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PJM BOARD APPROVES \$490 MILLION IN TRANSMISSION INVESTMENT

Changes will address reliability issues and congestion

(Valley Forge, Pa. – Dec. 16, 2015) – The PJM Interconnection Board today authorized new regional transmission projects to strengthen the high-voltage electricity infrastructure at a net increase of \$490 million. These changes resolve reliability violations and offer market efficiencies.

With these plan changes, PJM has authorized \$28.27 billion in transmission additions and upgrades since the first plan was approved in 2000.

This past year, PJM opened two windows for competitive bidding for transmission projects as part of compliance with the Federal Energy Regulatory Commission's Order 1000, which enables non-incumbent and incumbent transmission owners to propose solutions. The first window in June sought solutions to address potential reliability, thermal and voltage violations identified throughout the PJM region. In the first 2015 window, 91 proposals were offered, and PJM selected 19 in October. Today, the board approved an additional proposal from the original 91 to address potential reliability violations in the AEP transmission zone.

The second proposal window in 2015 opened in August to address potential reliability, thermal and voltage violations identified for additional reliability criteria tests that were not included in the first window. Of 23 proposals submitted, PJM staff today recommended six for inclusion in the Regional Transmission Expansion Plan, and they were approved by the board.

"We continue to see a healthy investment in our high-voltage infrastructure with the changes authorized by the board," said Michael Kormos, chief operations officer and executive vice president – Operations. "Through the competitive windows, we are seeing more alternatives than we would have otherwise. In some cases, as in this last review, we are seeing alternative solutions that address the problem at a lesser cost than originally estimated."

All approved projects are incorporated into the PJM Regional Transmission Expansion Plan.

PJM Interconnection, founded in 1927, ensures the reliability of the high-voltage electric power system serving 61 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 62,556 miles of transmission lines; administers a competitive wholesale electricity market; and plans regional transmission expansion improvements to maintain grid reliability and relieve congestion. Visit PJM at www.pjm.com.