJM has so far acted prudently by proposing to take into account these critical state policy initiatives in its planning process. It has acted deliberately and quite frankly not aggressively, as claimed by the Companies, in reviewing the procedures and criteria for including these policy initiatives in its planning process. The issues associated with taking into account the criteria for planning for these programs have been and continue to be thoroughly addressed in PJM's Regional Planning Process Task Force. MAREC strongly urges PJM to stay the course and move forward with its proposed tariff modifications under the current schedule.

Sincerely,



Bruce H. Burcat  
Executive Director  
Mid-Atlantic Renewable Energy Coalition

cc:

Mr. Dave Anders, PJM  
Mr. Terry Boston, PJM  
Mr. Steve Herling, PJM