

## Via Electronic Mail

February 28, 2025

## Dear Interested Stakeholders,

Thank you for your recent correspondence to the PJM Board of Managers regarding PJM's proposed transmission solutions for the 2024 Regional Transmission Expansion Plan (RTEP) Window 1 (2024 Window 1), and specifically for raising your concerns regarding the proposed Amos-Welton Spring-Rocky Point 765 kV line (a component of Proposal ID No. 262). We appreciate the time you took to share your personal perspectives and concerns.

The PJM Board deliberated on all 2024 Window 1 proposed solutions, including the proposed Amos-Welton Spring-Rocky Point 765 kV line, which were reviewed throughout the 2024 Window 1 competitive process, including most recently at the Dec. 3, 2024, and Jan. 7, 2025, Transmission Expansion Advisory Committee (TEAC) meetings. The PJM Board has approved the projects as recommended by PJM staff (PDF). PJM would like to highlight that further refinements to the selected projects' routes will take place as part of the project proponents' detailed routing, siting and stakeholder engagement activities and are also addressed through the state regulatory process.

PJM is the Regional Transmission Organization (RTO) responsible for maintaining the reliability of the electric transmission system under its functional control and coordinating the movement of wholesale electricity through all or parts of 13 states and Washington, D.C. PJM is charged by the Federal Energy Regulatory Commission (FERC) with maintaining the safety, reliability and security of the bulk electric transmission system in the PJM region. As part of its regional transmission planning function, PJM acts independently and impartially each year to prepare the RTEP to identify transmission system enhancements or expansions needed for reliable grid operations now and in the future for the 65 million people served by PJM.

After PJM identifies a need for transmission enhancements or expansions, PJM may open a competitive proposal window to seek solutions from qualified incumbent Transmission Owners and Nonincumbent Developers to address such needs. PJM must identify the more efficient or cost-effective solution to address identified transmission system needs. PJM reviews its recommended solutions with the TEAC, after which PJM makes a recommendation to the PJM Board regarding the appropriate solutions to be included in the RTEP; the PJM Board has the ultimate authority to approve the RTEP.

<sup>&</sup>lt;sup>1</sup> As PJM has shared throughout the TEAC meetings, and explained more fully in a set of <u>FAQs posted on PJM.com</u>, PJM's role in transmission planning is driven by regional needs and benefits. Its transmission analysis is guided by national and regional standards as well as criteria developed by PJM.

<sup>&</sup>lt;sup>2</sup> TEAC participation is open to all Transmission Owners, transmission customers, Nonincumbent Developers, all PJM members, representatives of state commissions, the agencies and offices of state consumer advocates of states in the PJM Region, and any other interested parties.

PJM employs a variety of expertise – including independent outside consultants – to analyze window proposals. As part of this review, PJM and independent outside consultants also analyze any cost containment provisions voluntarily submitted by the developer. PJM is aware of environmental and social impacts and takes them into consideration when evaluating all submitted proposals.<sup>3</sup> PJM also considers future needs ensuring that project selections are expandable and compatible with future and evolving system reinforcement needs so as to minimize incurring sunk costs and negatively impacting rights-of-way, while avoiding difficult-to-schedule outages due to stressed operating conditions.

PJM followed the processes set forth in its governing documents and manuals in its evaluation of the competitive proposals submitted in 2024 Window 1. Specifically, PJM received 94 total proposals submitted by 16 different entities (10 incumbent Transmission Owners and six Nonincumbent Developers). PJM evaluated all of the proposals as part of the PJM competitive solicitation process and reviewed them with the TEAC as required by its stakeholder engagement processes. Nothing in PJM's process disallows developers from submitting joint proposals, and indeed FERC has recognized the benefits of and has encouraged joint transmission projects.

PJM evaluated all of the proposals as part of the PJM competitive solicitation process and reviewed them with the TEAC as required by its stakeholder engagement processes. PJM ultimately determined that one such jointly submitted proposal (Proposal 262) had numerous benefits, including the ability to utilize existing rights-of-way, and the collective experience of the joint proposers with respect to both developing and operating transmission facilities (particularly 765 kV facilities) and obtaining routing and siting approvals. PJM appropriately considered these benefits when evaluating the joint proposal against the other competing proposals submitted to address the relevant identified needs and recommending it as the more efficient or cost-effective solution to such needs.

Thank you again for your comments and engagement in our process. PJM appreciates your continued participation throughout. The siting process will ensure a rigorous review of the actual route to minimize its impact while meeting the reliability needs of our transmission system.

Sincerely,

Jason Connell Vice President – Planning

<sup>&</sup>lt;sup>3</sup> PJM conducts a high-level analysis of each project utilizing available public sector data, aerial photographs and internet-based real estate records to determine if the project is feasible and to identify potential regulatory permitting risks. PJM's constructability review is not as extensive as the detailed analysis the transmission developer conducts to determine the proposed project route.