



David E. Mills
President & CEO

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Electronic Delivery

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Dear Respected Community Member,

We thank you for your engagement and interest in the Joshua Falls-Yeat 765 kV transmission project located in the Commonwealth of Virginia. This project has been planned through PJM's regional planning process which is called the Regional Transmission Expansion Plan (RTEP). The RTEP is utilized to ensure that the transmission system continues to deliver reliability to consumers, even as the grid evolves due to the intensive load growth in the region driven.

Through the RTEP, PJM utilizes a competitive solicitation process to mitigate electrical "violations" on the transmission system that have been identified through our planning analyses. The Joshua Falls-Yeat 765 kV transmission project was one of 94 proposals submitted to PJM to mitigate the reliability violations identified by PJM in its 2024 RTEP analyses. PJM reviewed each of the submitted proposals between September 2024 and January 2025, and provided monthly updates on proposed solutions at the Transmission Expansion Advisory Committee (TEAC) during that period.

All competitive solutions undergo the same analysis to determine the best solution to mitigate the identified reliability violations. This analysis is a combination of technical analyses guided by North American Electric Reliability Corporation (NERC) criteria along with PJM reliability criteria. PJM also retains an independent consultant to identify the best possible solution as benchmarked against several risk factors. This combination of results, as summarized in PJM TEAC material¹ and PJM reliability² and constructability³ assessment summary reports, is used to determine the most efficient or cost-effective solution to address system needs.

Once a project is approved by the PJM Board, PJM will issue a Designated Entity Agreement (DEA), which includes provisions and milestones to ensure the project is constructed. These agreements allow the Designated Entity to revise the scope of work so long as the changes are consistent with PJM Manual 14C. These changes can be driven by local permitting challenges and results of environmental studies, among other challenges. These changes are not required to be evaluated under a new competitive window so long as the modified project is not materially different and still solves the original needs.

Following the award of the Joshua Falls-Yeat 765 kV transmission project to Valley Link, the developer began working with stakeholders to determine the best route for the line. Based on those discussions and subsequent evaluation, Valley Link changed the location of the Yeat substation while preserving electrical parity with the original

¹ PJM posts its Reliability Analysis Updates to the [TEAC webpage](#) (Web).

² [Reliability Analysis Report – 2025 RTEP Window 1](#) (PDF)

³ [Constructability & Cost Analysis Report – 2025 RTEP Window 1](#) (PDF)

proposed solution. The routing study evaluated alternatives using criteria that included: total line mileage; affected parcels and residences; right-of-way availability; environmental, cultural and historical constraints; as well as constructability, schedule risk, cost and long-term reliability performance. Valley Link found that the Culpeper substation location outperformed the original substation alternative across impact, constructability and system efficiency, all while meeting PJM reliability requirements.

The evolution of the proposed route from one that paralleled or co-located with existing corridors, to one that is more greenfield in nature is an outcome of Valley Link's routing study, which revealed that the original route was less constructible than the new greenfield route.

Valley Link's proposed changes to the Joshua Falls-Yeat project were thoroughly evaluated by PJM. The proposed changes were found to still meet the original reliability needs while balancing challenges encountered by Valley Link in the initial development stages of the project. The primary scope of the project has remained unaffected by the scope change.

PJM's assessment is that this modified project still represents the more efficient or cost-effective solution based on the numerous criteria used to evaluate projects. The scope change was presented to the TEAC in May 2026 along with documentation that detailed the factors that were considered with the changes, including impacts to the local communities as well as a reduction to the project cost of approximately \$260 million.

Again, we thank you for your interest in this project and the scope change. For reference, in an appendix to this letter, I've included supporting materials that have been referenced here or otherwise may be helpful.

Sincerely,

David E. Mills
President & CEO

Appendix

Supporting Materials

- [Ghiorzi Complaint Docket](#) (Web) – Challenges to the scope change process
- [May 2026 TEAC](#) (PDF) – Presentation of scope change
- [January 2025 TEAC](#) (PDF) – Second read of solution (p. 61–62), risks (p. 89)
- [December 2024 TEAC](#) (PDF) – First read of solution (p. 77–78), risks (p. 100)
- [November 2024 TEAC](#) (PDF) – Short list (p. 9–11)
- [October 2024 TEAC](#) (PDF) – Window summary