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Susan J. Riley  
Interim President and CEO  
610-666-2231

October 3, 2019

Ms. Kristin Munsch  
President, Board of Directors  
Consumer Advocates of the PJM States  
P.O. Box # 29492  
Columbus, Ohio 43054

Dear Ms. Munsch:

Thank you for your letter and the accompanying report that was prepared by Continuum Associates relating to Supplemental Projects in the PJM planning process. PJM values the active engagement of CAPS and the individual Consumer Advocates on this topic.

We understand the concern that the recent increase in Supplemental Projects presents for a number of PJM stakeholders, especially those concerned with associated costs being allocated to customers. PJM has taken several measures since 2018 to bolster the assessment of these projects. Over the last year, PJM oversaw the implementation of the Attachment M-3 process by the Transmission Owners to provide stakeholders with an open and transparent process to review Supplemental Projects. PJM also worked with stakeholders through an extensive eight-month process to enhance the transparency of the project needs brought forward by the Transmission Owners, bolster competitive project windows, improve the evaluation of overlapping project needs, and enrich the conversation with state siting authorities. These advancements were supported by the stakeholder community.

PJM recognizes that the Attachment M-3 process is new in its development, having first been implemented in September 2018. PJM has held two "M-3 Process Lessons Learned" sessions since its inception to solicit recommendations for improving this process, and a third Lessons Learned session is scheduled for mid-October. We encourage CAPS and other PJM stakeholders to engage in these meetings to help PJM and the Transmission Owners continue to improve the Attachment M-3 process.

It is important for the PJM community to remain cognizant of where PJM's authority and technical capabilities are positioned in relation to the planning and implementation of Supplemental Projects. Identifying and verifying the need for Supplemental Projects, determining what goes into a transmission owner's planning criteria, and authorizing Supplemental Projects are responsibilities that extend beyond where PJM is situated as the regional transmission planner.

PJM remains committed to transparency and communication with respect to the planning process and Supplemental Projects as well as to the on-going review and improvement of the Attachment M-3 process. We are already engaged in discussion with individual states and have identified a number of internal procedural enhancements that will improve our ability to track Supplemental Projects and provide for a single point of contact with state regulators in order to facilitate their efforts.

As to the Continuum report, we would be happy to sit down with you and discuss any of the specific comments or recommendations discussed in that document, and we stand ready to assist you in your efforts to understand and advance consumer interests in the M-3 process.

Sincerely,

A handwritten signature in cursive script that reads "Susan J. Riley". The signature is written in black ink and is positioned above the printed name.

Susan J. Riley  
Interim President and CEO