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March 8, 2010

Steven R. Herling  
Vice President – Planning  
PJM Interconnection, L.L.C.  
955 Jefferson Avenue  
Valley Forge Corporate Center  
Norristown, Pennsylvania 19403-2497

Dear Mr. Herling:

The Maryland Office of People's Counsel ("OPC") provides the following comments in response to discussions at the most recent TEAC meetings wherein Paul McGlynn stated that PJM would consider stakeholder input in connection with the design of sensitivity analyses to be performed as a part of the 2010 regional transmission expansion planning ("RTEP") process. Set forth below are several assumptions which OPC considers key to the RTEP analysis, particularly in light of PJM's recent announcements regarding delays in the need for two regional backbone transmission projects, the Mid-Atlantic Power Pathway (MAPP) and the Potomac-Appalachian Transmission Highline (PATH), both of which were expected to be located, in part, in Maryland, and PJM's plan to review the need for these two projects as part of the 2010 RTEP process, with updated results not expected until June 2010.

As recommended by the Maryland Department of Natural Resources and the Maryland Energy Administration, OPC also requests that the analyses regarding the need for the MAPP and PATH projects begin anew. The initial selection of these two backbone projects was based on screening analyses performed in the 2006 timeframe, supplemented by subsequent studies. Much has transpired between 2006 and today, in terms of economic activity, demand-side management and state-supported energy efficiency programs. In addition, PJM's own studies have been revised to the point where these projects are being supported primarily on the basis of voltage studies and not in reaction to thermally overloaded facilities within the region. As PJM acknowledged in its response to the Virginia State Corporation Commission's hearing examiner, the regional transmission expansion update must be comprehensive and include the following parameters: (i) updated load flow analyses; (ii) all existing and new generation; (iii) all demand response and energy efficiency resources that have cleared the most recent market; (iv) acknowledgment of and consideration for various State goals for demand response and energy efficiency programs; and (v) all upgrades to the transmission system.

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OPC requests that, during the 2010 RTEP process, PJM develop a base case without the MAPP and PATH projects and use this base case to identify reliability issues within the PJM region. We further request that PJM then study alternative transmission lines, and combinations of lines, to address these identified reliability concerns. In light of the changed circumstances since 2006, OPC believes that prudent planning requires an examination of alternatives to the MAPP and PATH projects. This would ensure that the justification for whatever backbone transmission projects may be recommended later this year rests upon a well-developed and unbiased analysis of alternatives.

If PJM does again recommend the MAPP and/or PATH projects, we request that in developing the models for performing load deliverability and generation deliverability studies for determining the reliability of the PJM transmission system, PJM include, at a minimum, the following scenarios in addition to the study of new backbone alternatives:

- (i) without either MAPP or PATH,
- (ii) with MAPP and PATH,
- (iii) with MAPP but without PATH,
- (iv) without MAPP but with PATH,
- (v) without PATH but with only the eastern shore segments of MAPP, and
- (vi) with MAPP and PATH but without the western shore segments of MAPP.

Also, because of the reliability benefits of a Conastone to Peach Bottom to Keeney 500 kV line identified in previous PJM studies, this reliability solution, in addition to any others identified by PJM, should be evaluated as a possible alternative to the MAPP project.

Finally, we request that PJM work with stakeholders to develop sensitivity studies associated with state-mandated energy efficiency programs, including studies based on:

- (i) all demand response and energy efficiency resources that have cleared the most recent market;
- (ii) future anticipated demand response and energy efficiency resources based on orders of the Maryland Public Service Commissions and other state commissions; and
- (iii) future anticipated demand response and energy efficiency resources based on Maryland's and other states' statutory goals.

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Also, we request that PJM develop sensitivity studies based on variations in the load forecast. Thank you for this opportunity to offer this input for PJM's consideration into the 2010 RTEP process.

Sincerely,

*/s/ signed*

William F. Fields  
Senior Assistant People's Counsel

WFF/mcm