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Via eTariff

February 23, 2024

Honorable Debbie-Anne A. Reese  
Acting Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426-0001

Re: Exelon Corporation, on Behalf of Baltimore Gas and Electric Company,  
Delmarva Power & Light Company, PECO Energy Company, and Potomac  
Electric Power Company  
Request for Order Authorizing Abandoned Plant Incentive  
Docket No. ER24-1313-000

Dear Acting Secretary Reese:

Pursuant to Sections 205 and 219 of the Federal Power Act (“FPA”),<sup>1</sup> Part 35 of the regulations of the Federal Energy Regulatory Commission (“FERC” or “Commission”),<sup>2</sup> and FERC Order No. 679,<sup>3</sup> Exelon Corporation (“Exelon”), on behalf of four of its affiliates, Baltimore Gas and Electric Company (“BGE”), Delmarva Power & Light Company (“DPL”), PECO Energy Company (“PECO”), and Potomac Electric Power Company (“Pepco”),<sup>4</sup> respectfully requests authorization to recover 100 percent of the prudently incurred costs associated with investment in certain transmission projects if they are abandoned or cancelled, in whole or in part, for reasons beyond the control of BGE, DPL, PECO, or Pepco (the “Abandoned Plant Incentive”).<sup>5</sup> The transmission projects (collectively the “Window 3 Project” or “Project”)

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<sup>1</sup> 16 U.S.C. §§ 824d and 824s.

<sup>2</sup> 18 C.F.R. Pt. 35.

<sup>3</sup> *Promoting Transmission Investment through Pricing Reform*, Order No. 679, FERC Stats. & Regs. ¶ 31,222 (2006), Order No. 679-A, FERC Stats. & Regs. ¶ 31,236 (2006), *order on reh’g*, 119 FERC ¶ 61,062 (2007). *See also Promoting Transmission Investment through Pricing Reform*, 141 FERC ¶ 61,129 (2012) (“Incentive Policy Statement”).

<sup>4</sup> Pursuant to Order No. 714, this filing is submitted by PJM on behalf of Exelon as part of an XML filing package that conforms with the Commission’s regulations. PJM has agreed to make all filings on behalf of the PJM Transmission Owners to retain administrative control over the PJM Open Access Transmission Tariff (“OATT”).

<sup>5</sup> This request is also being submitted in accordance with FERC’s Notice on procedures for effectuating Section 205 rate authorizations when no tariff revision is required. *See Notice of Procedures for Making Statutory Filings When Authorization for New or Revised Tariff Provisions Is Not Required*, Docket No. RM01-5-000 (June 30, 2020) (“Procedural Notice”).

have been identified by PJM Interconnection, L.L.C. (“PJM”) as needed to maintain reliability primarily as a result of data center load growth currently forecasted by 2027/2028 in northern Virginia causing the need for transmission development.

The Window 3 Project will be built in part within BGE’s service territory in Maryland, in part within DPL’s service territory in Delaware, in part within PECO’s service territory in Pennsylvania, and in part within Pepco’s service territory in Maryland.<sup>6</sup> PJM, the Regional Transmission Organization of which BGE, DPL, PECO, and Pepco are members, has designated BGE, DPL, PECO, and Pepco with specific construction responsibility for the Window 3 Project. As discussed in detail below, and as was reported at the October 31, 2023, December 5, 2023, and January 9, 2024 Transmission Expansion Advisory Committee (“TEAC”) meetings, the approximately \$779 million Window 3 Project is needed to resolve reliability criteria violations resulting primarily from data center load growth currently forecasted by 2027/2028 in northern Virginia.<sup>7</sup>

BGE, DPL, PECO, and Pepco request Commission authorization of the Abandoned Plant Incentive with respect to the Window 3 Project. As explained below, the Project meets all the requirements of Order No. 679 and the Commission’s regulations. Specifically, the Abandoned Plant Incentive is hereby being sought for the recovery of 100 percent of all prudently incurred project costs if the Window 3 Project is abandoned for reasons outside the control of BGE, DPL, PECO, or Pepco. Exelon respectfully request that the Commission issue an order authorizing the Abandoned Plant Incentive for the Window 3 Project effective April 24, 2024 (61 days after the date this filing is being submitted).

## **BACKGROUND**

### **I. The Applicants**

This filing is being submitted by Exelon, a utility services holding company, on behalf of BGE, DPL, PECO, and Pepco, four of its subsidiaries. Exelon is a publicly held corporation

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<sup>6</sup> The Commission has indicated that when there is more than one applicant seeking pre-approval of abandonment cost recovery arising out of the same project, the applicants should file a joint application. *See Baltimore Gas and Electric Co.*, 127 FERC ¶ 61,201 at n. 35 (2009), *reh’g order*, 122 FERC ¶ 61,034 (2008), and *Public Service Electric & Gas Co.*, 126 FERC ¶ 61,219 at P 55 (2009). For that reason, Exelon is filing on behalf of BGE, DPL, PECO, and Pepco, one application for these related facilities.

<sup>7</sup> *See* PJM Interconnection, L.L.C., *Reliability Analysis Update*, PJM.COM, Oct. 31, 2023, <https://www.pjm.com/-/media/committees-groups/committees/teac/2023/20231031/20231031-item-15---reliability-analysis-update.ashx>; *see* PJM Interconnection, L.L.C., *Reliability Analysis Update*, PJM.COM, Dec. 5, 2023, <https://www.pjm.com/-/media/committees-groups/committees/teac/2023/20231205/20231205-item-15---reliability-analysis-update-2022-window-3.ashx>; *see* PJM Interconnection, L.L.C., *Reliability Analysis Update*, at 26, PJM.COM, Jan. 9, 2024, <https://www.pjm.com/-/media/committees-groups/committees/teac/2024/20240109/20240109-item-12---reliability-analysis-update.ashx>; *see also* PJM Interconnection, L.L.C., *Reliability Analysis Report 2022 RTEP Window 3*, PJM.COM, Dec. 8, 2023, <https://www.pjm.com/-/media/committees-groups/committees/teac/2023/20231205/20231205-2022-rtep-window-3-reliability-analysis-report.ashx> (collectively, the “TEAC Materials”).

with operations and business activities in five states and the District of Columbia. It is incorporated in Pennsylvania, with its principal headquarters located in Chicago, Illinois.

**A. BGE**

BGE is an energy delivery company serving Maryland, where it delivers energy to more than 1.3 million electric customers and approximately 700,000 natural gas customers. BGE is regulated by this Commission and the Maryland Public Service Commission. BGE maintains over 27,000 circuit miles of distribution lines and over 1,300 circuit miles of transmission lines in a 2,300-square-mile service territory. BGE provides unbundled, open access delivery service, and is a default load-serving provider for customers that do not opt for alternative energy providers under BGE's retail customer choice program.

**B. DPL**

DPL is an energy delivery company serving Delaware and Maryland, where it delivers energy to approximately 532,000 electric customers in Delaware and Maryland and approximately 136,000 natural gas customers in northern Delaware. DPL is regulated by this Commission, the Delaware Public Service Commission, and the Maryland Public Service Commission. DPL has a 275-square-mile service territory and owns approximately 13,500 miles of transmission and distribution facilities.

**C. PECO**

PECO is an energy delivery company serving southeastern Pennsylvania, where it delivers energy to more than 1.7 million electric customers and over 545,000 natural gas customers. PECO is regulated by this Commission and the Pennsylvania Public Utility Commission. PECO has a 2,100-square mile service territory, over 1,000 miles of transmission lines, approximately 440 substations, approximately 13,000 miles of aerial distribution facilities, approximately 9,000 miles of underground distribution facilities, and approximately 12,000 miles of natural gas transmission, distribution, and service lines.

**D. Pepco**

Pepco is an energy delivery company serving Washington, D.C. and surrounding Maryland suburbs, where it delivers energy to over 933,000 retail electric customers. Pepco is regulated by this Commission, the District of Columbia Public Service Commission, and the Maryland Public Service Commission. Pepco has over 933,000 retail customers, serves a population of 2.4 million, a 640-square-mile service territory, over 11,000 miles of distribution voltage feeder circuit miles, approximately 325 transmission feeders, nearly 23,000 miles of distribution voltage feeder conductor miles, and approximately 112,000 distribution transformers.

## II. The Window 3 Project

The Window 3 Project contains components within the service territories of BGE, DPL, PECO, and Pepco that are needed to address anticipated constraints and baseline reliability criteria violations expected to emerge in 2027-2028 based, in large part, on “unprecedented” load growth demand resulting from data center loads in Northern Virginia, resulting in “high flows” and necessitating “major voltage support.”<sup>8</sup> In February 2023, PJM opened the 2022 Regional Transmission Expansion Plan (“RTEP”) Window 3 in order to develop robust, holistic, and expandable solutions that address 2027/2028 baseline reliability criteria violations associated with local constraints, regional constraints, reactive power needs, and the cumulative impact of generation changes.<sup>9</sup> PJM identified a list of criteria violations through its planning studies and sought solutions to address such criteria violations (collectively, the “Window 3 Needs”). PJM received 72 proposals from 10 entities and evaluated those proposals using a number of specified criteria, including (i) performance; (ii) scalability; (iii) impact; (iv) validated cost; (v) risks; and (iv) efficiencies.<sup>10</sup> PJM ultimately recommended to the PJM Board of Managers (“PJM Board”) a comprehensive set of solutions to address the Window 3 Needs that included components of proposals submitted by proposal sponsors.<sup>11</sup> On December 11, 2023, the PJM Board approved the recommended solutions, which included the Window 3 Project that requires the development of certain transmission facilities within the service territories of BGE, DPL, PECO, and Pepco to address the above-referenced needs.

Specifically, pursuant to its Commission-approved RTEP standards, PJM has designated BGE with eleven components of the Window 3 Project:

1. b3800.26, Build High Ridge 500 kV substation.
2. b3800.27, High Ridge 500 kV substation (cut into Brighton-Waugh Chapel 500 kV line) - Waugh Chapel side.
3. b3800.28, High Ridge 500 kV substation (cut into Brighton-Waugh Chapel 500 kV line) -Brighton side.
4. b3800.29, High Ridge termination for the North Delta-High Ridge 500 kV line.
5. b3800.30, High Ridge - Install two 500/230 kV transformers.
6. b3800.32, Build new North Delta-High Ridge 500 kV line. (~59 miles).

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<sup>8</sup> See PJM Interconnection, L.L.C., *Data Center Planning & Need Assessment Update*, PJM.COM, Jan. 10, 2023, <https://www.pjm.com/-/media/committees-groups/committees/teac/2023/20230110/item-04---data-center-load-planning.ashx>.

<sup>9</sup> See PJM Interconnection, L.L.C., *PJM RTEP - 2022 RTEP Proposal Window #3, Problem Statement and Requirements*, PJM.COM, available at <https://www.pjm.com/-/media/planning/rtep-dev/expansion-plan-process/ferc-order-1000/rtep-proposal-windows/2022-rtep-window-3/2022-rtep-window-3-without-study-files-v7.ashx>.

<sup>10</sup> PJM Interconnection, L.L.C., *Reliability Analysis Update*, PJM.COM, Oct. 3, 2023, <https://www.pjm.com/-/media/committees-groups/committees/teac/2023/20231003/20231003-item-11---reliability-analysis-update.ashx>.

<sup>11</sup> See PJM Interconnection, L.L.C., *Constructability & Financial Analysis Report, 2022 RTEP Window 3*, PJM.COM, Nov. 17, 2023, <https://www.pjm.com/-/media/committees-groups/committees/teac/2023/20231205/20231205-2022-rtep-window-3-constructability--financial-analysis-report.ashx>. Detailed information about PJM’s findings related to the 2022 RTEP Window 3 results and recommended solution were reported at the October 31, 2023, December 5, 2023, and January 9, 2024 PJM TEAC meetings. See TEAC Materials, *supra* n.7.

7. b3800.34, Rebuild 5012 (existing Peach Bottom-Conastone) (new Graceton-Conastone) 500 kV line on single circuit structures within existing right-of-way (ROW) and cut into North Delta 500 kV and Graceton 500 kV stations.
8. b3800.36, Rebuild 5012 (existing Peach Bottom-Conastone) (new North Delta-Graceton BGE) 500 kV line on single circuit structures and cut into North Delta 500 kV and Graceton 500 kV stations.
9. b3800.37, Replace terminal equipment at Conastone 500 kV - on the (existing Peach Bottom-Conastone) or (new Graceton-Conastone) 500 kV line.
10. b3800.4, New Otter Creek to Doubs 500 kV line (MD Border-PSEG Demarcation Point). Rebuild and expand existing ~1.6 miles of Otter Creek-Conastone 230 kV line to become double-circuit 500 and 230 kV lines.
11. b3800.41, Conastone-Brighton 500 kV (5011) - Replace terminal equipment at Conastone 500 kV.

PJM has designated DPL with one component of the Window 3 Project:

1. b3800.39, Red Lion-Hope Creek 500 kV - Replace terminal equipment at Red Lion.

PJM has designated PECO with eight components of the Window 3 Project:

1. b3800.31, Build new North Delta-High Ridge 500 kV line.
2. b3800.35, Rebuild 5012 (existing Peach Bottom-Conastone) (new North Delta-Graceton PECO) 500 kV line on single circuit structures and cut into North Delta 500 kV and Graceton 500 kV stations.
3. b3800.42, Peach Bottom North bus upgrade.
4. b3800.44, North Delta termination for the North Delta-High Ridge 500 kV line.
5. b3800.45, North Delta 500 kV termination for the Rock Springs 500 kV line (5034/5014 line).
6. b3800.46, North Delta 500 kV termination for the new Peach Bottom-North Delta 500 kV line.
7. b3800.47, Build new Peach Bottom South-North Delta 500 kV line – cut in to Peach Bottom tie No. 1 and extending line to North Delta (~1.25 miles new ROW).
8. b3800.52 Reconfigure Peach Bottom North and South yards to allow for termination of 500 kV lines from Peach Bottom to North Delta. North Delta 500 kV termination for the new Peach Bottom - North Delta 500 kV line.<sup>12</sup>

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<sup>12</sup> Since PJM issued its designated entity letter to PECO, certain changes to PECO's overall scope of work have occurred. First, during the January 9, 2024, TEAC meeting, PJM presented another component of the Window 3 Project, b3800.52, which will be designated to PECO. *See* PJM Interconnection, L.L.C., *Reliability Analysis Update*, at 26, PJM.COM, Jan. 9, 2024, <https://www.pjm.com/-/media/committees-groups/committees/teac/2024/20240109/20240109-item-12---reliability-analysis-update.ashx>. It is anticipated that the PJM Board will vote on incorporation of b3800.52 into the RTEP during its February 28, 2024 meeting. Second, PECO's component b3800.5 has been identified as unnecessary. Thus, the incorporation of b3800.52 to and removal of b3800.5 from PECO's overall scope of work results in eight current Window 3 Project components for PECO. There has also been an update to the estimated cost associated with PECO's component b3800.45, as further explained below. *See infra* n.30.

PJM has designated Pepco with six components of the Window 3 Project:

1. b3800.243, Rebuild 7.26 miles of existing 230 kV circuit from Dickerson Station H to Ed's Ferry area to accommodate the new 500 kV circuit between Doubs and Aspen. (the 500 kV portion of the work).
2. b3800.244, Rebuild 7.26 miles of existing 230 kV circuit from Dickerson Station H to Ed's Ferry area to accommodate the new 500 kV circuit between Doubs and Aspen. (The 230 kV portion of the project).
3. b3800.245, Reconfigure Dickerson H 230 kV substation and upgrade terminal equipment.
4. b3800.33, Replace terminal equipment at Brighton 500 kV - on the existing Brighton-Waugh Chapel 500 kV (5053) or new Brighton-High Ridge 500 kV.
5. b3800.38, Chalk Point-Cheltenham 500 kV (5073) - Replace relay at Chalk Point 500 kV.
6. b3800.40, Conastone-Brighton 500 kV (5011 circuit) - Replace terminal equipment at Brighton 500 kV.

### **STATEMENT OF NATURE, REASONS, AND BASIS**

#### **III. Applicable Legal Authority**

Section 1241 of the Energy Policy Act of 2005 (“EPAct 2005”) added a new Section 219 to the FPA that requires the Commission to provide incentives for electric transmission, such as the recovery of prudently incurred costs related to infrastructure development, particularly when such costs are “necessary to comply with mandatory reliability standards issued pursuant to section 215.”<sup>13</sup> In Order No. 679, the Commission implemented EPAct 2005 Section 1241 and set forth the standards for evaluating requests for incentive transmission rates.<sup>14</sup> Specifically, Order Nos. 679 and 679-A establish incentive-based rate treatments for transmission of electric energy in interstate commerce by public utilities for the purpose of benefiting consumers by either promoting reliability or reducing the cost of delivered power by reducing transmission congestion.<sup>15</sup> Order No. 679 specifically provides for recovery of 100 percent of prudently incurred costs associated with abandoned transmission projects within transmission rates when such abandonment is outside the control of management because such recovery constitutes “an effective means to encourage transmission development by reducing the risk of non-recovery of costs.”<sup>16</sup>

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<sup>13</sup> 16 U.S.C. §§ 824s(b)(4)(A) and 824s(c).

<sup>14</sup> Order No. 679; Energy Policy Act of 2005, Pub. L. No. 109-58, 119 Stat. 594 (2005).

<sup>15</sup> Even if the Commission finds an applicant has not met the requirements of FPA Section 219, the Commission can approve incentives pursuant to its inherent authority under FPA Section 205 to allow rate treatment which promotes, for example, its policy goals. *See* Order No. 679-A, at P 21 n.37. The Window 3 Project promotes Commission policy of addressing reliability issues resulting, in part, from generator retirements, thereby supporting the energy transition. The Commission’s policy should also support the rapid transmission development needed to meet unanticipated and unprecedented load growth on an expediated basis.

<sup>16</sup> Order No. 679 at P 163.

In November 2012, the Commission issued the Incentive Policy Statement providing additional guidance regarding its evaluation of applications for transmission rate incentives under Section 219 and Order No. 679. The Incentive Policy Statement affirmed that “risk-reducing incentives may mitigate risk not accounted for in base ROE, and we therefore expect incentives applicants to first examine the use of risk-reducing incentives before seeking an incentive ROE based on a project’s risks and challenges.”<sup>17</sup>

Exelon is requesting only a single incentive, *i.e.*, 100 percent of prudently incurred costs if the Window 3 Project is abandoned for reasons beyond BGE’s, DPL’s, PECO’s, or Pepco’s control. The request for the Abandoned Plant Incentive is consistent with the approach set forth by the Commission in the Incentive Policy Statement.<sup>18</sup> Exelon requests that the Commission approve the recovery of all prudent expenditures incurred by BGE, DPL, PECO, and Pepco in connection with the Window 3 Project,<sup>19</sup> if the Window 3 Project is subsequently abandoned, in whole or in part, for reasons beyond the control of BGE, DPL, PECO, or Pepco.

As discussed below, the Window 3 Project should be awarded the Abandoned Plant Incentive for reasons that include: (1) the Window 3 Project satisfies the Order No. 679 rebuttable presumption given that it was approved in the PJM RTEP process; (2) the requested incentive is narrowly tailored to address the risks and challenges faced in constructing the Window 3 Project; (3) the scope of the Window 3 Project may be altered, in whole or in part, beyond the control of BGE, DPL, PECO, or Pepco; and (4) state and local certificate, siting, and ROW approvals may be challenged by landowners or other stakeholders.

#### **IV. Summary of Incentive Requested**

To reiterate, pursuant to Commission practice,<sup>20</sup> Exelon limits this request to the recovery of 100 percent of abandonment costs incurred on and after the date of issuance of a Commission order granting this application.<sup>21</sup> For that reason, Exelon requests the earliest effective date provided by statute, *i.e.*, the expiration of the notice period, as Exelon has already begun expending costs on this Project in an effort to meet in-service date targets to mitigate reliability risks.

The Abandoned Plant Incentive would be applied to project costs if the Window 3 Project is abandoned, either in full or in part, for reasons outside the control of BGE, DPL, PECO, or Pepco. Because the Window 3 Project, or a subset thereof, could be abandoned for any number

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<sup>17</sup> Incentive Policy Statement, *supra* n.3, at P 11.

<sup>18</sup> *Id.* PP 11-16.

<sup>19</sup> Exelon makes this request in recognition of the Commission’s holding in *PJM Interconnection, L.L.C. and Pub. Serv. Elec. and Gas Co.*, 140 FERC ¶ 61,197, at P 24 (2012).

<sup>20</sup> See, e.g., *PJM Interconnection, L.L.C. and Public Service Electric and Gas Co.*, *supra*, 140 FERC at PP 24 and 26, and *PJM Interconnection, L.L.C.*, 158 FERC ¶ 61,089, at P 51 (2017) (hereinafter “*Transource Order*”).

<sup>21</sup> BGE, DPL, PECO, and Pepco recognize that the companies are eligible for 50 percent of their prudently incurred costs prior to issuance of an order approving the requested incentive treatment.

of reasons outside of the control of the utilities as more fully discussed herein, Exelon submits there is good cause for the Commission to grant this application.

## **V. The Window 3 Project Meets All Criteria for the Abandoned Plant Incentive**

### **A. The Window 3 Project satisfies the rebuttable presumption**

Order No. 679 provides that, to obtain a transmission rate incentive under Section 219 of the FPA, an applicant seeking incentive transmission rates must demonstrate that the project for which it seeks incentives either promotes reliability or reduces the cost of delivered power by reducing transmission congestion.<sup>22</sup> The Commission established a rebuttable presumption that the threshold Section 219 requirement is met if: (1) the transmission project results from a fair and open regional planning process that considers and evaluates projects for reliability and/or congestion; or (2) the transmission project has received construction approval from an appropriate state commission or state siting authority.<sup>23</sup>

As indicated above, in February 2023, PJM opened 2022 RTEP Window 3 seeking solutions to resolve potential reliability criteria violations on certain facilities resulting from anticipated increased electricity demand, combined with the retirement of fossil-fuel generators. Specifically, PJM considered the impact of the siting of up to 7,500 MW of new data centers in Virginia and Maryland, as well as widespread effects from the recent deactivation of more than 11,000 MW of generation across the PJM footprint of 13 states and Washington, D.C. PJM's analysis revealed transmission reinforcements were necessary to maintain system reliability. As a result, PJM solicited proposals through its RTEP process to develop robust, holistic, and expandable solutions that address the 2027/28 baseline reliability criteria violations it identified.

After receiving and reviewing 72 proposals from 10 entities, PJM ultimately selected a comprehensive set of preferred solutions to address the Window 3 Needs that includes components of proposals submitted by BGE, DPL, PECO, and Pepco. PJM presented its preferred solutions to stakeholders at the October 31, 2023, December 5, 2023, and January 9, 2024, TEAC meetings.<sup>24</sup> The PJM Board approved the Project,<sup>25</sup> and PJM notified BGE that it was designated construction responsibility for eleven components of the Window 3 Project,<sup>26</sup> DPL that it was designated construction responsibility for one component of the Window 3 Project,<sup>27</sup> PECO that it was designated construction responsibility for eight components of the

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<sup>22</sup> Order No. 679, *supra*, at P 37; Order No. 679-A, *supra*, at P 5.

<sup>23</sup> Order No. 679, *supra*, at P 58; Order No. 679-A, *supra*, at P 49 (stating that regional planning processes would “in all likelihood” consider such factors).

<sup>24</sup> See TEAC Materials, *supra* n.7.

<sup>25</sup> As indicated above, it is anticipated that the PJM Board will vote on approving one component of the Window 3 Project, b3800.52, during its February 28, 2024 meeting. See *supra* note 12.

<sup>26</sup> See Attachment B.

<sup>27</sup> See Attachment C.



Window 3 Project,<sup>28</sup> and Pepco that it was designated construction responsibility for six components of the Window 3 Project.<sup>29</sup> Exelon accepted the designations on January 26, 2024. The Window 3 Project includes components with estimated in-service dates of June 1, 2027 and initial estimated costs of: (1) \$633.87 million for BGE; (2) \$4.00 million for DPL; (3) \$66.08 million for PECO;<sup>30</sup> and (4) \$74.98 million for Pepco. Given the compressed development timeline, BGE, DPL, PECO, and Pepco are required to incur costs on an expedited basis and, therefore, respectfully request approval of this Abandonment Plant Incentive at the earliest possible date permitted by statute.

As the Commission has found on numerous occasions, a project (such as the Window 3 Project) satisfies the rebuttable presumption that it will improve reliability and reduce congestion by being approved in a regional transmission planning process, such as the PJM RTEP process.<sup>31</sup> The PJM RTEP process is a Commission-approved “fair and open regional planning process” that PJM uses to determine whether a project ensures reliability and reduces congestion.<sup>32</sup> Further, the Commission explained that inclusion of projects as PJM RTEP baseline projects<sup>33</sup> “means that PJM made a determination that the projects are regional in nature and mitigate congestion or ensure PJM’s ability to continue to serve load reliably.”<sup>34</sup> The Window 3 Project has been approved by the PJM Board for inclusion in the PJM RTEP as a baseline project.

Accordingly, in making this request, there is a rebuttable presumption to be applied in favor of the application because PJM’s entire RTEP process, through which the Window 3 Project was identified and selected by PJM and approved by the PJM Board as a baseline project, meets the standard set for such a rebuttable presumption.<sup>35</sup>

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<sup>28</sup> See Attachment D.

<sup>29</sup> See Attachment E.

<sup>30</sup> Since PJM issued its designated entity letter to PECO, the estimated cost of component b3800.45 was reduced from \$10.2 million to \$0.8 million. Additionally, the new PECO component, b3800.52 with an estimated cost of \$7.86 million, was identified and presented by PJM during the January 9, 2024, TEAC meeting. See *supra* note 12.

<sup>31</sup> See *Transource Order*, *supra*, at P 19. See also, *Midcontinent Independent System Operator, Inc.*, 184 FERC ¶ 61,136, at P 16 (2023) and *GridLiance West LLC*, 184 FERC ¶ 61,129, at P 11 (2023 and cases cited therein).

<sup>32</sup> *PJM Interconnection, L.L.C.*, 133 FERC ¶ 61,273, at P 41 (2010); see also *PJM Interconnection, L.L.C.*, 133 FERC ¶ 61,273, at P 41 (finding that the projects qualify for a rebuttable presumption because “[e]ach project was vetted and approved as part of PJM’s 2009 RTEP as a baseline project”); see also *Pub. Serv. Elec. & Gas Co.*, 129 FERC ¶ 61,300, at P 22 (2009) (a baseline project included in the PJM RTEP “that the Commission has consistently found to be fair and open” satisfies the rebuttable presumption) (internal citation omitted); *Baltimore Gas & Electric Co.*, *supra*, 120 FERC ¶ 61,084 at P 41.

<sup>33</sup> “Projects that are identified as ‘baseline’ projects in the PJM RTEP process are those that benefit customers in one or more transmission owner zones for the purpose of maintaining reliability or mitigating congestion on the PJM grid.” *Potomac-Appalachian Transmission Highland L.L.C.*, 122 FERC ¶ 61,188, at P 29 (2008).

<sup>34</sup> *Baltimore Gas & Electric Co.*, *supra*, 120 FERC ¶ 61,084 at P 41.

<sup>35</sup> The Commission recently found that a project identified through PJM’s 2022 RTEP Window 3 was entitled to the rebuttable presumption and met the requirements of FPA, Section 219. *NextEra Energy Transmission MidAtlantic Indiana, Inc., et al.*, 186 FERC ¶ 61,052, at P 17 (2024).

## **B. The Window 3 Project satisfies the required nexus**

Order No. 679's "nexus test" requires showing "a nexus between the incentives being sought and the investment being made." The Commission has also stated that there must be a nexus between the "total package of incentives requested is tailored to address the demonstrable risks or challenges faced by the applicant" and the Commission will approve "multiple rate incentives for particular projects as long as each incentive satisfies the nexus test."<sup>36</sup> As part of its examination, the Commission has considered whether a project is routine<sup>37</sup> and has identified several relevant factors it may consider in reaching that decision, including: (i) the scope of the project, (ii) the effect of the project, and (iii) the challenge or risk facing the project.

Further, the Commission clarified that, in addition to "the challenges presented by the scope and size of a project, factors like various federal and state siting approvals introduce a significant element of risk."<sup>38</sup> As demonstrated below, the Window 3 Project satisfies the Commission's nexus test because the need for the Window 3 Project has already been determined by PJM under its RTEP protocols; BGE, DPL, PECO, and Pepco have commenced all necessary action to obtain approval for and undertake construction and operation of, their assigned portions of the Window 3 Project; and they face numerous risks previously recognized as deserving of the requested incentive in similar situations.

Facing near-term reliability issues, BGE, DPL, PECO, and Pepco will need to act on an expedited basis. This urgency, coupled with the significant additional risks and challenges highlighted below, more than demonstrates that the Window 3 Project merits incentive treatment. Specifically, the myriad of risks facing the Window 3 Project include the following:

### **i. Future offshore wind State Agreement Approach projects or outcomes of PJM Open Windows could impact the Window 3 Project**

There are multiple scenarios related to ongoing transmission planning activities that could lead PJM to require scope changes to the Window 3 Project, each of which creates risks to the Project. For instance, both Maryland and New Jersey are in the process of conducting solicitations to procure offshore wind energy, which will ultimately lead to the need to accommodate injections of power from offshore wind generators (likely in New Jersey, Maryland, and Delaware). The associated transmission needs could be in the same general

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<sup>36</sup> *Transource Order, supra*, at P 20 (2017); *see also* Order No. 679-A, at P 40.

<sup>37</sup> While the *Incentive Policy Statement* at P 10 explains that the Commission will "re-frame its application of the nexus test" to "no longer rely on the routine/non-routine analysis," the Window 3 Project meets the criteria for being "non-routine" in that it is fraught with "regulatory and political risks" and "other impediments" to approval as explained herein. Moreover, the size and scope of the Window 3 Project, including the investment amount, is significant. *Baltimore Gas & Electric Co.*, 120 FERC ¶ 61,084 at n. 53. Another non-routine feature within the PJM project approval process is that the obligation by the designated entity to construct, own and/or finance enhancements or expansions specified in the RTEP is expressly made subject "to the right to recover . . . all reasonably incurred costs . . ." *See* Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. ("Operating Agreement"), Schedule 6, Section 1.7(a). This application is intended to secure that condition.

<sup>38</sup> *See Incentive Policy Statement, supra* n.3, at P 14.

geographic area of the grid and may interact with, and require modification of, the Window 3 Project.<sup>39</sup>

Moreover, PJM is expected to open a reliability window in June or July 2024 and may be opening the Market Efficiency window by 2025 to identify and potentially resolve certain reliability and market congestion issues. The results of such windows could require modifications to the Window 3 Project.

Thus, while the Window 3 Project clearly addresses independent and anticipated reliability needs due to the projected significant increase in data center load growth, all of the other forecasted transmission planning activities in and around the same part of the PJM transmission system create the possibility that PJM will need to direct modification of the Project, in whole or in part, which creates risks and challenges that merit granting the Abandoned Plant Incentive.

**ii. Obtaining land and siting and permitting approvals introduces significant project risk**

There is a risk of local opposition from stakeholders, particularly landowners, because the Window 3 Project will require a substantial number of miles of new facilities. While this development will take place predominantly in existing ROW, construction will nonetheless require certificate authorization from the relevant state commissions. Local opposition may result in permitting delays, undergrounding requirements that may increase the costs associated with the Project, or litigation over the Project's scope and construction. The Commission has granted incentive treatment to projects that have similar siting risks.<sup>40</sup>

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<sup>39</sup> In April 2023, Maryland passed the Promoting Offshore Wind Energy Resources (POWER) Act, which, among other things, requires the Maryland Public Service Commission to request that PJM study transmission system upgrade and expansion options necessary to accommodate 8.5 GW of offshore wind energy. *See Promoting Offshore Wind Energy Resources Act* (Apr. 21, 2023), [https://mgaleg.maryland.gov/2023RS/Chapters\\_noln/CH\\_95\\_sb0781e.pdf](https://mgaleg.maryland.gov/2023RS/Chapters_noln/CH_95_sb0781e.pdf). Also in April 2023, the State of New Jersey Board of Public Utilities ("NJ BPU") issued an order declaring it public policy to expand the electric transmission system to accommodate the buildout of 11,000 megawatts of offshore wind generation by 2040 and requesting that PJM incorporate New Jersey's offshore wind goals into the PJM transmission planning process, via the State Agreement Approach ("SAA"). *In the Matter of the Second State Agreement Approach for Offshore Wind Transmission*, Order, NJBPU Docket No. QO23030129 (Apr. 26, 2023), <https://www.nj.gov/bpu/pdf/boardorders/2023/20230426/8D%20ORDER%20OSW%202nd%20Transmission.pdf>. As a result, PJM recently filed a SAA Study Agreement between the NJ BPU and PJM, which, among other things, "provides notice to stakeholders that [this SAA request] shall be included in the next applicable RTEP cycle, *i.e.*, the 2024 RTEP cycle, and used as inputs for the development of the RTEP." *See PJM Interconnection, L.L.C.*, New Jersey State Agreement Approach 2.0 Study Agreement, SA No. 7156, Docket No. ER24-1187-000, at 2 (Feb. 2, 2024).

<sup>40</sup> *See Transource Pennsylvania, LLC*, 184 FERC ¶ 61,091, at P 51. This case involves the PJM-approved Project 9A, which was intended to traverse several states, including those where the Window 3 Project is located, and was rejected by the Pennsylvania Public Utilities Commission. *Applications of Transource PA, LLC*, Docket Nos. A-2017-2640195 and A-2017-2640200, 2021 PA PUC LEXIS 143 (Pa. Pub. Util Comm'n, Order entered May 24, 2021); *see PJM Interconnection, L.L.C.*, 185 FERC ¶ 61,200 (2023).

The Window 3 Project includes work scope in several states—Maryland, Delaware, and Pennsylvania—which will require BGE, DPL, PECO, and Pepco to obtain necessary permits and approvals from different state and local regulatory bodies and will subject the Project to numerous environmental and other regulatory standards and requirements. Specifically, the Window 3 Project requires the acquisition of approximately 86 acres of land in York County, Pennsylvania for the Peach Bottom Expansion, as well as 1.25 miles of expanded ROW in York County, Pennsylvania. In addition, new transmission facilities within existing ROW in Maryland will require Maryland Public Service Commission approval.

**iii. Success of the Window 3 Project rests on the success of other entities avoiding project failure**

The Window 3 Project is composed of rebuilding and establishing three 500 kV transmission paths that traverse both Pennsylvania and Maryland. Two of the 500 kV transmission circuits will be approximately 70 miles in length and will require coordination with a third party, Transource Pennsylvania, LLC (“Transource”), because the 500 kV circuits intersect Transource’s awarded future North Delta substation. The other 500 kV transmission circuit will be approximately 52 miles long and jointly built among BGE, PPL Electric Utilities (“PPL”), and Public Service Enterprise Group, Inc (“PSEG”). If there are modifications, delays, or cancellations to other entities’ projects for reasons outside of the control of the utilities, it may materially impact PECO’s or BGE’s ability to design, engineer, site, and ultimately construct their components of the Project.

**iv. Announced generator retirements could be rescinded or other deactivations could be announced**

As indicated above, PJM considered generator deactivations in the analysis that revealed the need for the Window 3 Project.<sup>41</sup> For any number of reasons, a generator owner could make the business decision to withdraw its deactivation notice and instead either continue to own and operate its generating facility or transfer its capacity injection rights to another generation resource at that location. Should such possibilities come to fruition, PJM may determine that the Window 3 Project may need to be modified because certain elements of the Window 3 Project that complement and interact with the mitigation for these generator deactivations may no longer be necessary. Moreover, generator owners may announce intended deactivations of other generator units, which could lead to potential violations that will need to be addressed by modifying the Window 3 Project to provide a cost effective and efficient solution.<sup>42</sup> BGE, DPL, PECO, and Pepco are at the mercy of forces and decisions not of their own making should PJM,

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<sup>41</sup> For example, Talen Energy announced its intent to retire Unit 1 and Unit 2 at the Brandon Shores Generating Station. See PJM Interconnection, L.L.C., *Generation Deactivation Notification Update*, PJM.com, June 6, 2023, <https://www.pjm.com/-/media/committees-groups/committees/teac/2023/20230606/20230606-item-02---generation-deactivation-notification-update.ashx>.

<sup>42</sup> For instance, Talen has also notified PJM of its intent to deactivate H.A. Wagner LLC’s three oil-fired steam units and a combustion turbine rated at 841 MW in Anne Arundel County, Maryland as of June 1, 2025. See *Talen Energy*, Notice of Deactivation Date for H.A. Wagner 1,3,4 & CT under H.A. Wagner LLC, Oct. 16, 2023, <https://www.pjm.com/-/media/planning/gen-retire/deactivation-notices/wagner-deactivation-notice.ashx>.

for the reasons described above, determine that the Window 3 Project needs to be cancelled, expanded, delayed, advanced, or otherwise modified. It would be consistent with the Commission's incentives policy to ameliorate such risks by granting this application.

### **C. All the Above-Described Factors Support Granting this Application**

In summary, the above-described risks are the kinds for which the Commission has previously granted incentives. For example, the Commission has recognized that when local, state, or federal siting authorities reject an application, such rejection is beyond the control of management.<sup>43</sup> As explained above, the Window 3 Project has many different levels of approval at the state and local level, risking the same fate of cancellation as occurred with the PATH<sup>44</sup> and MAPP<sup>45</sup> Projects, two other multi-state baseline reliability projects. In such an instance, the Window 3 Project may have to be abandoned for reasons beyond BGE's, DPL's PECO's, or Pepco's control. The risks facing these four transmission owners resemble those presented in other cases where the Commission has recognized the appropriateness of granting the Abandoned Plant Incentive for projects crossing several jurisdictions, necessitating multiple layers of approvals by various authorities.<sup>46</sup>

In addition, PJM's periodic review within its RTEP protocols has resulted in PJM subsequently cancelling RTEP-approved projects.<sup>47</sup> Given the scope reevaluations that PJM could undertake due to generation changes or load changes, this risk to the Window 3 Project is substantial.

If any of these above-described events should transpire, part or all of the Window 3 Project could be cancelled, and BGE's, DPL's, PECO's, or Pepco's construction may have to be abandoned for reasons that are beyond their control. Accordingly, to provide an opportunity for "reasonably incurred costs" recovery that Section 1.7(a) of Schedule 6 of PJM's Operating Agreement makes a prerequisite to obligating BGE, DPL, PECO, and Pepco to proceed with PJM construction responsibility designations, Exelon requests that this protective abandonment cost recovery approval be granted. Such action by the Commission will thereby ensure that prudently incurred costs, made in compliance with PJM's RTEP construction designation, will be recoverable if the Window 3 Project is abandoned to any extent for reasons beyond BGE's, DPL's, PECO's, or Pepco's control.

The Abandoned Plant Incentive requested herein is narrowly tailored to the risks of project failure with no other incentives or protections being sought, thus demonstrating that this limited request is fully justified and should be granted. In other words, the nexus is clearly

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<sup>43</sup> Order No. 679 at P 165.

<sup>44</sup> *PJM Interconnection, L.L.C., et al.*, 141 FERC ¶ 61,177 (2012).

<sup>45</sup> *PJM Interconnection, L.L.C., et al.*, 152 FERC ¶ 61,254 (2015).

<sup>46</sup> See, e.g., *Baltimore Gas and Electric Co.*, 127 FERC ¶ 61,201 at P 41 (finding that any given required "series of approvals... risks cancellation.") and MAPP and PATH projects identified above.

<sup>47</sup> See, e.g., *Baltimore Gas and Electric Co.*, 130 FERC ¶ 61,120, at P 19 (2010) ("[T]he 2009 Retool updated the MAPP Project presented in PJM's 2007 RTEP and removed PSE&G's portion of the MAPP Project.").

drawn in that this single incentive is “tailored to address the demonstrable risks and challenges” identified above.<sup>48</sup>

### **ADVANCED TECHNOLOGY STATEMENT**

Exelon plans to use optical ground wires (“OPGW”), micro-processor based protective relays, digital fault recorders, High Temperature Low Sag (“HTLS”) transmission conductors, and gas insulated substations (“GIS”), which together will enhance the reliability and resilience of the Window 3 Project. Exelon will emphasize good utility practice and efficient engineering design and construction practices in developing the Window 3 Project.

### **REQUESTED EFFECTIVE DATE**

Exelon respectfully requests that the Commission issue an order that authorizes the requested Abandoned Plant Incentive for any and all prudently incurred costs to be subsequently filed for in the event of abandonment of the Window 3 Project for reasons beyond the control of BGE, DPL, PECO, or Pepco, effective April 24, 2024, 61 days from the date of filing of this application. Prompt Commission action is appropriate here because BGE, DPL, PECO, and Pepco are already expending costs in the development of the Window 3 Project and will be substantially increasing its investment in the near future. Accordingly, pursuant to the Commission’s Procedural Notice,<sup>49</sup> as it is specifically applicable to “abandonment costs” at page 3 and to a “formula rate” at page 4, Exelon is providing herewith the existing tariff records for Attachments H-2, H-3, H-7, and H-9 to the PJM OATT with an updated effective date of April 24, 2024, and is submitting this filing through eTariff.

### **ADDITIONAL SUPPORTING MATERIAL**

Exelon submits the following additional information in substantial compliance with relevant provisions of Section 35.13:

#### **VI. Contents of this Filing – Section 35.13(b)(1)**

This filing consists of the following documents:

- The instant Transmittal Letter;
- Attachment A: Verification of Application;
- Attachment B: PJM Designated Entity Letter to BGE;
- Attachment C: PJM Designated Entity Letter to DPL;
- Attachment D: PJM Designated Entity Letter to PECO;
- Attachment E: PJM Designated Entity Letter to Pepco;
- Attachment F: BGE Attachment H-2 to PJM OATT;

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<sup>48</sup> Order No. 679-A at P 48. *See also* Order No. 679 at P 26.

<sup>49</sup> *See* Procedural Notice, *supra* note 5.

- Attachment G: DPL Attachment H-3 to PJM OATT;
- Attachment H: PECO Attachment H-7 to PJM OATT; and
- Attachment I: Pepco Attachment H-9 to PJM OATT.

Exelon also submits that there is no need for an evidentiary hearing. In addition to the documentation submitted with this filing, consistent with Commission precedent, in the event the Commission approves the Abandoned Plant Incentive and BGE, DPL, PECO, or Pepco incurs abandoned plant costs, BGE, DPL, PECO, or Pepco would submit a separate FPA, Section 205 filing demonstrating that any costs it seeks to recover were prudently incurred and that the abandonment was due to events beyond the companies' reasonable control.<sup>50</sup>

## VII. List of Persons Receiving a Copy of This Filing – Section 35.13(b)(3)

On behalf of BGE, DPL, PECO, and Pepco, PJM has served a copy of this filing on all PJM Members and all state utility commissions in the PJM Region by posting this filing electronically. In accordance with the Commission's regulations,<sup>51</sup> PJM will post a copy of this filing to the FERC filings section of its website, located at the following link: <https://www.pjm.com/library/filing-order> with a specific link to the newly-filed document, and will send an email on the same date as this filing to all PJM Members and all state utility commissions in the PJM Region<sup>52</sup> alerting them that this filing has been made by PJM and is available through the referenced link within 24 hours of the filing.

In addition, a copy of this filing is being served by BGE, DPL, and Pepco on representatives of the Maryland Public Service Commission and the Maryland Office of People's Counsel, and is also available for public inspection, during regular business hours, in a convenient form and place, at the offices of BGE, DPL, and Pepco. Furthermore, a copy of this filing is being served by DPL on representatives of the Delaware Public Service Commission and the Delaware Division of the Public Advocate, and is also available for public inspection, during regular business hours, in a convenient form and place, at the offices of DPL. Similarly, a copy of this filing is being served by PECO on representatives of the Pennsylvania Public Utilities Commission and the Pennsylvania Office of Consumer Advocate, and is also available for public inspection, during regular business hours, in a convenient form and place, at the offices of PECO. Finally, a copy of this filing is being served by Pepco on representatives of the District of Columbia Public Service Commission and the District of Columbia Office of Peoples' Counsel, and is also available for inspection, during regular business hours, in a convenient form and place, at the offices of Pepco.

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<sup>50</sup> See Order No. 679 at P 166.

<sup>51</sup> See 18 C.F.R. §§ 35.2(e) and 385.2010(f)(3).

<sup>52</sup> PJM already maintains updates, and regularly uses e-mail lists for all PJM members and affected state commissions.

Also, a copy of this filing will be available on the Commission's eLibrary website located at the following link: <http://www.ferc.gov/docs-filing/elibrary.asp> in accordance with the Commission's regulations and Order No. 714.

### **MISCELLANEOUS**

No agreement is required by contract for the filing of this rate application. There are no costs included in this filing that have been alleged or adjudged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs, nor has any expense or cost been demonstrated to be the product of discriminatory or employment practices, within the meaning of Section 35.13(d)(3).

### **NOTICE AND CORRESPONDENCE**

Exelon requests that all communications regarding this filing be directed to the individuals listed below and that their names be entered on the official service list maintained by the Secretary for this proceeding:

Jordan Kwok  
Director, Federal Regulatory Affairs  
Exelon Corporation  
701 Ninth Street, N.W.  
Washington, D.C. 20068  
818-321-0673  
[jordan.kwok@exeloncorp.com](mailto:jordan.kwok@exeloncorp.com)

Alejandro Bautista  
Assistant General Counsel  
Exelon Corporation  
2301 Market Street  
Philadelphia, PA 19101  
267-533-0120  
[alejandrobautista@exeloncorp.com](mailto:alejandrobautista@exeloncorp.com)



## **SUMMARY AND CONCLUSION**

For all the reasons set forth herein, Exelon respectfully requests that the Commission grant its request for the Abandoned Plant Incentive.

Respectfully submitted,

/s/ Alejandro Bautista

Alejandro Bautista

Exelon Corporation

2301 Market Street

Philadelphia, PA 19101

267-533-0120

[alejandro.bautista@exeloncorp.com](mailto:alejandro.bautista@exeloncorp.com)

*On behalf of BGE, DPL, PECO, and Pepco*

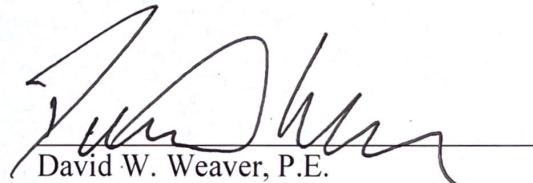
**Attachment A**  
**Verification of Application**

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

Exelon Corporation, on behalf of Baltimore )  
Gas and Electric Company, Delmarva )  
Power & Light Company, PECO Energy )      Docket No. ER24-\_\_\_\_-000  
Company, and Potomac Electric )  
Power Company )

**VERIFICATION OF APPLICATION**

I, David W. Weaver, P.E., being duly sworn, deposes and says that I am the Vice President of Transmission Strategy at Exelon Corporation, submitting this Verification on behalf of the Applicants in the above-referenced proceeding: I have the authority to verify the foregoing submittal on behalf of the Applicants: I have read the Application, and all of the statements contained therein are true and correct to the best of my knowledge, information and belief.

  
\_\_\_\_\_  
David W. Weaver, P.E.  
Vice President Transmission Strategy  
Exelon Corporation

Subscribed and sworn before me, the undersigned notary public,  
this 5<sup>th</sup> day of February, 2024.

Kristen Clements  
Notary Public

My Commission Expires: 7/25/27

Commonwealth of Pennsylvania - Notary Seal  
Kristen Clements, Notary Public  
Philadelphia County  
My commission expires July 25, 2027  
Commission number 1434285

Member, Pennsylvania Association of Notaries

**Attachment B**  
**PJM Designated Entity Letter to BGE**



2750 Monroe Boulevard  
Audubon, PA 19403

December 29, 2023

Dear Designated Entity:

This letter is notification that Baltimore Gas & Electric Company (BGE) is the Designated Entity with construction responsibility for PJM baseline upgrades that were approved by the PJM board on December 11, 2023.

At their meeting on December 11, 2023, the PJM Board of Managers (PJM Board) approved portions of the Regional Transmission Expansion Plan (RTEP) pursuant to Schedule 6 of the PJM Operating Agreement. Schedule 6 – Regional Transmission Expansion Planning Protocol – governs the process for planning the expansion and enhancement of transmission facilities to meet reliability criteria and to enhance market efficiency and to address ARR insufficiency.

Attachment A to this letter identifies BGE as the Designated Entity for each upgrade as provided for in the RTEP<sup>1</sup> as presently approved by the PJM Board. A complete summary of the total RTEP for reliability and market efficiency can be obtained from the PJM web page at the following link: <https://www.pjm.com/planning/project-construction.aspx>

Attachment B lists the projects that have experienced a change in scope.

Attachment C lists the projects that are no longer included in the PJM RTEP as baseline upgrades and are cancelled. The Transmission Owner may still wish to construct some or all of these projects. In that case, the corresponding scope of work should be coordinated with PJM and assigned a supplemental project upgrade identifier.

In accordance with the PJM Operating Agreement, Schedule 6, Section 1.5.8, within 30 days of receiving this notification of its designation, the Designated Entity shall notify the Office of the Interconnection of its acceptance of such designation and submit to the Office of the Interconnection a development schedule, which shall include, but not be limited to, milestones necessary to develop and construct the projects to achieve the required in-service dates, including milestone dates for obtaining all necessary authorizations and approvals, including but not limited to, state approvals. Your response should be sent to PJM attention at the following email address: [PJM.CRL@pjm.com](mailto:PJM.CRL@pjm.com). You will then be contacted by staff from PJM's Transmission Coordination & Analysis Department to develop and implement the applicable agreements.

Outage coordination of planned upgrades is a critical part of the near term planning process. PJM requests that the identified Transmission Owners and/or the Designated Entity determine preliminary outage schedules associated with the attached construction work and communicate those schedules to PJM by way of the eDART system as soon as possible. In addition the Transmission Owners are reminded to submit, via eDART, updated technical parameters for the upgrades (ratings, impedance, etc.) per PJM Manual requirements prior to placing the upgrades in service.

To timely meet the needed in-service date of the projects, all necessary state approvals should be obtained at least nine months prior to the required in-service dates specified in Attachment A to this document.

If there are any inaccuracies in the data below, such as the cost estimates or in service dates, or there is a disagreement about the construction designee, please contact Augustine Caven, Manager PJM Transmission Coordination & Analysis at [Augustine.Caven@pjm.com](mailto:Augustine.Caven@pjm.com).

Finally, PJM asks for your assistance in identifying any projects that may require corresponding coordination and/or system enhancements with a neighboring Transmission Owner or other entity. This is to include a review of local remedial action schemes (RASs), including those owned by neighboring Transmission Owner or other entities. Any potential impact and resulting change to an RAS should be coordinated with the RAS owner and PJM. Occasionally, the need for this coordination may be identified after the initial planning identification of the need for the RTEP upgrade.

Thank you for your timely response to this letter. Our Transmission Coordination & Analysis Staff will be contacting you to coordinate the development of the Designated Entity agreement.

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<sup>1</sup> This letter is not intended to raise any issues regarding the current or future cost allocation for the subject facilities. Any such issues should be addressed as part of the proceedings related to those issues.





2750 Monroe Boulevard  
Audubon, PA 19403

Sincerely,

A handwritten signature in black ink that reads "Paul McGlynn". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Paul McGlynn  
VP, Planning

cc: Kenneth Seiler; Sami Abdulsalam; Augustine Caven; Asanga Perera; Dave Egan; Susan McGill



**Attachment A: New required RTEP projects:**

In 2023 it was determined that the baseline reliability projects listed below are required to be constructed. These baseline reliability projects are required to be constructed by the PJM required in-service date.

New required RTEP projects:

PJM Baseline Upgrade ID	Project Description	Cost Estimate (\$M)	Construction Designation	Required In-Service Date	Related To Tie Line	Transmission Owner Projected In-Service Date
b3800.26	Build High Ridge 500 kV substation - Three bay breaker and half configuration.	\$0.00	BGE	6/1/2027	No	
b3800.27	High Ridge 500 kV substation (cut into Brighton-Waugh Chapel 500 kV line) - Waugh Chapel side.	\$33.67	BGE	6/1/2027	Yes	
b3800.28	High Ridge 500 kV substation (cut into Brighton-Waugh Chapel 500 kV line) - Brighton side.	\$33.67	BGE	6/1/2027	Yes	
b3800.29	High Ridge termination for the North Delta-High Ridge 500 kV line.	\$33.67	BGE	6/1/2027	No	
b3800.30	High Ridge - Install two 500/230 kV transformers.	\$22.11	BGE	6/1/2027	No	
b3800.32	Build new North Delta-High Ridge 500 kV line. (~59 miles).	\$407.11	BGE	6/1/2027	Yes	
b3800.34	Rebuild 5012 (existing Peach Bottom-Conastone) (new Gracetone-Conastone) 500 kV line on single circuit structures within existing ROW and cut into North Delta 500 kV and Gracetone 500 kV stations.	\$70.00	BGE	6/1/2027	Yes	
b3800.36	Rebuild 5012 (existing Peach Bottom-Conastone) (new North Delta-Gracetone BGE) 500 kV line on single circuit structures within existing ROW and cut into North Delta 500 kV and Gracetone 500 kV stations.	\$10.44	BGE	6/1/2027	Yes	
b3800.37	Replace terminal equipment limitations at Conastone 500 kV - on the (existing Peach Bottom-Conastone) or (new Gracetone-Conastone) 500 kV line.	\$4.93	BGE	6/1/2027	No	
b3800.4	New Otter Creek to Doubs 500 kV line (MD Border-PSEG Demarcation Point). Rebuild and expand existing ~1.6 miles of Otter Creek-Conastone 230 kV line to become a double-circuit 500 and 230 kV lines.	\$11.11	BGE	6/1/2027	Yes	
b3800.41	Conastone-Brighton 500 kV (5011 circuit) - Replace terminal equipment limitations at Conastone 500 kV.	\$7.16	BGE	6/1/2027	Yes	



2750 Monroe Boulevard  
Audubon, PA 19403

**Attachment B: RTEP projects with Change in Scope:**

In 2023 it was determined that the baseline reliability projects listed below required a change in scope. These baseline reliability projects are required to be constructed by the PJM required in-service date.

RTEP projects with Change in Scope: None





2750 Monroe Boulevard  
Audubon, PA 19403

**Attachment C: Cancelled RTEP projects:**

In 2023 it was determined that the projects listed below are no longer included in the PJM RTEP as baseline upgrades. The Transmission Owner may still wish to construct some or all of these projects. In that case, the corresponding scope of work should be coordinated with PJM and assigned a supplemental project upgrade identifier.

Cancelled RTEP projects: None

**Attachment C**  
**PJM Designated Entity Letter to DPL**



2750 Monroe Boulevard  
Audubon, PA 19403

December 29, 2023

Dear Designated Entity:

This letter is notification that Delmarva Power & Light Company (DPL) is the Designated Entity with construction responsibility for PJM baseline upgrades that were approved by the PJM board on December 11, 2023.

At their meeting on December 11, 2023, the PJM Board of Managers (PJM Board) approved portions of the Regional Transmission Expansion Plan (RTEP) pursuant to Schedule 6 of the PJM Operating Agreement. Schedule 6 – Regional Transmission Expansion Planning Protocol – governs the process for planning the expansion and enhancement of transmission facilities to meet reliability criteria and to enhance market efficiency and to address ARR insufficiency.

Attachment A to this letter identifies DPL as the Designated Entity for each upgrade as provided for in the RTEP<sup>1</sup> as presently approved by the PJM Board. A complete summary of the total RTEP for reliability and market efficiency can be obtained from the PJM web page at the following link: <https://www.pjm.com/planning/project-construction.aspx>

Attachment B lists the projects that have experienced a change in scope.

Attachment C lists the projects that are no longer included in the PJM RTEP as baseline upgrades and are cancelled. The Transmission Owner may still wish to construct some or all of these projects. In that case, the corresponding scope of work should be coordinated with PJM and assigned a supplemental project upgrade identifier.

In accordance with the PJM Operating Agreement, Schedule 6, Section 1.5.8, within 30 days of receiving this notification of its designation, the Designated Entity shall notify the Office of the Interconnection of its acceptance of such designation and submit to the Office of the Interconnection a development schedule, which shall include, but not be limited to, milestones necessary to develop and construct the projects to achieve the required in-service dates, including milestone dates for obtaining all necessary authorizations and approvals, including but not limited to, state approvals. Your response should be sent to PJM attention at the following email address: [PJM.CRL@pjm.com](mailto:PJM.CRL@pjm.com). You will then be contacted by staff from PJM's Transmission Coordination & Analysis Department to develop and implement the applicable agreements.

Outage coordination of planned upgrades is a critical part of the near term planning process. PJM requests that the identified Transmission Owners and/or the Designated Entity determine preliminary outage schedules associated with the attached construction work and communicate those schedules to PJM by way of the eDART system as soon as possible. In addition the Transmission Owners are reminded to submit, via eDART, updated technical parameters for the upgrades (ratings, impedance, etc.) per PJM Manual requirements prior to placing the upgrades in service.

To timely meet the needed in-service date of the projects, all necessary state approvals should be obtained at least nine months prior to the required in-service dates specified in Attachment A to this document.

If there are any inaccuracies in the data below, such as the cost estimates or in service dates, or there is a disagreement about the construction designee, please contact Augustine Caven, Manager PJM Transmission Coordination & Analysis at [Augustine.Caven@pjm.com](mailto:Augustine.Caven@pjm.com).

Finally, PJM asks for your assistance in identifying any projects that may require corresponding coordination and/or system enhancements with a neighboring Transmission Owner or other entity. This is to include a review of local remedial action schemes (RASs), including those owned by neighboring Transmission Owner or other entities. Any potential impact and resulting change to an RAS should be coordinated with the RAS owner and PJM. Occasionally, the need for this coordination may be identified after the initial planning identification of the need for the RTEP upgrade.

Thank you for your timely response to this letter. Our Transmission Coordination & Analysis Staff will be contacting you to coordinate the development of the Designated Entity agreement.

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<sup>1</sup> This letter is not intended to raise any issues regarding the current or future cost allocation for the subject facilities. Any such issues should be addressed as part of the proceedings related to those issues.



2750 Monroe Boulevard  
Audubon, PA 19403

Sincerely,

A handwritten signature in black ink that reads "Paul McGlynn". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Paul McGlynn  
VP, Planning

cc: Kenneth Seiler; Sami Abdulsalam; Augustine Caven; Asanga Perera; Dave Egan; Susan McGill



2750 Monroe Boulevard  
Audubon, PA 19403

**Attachment A: New required RTEP projects:**

In 2023 it was determined that the baseline reliability projects listed below are required to be constructed. These baseline reliability projects are required to be constructed by the PJM required in-service date.

New required RTEP projects:

PJM Baseline Upgrade ID	Project Description	Cost Estimate (\$M)	Construction Designation	Required In-Service Date	Related To Tie Line	Transmission Owner Projected In-Service Date
b3800.39	Red Lion-Hope Creek 500 kV - Replace terminal equipment at Red Lion.	\$4.00	DPL	6/1/2027	Yes	



2750 Monroe Boulevard  
Audubon, PA 19403

**Attachment B: RTEP projects with Change in Scope:**

In 2023 it was determined that the baseline reliability projects listed below required a change in scope. These baseline reliability projects are required to be constructed by the PJM required in-service date.

RTEP projects with Change in Scope: None



2750 Monroe Boulevard  
Audubon, PA 19403

**Attachment C: Cancelled RTEP projects:**

In 2023 it was determined that the projects listed below are no longer included in the PJM RTEP as baseline upgrades. The Transmission Owner may still wish to construct some or all of these projects. In that case, the corresponding scope of work should be coordinated with PJM and assigned a supplemental project upgrade identifier.

Cancelled RTEP projects: None

**Attachment D**  
**PJM Designated Entity Letter to PECO**





2750 Monroe Boulevard  
Audubon, PA 19403

January 2, 2024

Dear Designated Entity:

This letter is notification that PECO Energy Company (PECO) is the Designated Entity with construction responsibility for PJM baseline upgrades that were approved by the PJM board on December 11, 2023.

At their meeting on December 11, 2023, the PJM Board of Managers (PJM Board) approved portions of the Regional Transmission Expansion Plan (RTEP) pursuant to Schedule 6 of the PJM Operating Agreement. Schedule 6 – Regional Transmission Expansion Planning Protocol – governs the process for planning the expansion and enhancement of transmission facilities to meet reliability criteria and to enhance market efficiency and to address ARR insufficiency.

Attachment A to this letter identifies PECO as the Designated Entity for each upgrade as provided for in the RTEP<sup>1</sup> as presently approved by the PJM Board. A complete summary of the total RTEP for reliability and market efficiency can be obtained from the PJM web page at the following link: <https://www.pjm.com/planning/project-construction.aspx>

Attachment B lists the projects that have experienced a change in scope.

Attachment C lists the projects that are no longer included in the PJM RTEP as baseline upgrades and are cancelled. The Transmission Owner may still wish to construct some or all of these projects. In that case, the corresponding scope of work should be coordinated with PJM and assigned a supplemental project upgrade identifier.

In accordance with the PJM Operating Agreement, Schedule 6, Section 1.5.8, within 30 days of receiving this notification of its designation, the Designated Entity shall notify the Office of the Interconnection of its acceptance of such designation and submit to the Office of the Interconnection a development schedule, which shall include, but not be limited to, milestones necessary to develop and construct the projects to achieve the required in-service dates, including milestone dates for obtaining all necessary authorizations and approvals, including but not limited to, state approvals. Your response should be sent to PJM attention at the following email address: [PJM.CRL@pjm.com](mailto:PJM.CRL@pjm.com). You will then be contacted by staff from PJM's Transmission Coordination & Analysis Department to develop and implement the applicable agreements.

Outage coordination of planned upgrades is a critical part of the near term planning process. PJM requests that the identified Transmission Owners and/or the Designated Entity determine preliminary outage schedules associated with the attached construction work and communicate those schedules to PJM by way of the eDART system as soon as possible. In addition the Transmission Owners are reminded to submit, via eDART, updated technical parameters for the upgrades (ratings, impedance, etc.) per PJM Manual requirements prior to placing the upgrades in service.

To timely meet the needed in-service date of the projects, all necessary state approvals should be obtained at least nine months prior to the required in-service dates specified in Attachment A to this document.

If there are any inaccuracies in the data below, such as the cost estimates or in service dates, or there is a disagreement about the construction designee, please contact Augustine Caven, Manager PJM Transmission Coordination & Analysis at [Augustine.Caven@pjm.com](mailto:Augustine.Caven@pjm.com).

Finally, PJM asks for your assistance in identifying any projects that may require corresponding coordination and/or system enhancements with a neighboring Transmission Owner or other entity. This is to include a review of local remedial action schemes (RASs), including those owned by neighboring Transmission Owner or other entities. Any potential impact and resulting change to an RAS should be coordinated with the RAS owner and PJM. Occasionally, the need for this coordination may be identified after the initial planning identification of the need for the RTEP upgrade.

Thank you for your timely response to this letter. Our Transmission Coordination & Analysis Staff will be contacting you to coordinate the development of the Designated Entity agreement.

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<sup>1</sup> This letter is not intended to raise any issues regarding the current or future cost allocation for the subject facilities. Any such issues should be addressed as part of the proceedings related to those issues.



2750 Monroe Boulevard  
Audubon, PA 19403

Sincerely,

A handwritten signature in black ink that reads "Paul McGlynn". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Paul McGlynn  
VP, Planning

cc: Kenneth Seiler; Sami Abdulsalam; Augustine Caven; Asanga Perera; Dave Egan; Susan McGill



**Attachment A: New required RTEP projects:**

In 2023 it was determined that the baseline reliability projects listed below are required to be constructed. These baseline reliability projects are required to be constructed by the PJM required in-service date.

New required RTEP projects:

PJM Baseline Upgrade ID	Project Description	Cost Estimate (\$M)	Construction Designation	Required In-Service Date	Related To Tie Line	Transmission Owner Projected In-Service Date
b3800.31	Build new North Delta-High Ridge 500 kV line.	\$13.36	PECO	6/1/2027	Yes	
b3800.35	Rebuild 5012 (existing Peach Bottom-Conastone) (new North Delta-Gracetone PECO) 500 kV line on single circuit structures within existing ROW and cut into North Delta 500 kV and Gracetone 500 kV stations.	\$29.86	PECO	6/1/2027	Yes	
b3800.42	Peach Bottom North bus upgrade - Replace 11 – Instances of strain bus conductor used for breaker drops or CT drops, 7 – 500 kV disconnect switches, 7 – Free Standing CTs, 1 – 500 kV breaker, 2 – Breaker relays or meters.	\$2.70	PECO	6/1/2027	No	
b3800.44	North Delta termination for the North Delta-High Ridge 500 line (PECO work).	\$3.40	PECO	6/1/2027	Yes	
b3800.45	North Delta 500 kV termination for the Rock Springs 500 kV line (5034/5014 line) (PECO work).	\$10.20	PECO	6/1/2027	Yes	
b3800.46	North Delta 500 kV termination for the new Peach Bottom-North Delta 500 kV line (PECO work).	\$2.60	PECO	6/1/2027	Yes	
b3800.47	Build new Peach Bottom South-North Delta 500 kV line – cut in to Peach Bottom tie No. 1 and extending line to North Delta (~1.25 miles new ROW).	\$5.50	PECO	6/1/2027	Yes	
b3800.5	Peach Bottom-TMI 500 kV - Replace terminal equipment at Peach Bottom.	\$0.00	PECO	6/1/2027	No	



2750 Monroe Boulevard  
Audubon, PA 19403

**Attachment B: RTEP projects with Change in Scope:**

In 2023 it was determined that the baseline reliability projects listed below required a change in scope. These baseline reliability projects are required to be constructed by the PJM required in-service date.

RTEP projects with Change in Scope: None



2750 Monroe Boulevard  
Audubon, PA 19403

**Attachment C: Cancelled RTEP projects:**

In 2023 it was determined that the projects listed below are no longer included in the PJM RTEP as baseline upgrades. The Transmission Owner may still wish to construct some or all of these projects. In that case, the corresponding scope of work should be coordinated with PJM and assigned a supplemental project upgrade identifier.

Cancelled RTEP projects: None

**Attachment E**  
**PJM Designated Entity Letter to Pepco**



2750 Monroe Boulevard  
Audubon, PA 19403

December 29, 2023

Dear Designated Entity:

This letter is notification that Potomac Electric Power Company (PEPCO) is the Designated Entity with construction responsibility for PJM baseline upgrades that were approved by the PJM board on December 11, 2023.

At their meeting on December 11, 2023, the PJM Board of Managers (PJM Board) approved portions of the Regional Transmission Expansion Plan (RTEP) pursuant to Schedule 6 of the PJM Operating Agreement. Schedule 6 – Regional Transmission Expansion Planning Protocol – governs the process for planning the expansion and enhancement of transmission facilities to meet reliability criteria and to enhance market efficiency and to address ARR insufficiency.

Attachment A to this letter identifies PEPCO as the Designated Entity for each upgrade as provided for in the RTEP<sup>1</sup> as presently approved by the PJM Board. A complete summary of the total RTEP for reliability and market efficiency can be obtained from the PJM web page at the following link: <https://www.pjm.com/planning/project-construction.aspx>

Attachment B lists the projects that have experienced a change in scope.

Attachment C lists the projects that are no longer included in the PJM RTEP as baseline upgrades and are cancelled. The Transmission Owner may still wish to construct some or all of these projects. In that case, the corresponding scope of work should be coordinated with PJM and assigned a supplemental project upgrade identifier.

In accordance with the PJM Operating Agreement, Schedule 6, Section 1.5.8, within 30 days of receiving this notification of its designation, the Designated Entity shall notify the Office of the Interconnection of its acceptance of such designation and submit to the Office of the Interconnection a development schedule, which shall include, but not be limited to, milestones necessary to develop and construct the projects to achieve the required in-service dates, including milestone dates for obtaining all necessary authorizations and approvals, including but not limited to, state approvals. Your response should be sent to PJM attention at the following email address: [PJM.CRL@pjm.com](mailto:PJM.CRL@pjm.com). You will then be contacted by staff from PJM's Transmission Coordination & Analysis Department to develop and implement the applicable agreements.

Outage coordination of planned upgrades is a critical part of the near term planning process. PJM requests that the identified Transmission Owners and/or the Designated Entity determine preliminary outage schedules associated with the attached construction work and communicate those schedules to PJM by way of the eDART system as soon as possible. In addition the Transmission Owners are reminded to submit, via eDART, updated technical parameters for the upgrades (ratings, impedance, etc.) per PJM Manual requirements prior to placing the upgrades in service.

To timely meet the needed in-service date of the projects, all necessary state approvals should be obtained at least nine months prior to the required in-service dates specified in Attachment A to this document.

If there are any inaccuracies in the data below, such as the cost estimates or in service dates, or there is a disagreement about the construction designee, please contact Augustine Caven, Manager PJM Transmission Coordination & Analysis at [Augustine.Caven@pjm.com](mailto:Augustine.Caven@pjm.com).

Finally, PJM asks for your assistance in identifying any projects that may require corresponding coordination and/or system enhancements with a neighboring Transmission Owner or other entity. This is to include a review of local remedial action schemes (RASs), including those owned by neighboring Transmission Owner or other entities. Any potential impact and resulting change to an RAS should be coordinated with the RAS owner and PJM. Occasionally, the need for this coordination may be identified after the initial planning identification of the need for the RTEP upgrade.

Thank you for your timely response to this letter. Our Transmission Coordination & Analysis Staff will be contacting you to coordinate the development of the Designated Entity agreement.

---

<sup>1</sup> This letter is not intended to raise any issues regarding the current or future cost allocation for the subject facilities. Any such issues should be addressed as part of the proceedings related to those issues.



2750 Monroe Boulevard  
Audubon, PA 19403

Sincerely,

A handwritten signature in black ink that reads "Paul McGlynn". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Paul McGlynn  
VP, Planning

cc: Kenneth Seiler; Sami Abdulsalam; Augustine Caven; Asanga Perera; Dave Egan; Susan McGill





**Attachment A: New required RTEP projects:**

In 2023 it was determined that the baseline reliability projects listed below are required to be constructed. These baseline reliability projects are required to be constructed by the PJM required in-service date.

New required RTEP projects:

PJM Baseline Upgrade ID	Project Description	Cost Estimate (\$M)	Construction Designation	Required In-Service Date	Related To Tie Line	Transmission Owner Projected In-Service Date
b3800.243	Rebuild 7.26 miles of existing 230 kV circuit from Dickerson Station H to Ed's Ferry area to accommodate the new 500 kV circuit between Doubs and Aspen. (the 500 kV portion of the work)	\$37.20	PEPCO	6/1/2027	Yes	
b3800.244	Rebuild 7.26 miles of existing 230 kV circuit from Dickerson Station H to Ed's Ferry area to accommodate the new 500 kV circuit between Doubs and Aspen. (The 230 kV portion of the project)	\$18.60	PEPCO	6/1/2027	Yes	
b3800.245	Reconfigure Dickerson H 230 kV substation and upgrade terminal equipment.	\$10.58	PEPCO	6/1/2027	Yes	
b3800.33	Replace terminal equipment limitations at Brighton 500 kV - on the existing Brighton-Waugh Chapel 500 kV (5053) or new Brighton-High Ridge 500 kV.	\$4.13	PEPCO	6/1/2027	No	
b3800.38	Chalk Point-Cheltenham 500 kV (5073) - Replace relay at Chalk Point 500 kV.	\$0.34	PEPCO	6/1/2027	No	
b3800.40	Conastone-Brighton 500 kV (5011 circuit) - Replace terminal equipment limitations at Brighton 500 kV.	\$4.13	PEPCO	6/1/2027	Yes	



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Audubon, PA 19403

**Attachment B: RTEP projects with Change in Scope:**

In 2023 it was determined that the baseline reliability projects listed below required a change in scope. These baseline reliability projects are required to be constructed by the PJM required in-service date.

RTEP projects with Change in Scope: None



2750 Monroe Boulevard  
Audubon, PA 19403

**Attachment C: Cancelled RTEP projects:**

In 2023 it was determined that the projects listed below are no longer included in the PJM RTEP as baseline upgrades. The Transmission Owner may still wish to construct some or all of these projects. In that case, the corresponding scope of work should be coordinated with PJM and assigned a supplemental project upgrade identifier.

Cancelled RTEP projects: None

**Attachment F**  
**BGE Attachment H-2 to PJM OATT**

## ATTACHMENT H-2

### **Annual Transmission Rates – Baltimore Gas and Electric Company Zone for Network Integration Transmission Service**

1. The annual transmission revenue requirement and the rate for Network Integration Transmission Service are equal to the results of the formula shown in Attachment H-2A posted on the PJM Internet site, which reflects the facilities recorded in FERC Form 1, page 207 for the then current year as transmission and all facilities constructed under the PJM Regional Transmission Expansion Plan (RTEP). The rate determined pursuant to Attachment H-2A shall be implemented pursuant to the Formula Rate Implementation Protocols set forth in Attachment H-2B. Service utilizing other facilities will be provided at rates determined on a case-by-case basis.
2. The revenue requirement in (1) shall be effective until amended by Baltimore Gas and Electric Company (BGE) or modified by the Commission.
3. In addition to the rate set forth in Section 1 of this Attachment, the Network Customer purchasing Network Integration Transmission Service shall pay for transmission congestion charges, in accordance with the provisions of the Tariff, and any amounts necessary to reimburse the Transmission Owners for any amounts payable by them as sales, excise, “Btu,” carbon, value-added or similar taxes (other than taxes based upon or measured by net income) with respect to the amounts payable pursuant to the Tariff.

**Attachment G**  
**DPL Attachment H-3 to PJM OATT**

### **ATTACHMENT H-3**

#### **Annual Transmission Rates – Delmarva Power & Light Company Zone for Network Integration Transmission Service**

1. Delmarva Power & Light Company's (Delmarva's) annual transmission revenue requirement and the associated rate for Network Integration Transmission Service are equal to the results of the formula shown in Attachment H-3D posted on the PJM Internet site, which reflects the facilities of Delmarva within the Zone of 69 kV and higher voltage. The rate determined pursuant to Attachment H-3D shall be implemented pursuant to the Formula Rate Implementation Protocols set forth in Attachment H-3E. Service utilizing facilities at voltages below 69 kV will be provided at rates determined on a case-by-case basis.
2. In the event that any other entity in the Zone becomes a signatory to the Transmission Owners Agreement, and adopts an annual transmission revenue requirement (established in accordance with applicable requirements, including those of the FERC to the extent applicable) for inclusion in the Tariff, such revenue requirement and associated rate for Network Integration Transmission Service shall be stated in an appendix to this Attachment H-3 and added to the annual transmission revenue requirement and rate for Network Integration Transmission Service for the Zone. The foregoing shall not affect such rights as any entity may have under Section 30.9 of the Tariff, provided that no such entity may recover more than its annual transmission revenue requirement through the combination of any rights exercised pursuant to this Attachment H-3 and Section 30.9 of the Tariff.
3. The rate derived pursuant to Sections 1 and 2 above shall be effective until amended by the applicable Transmission Owner(s) within the Zone or modified by the Commission. No filing by a Transmission Owner with respect to its revenue requirement or rate shall be deemed a basis for examining the revenue requirement or rate (or methodology for determining the revenue requirement or rate) of any other Transmission Owner within the Zone.
4. In addition to the rate set forth in Sections 1 and 2 of this Attachment, the Network Customer purchasing Network Integration Transmission Service shall pay for transmission congestion charges, in accordance with the provisions of the Tariff, and any amounts necessary to reimburse the Transmission Owners for any amounts payable by them as sales, excise, "Btu," carbon, value-added or similar taxes (other than taxes based upon or measured by net income) with respect to the amounts payable pursuant to the Tariff.

**Attachment H**  
**PECO Attachment H-7 to PJM OATT**



## ATTACHMENT H-7

### **Annual Transmission Rates -- PECO Energy Company for Network Integration Transmission Service**

1. The annual transmission revenue requirement and the rate for Network Integration Transmission Service are equal to the results of the formula shown in Attachment H-7A posted on the PJM Internet site, which reflects the facilities recorded in FERC Form 1, as transmission for PECO Energy Company and its subsidiaries. The rate determined pursuant to Attachment H-7A shall be implemented pursuant to the Formula Rate Implementation Protocols set forth in Attachment H-7C. In addition, each Network Customer that serves one or more end-use customers taking distribution service from PECO Energy Company under its applicable tariff on file with the Pennsylvania Public Utility Commission shall pay the Monthly Deferred Tax Adjustment Charge shown in Attachment H-7B. Service utilizing other facilities will be provided at rates determined on a case-by-case basis.
2. The rates in (1) shall be effective until amended by the Transmission Owner(s) within the Zone or modified by the Commission.
3. In addition to the rates set forth in paragraph 1 above, the Network Customer purchasing Network Integration Transmission Service shall pay for transmission congestion charges, in accordance with the provisions of the Tariff, and any amounts necessary to reimburse the Transmission Owners for any amounts payable by them as sales, excise, "Btu," carbon, value-added or similar taxes (other than taxes based upon or measured by net income) with respect to the amounts payable pursuant to the Tariff.

**Attachment I**  
**Pepco Attachment H-9 to PJM OATT**

**ATTACHMENT H-9**  
**Annual Transmission Rates – Potomac Electric Power Company Zone**  
**for Network Integration Transmission Service**

1. Potomac Electric Power Company's (Pepco's) annual transmission revenue requirement and the associated rate for Network Integration Transmission Service are equal to the results of the formula shown in Attachment H-9A posted on the PJM Internet site which reflects the facilities of Pepco within the Zone of 115 kV and higher voltage. The rate determined pursuant to Attachment H-9A shall be implemented pursuant to the Formula Rate Implementation Protocols set forth in Attachment H-9B. Service utilizing facilities at voltages below 115 kV will be provided at rates determined on a case-by-case basis.
2. In the event that any other entity in the Zone becomes a signatory to the Transmission Owners Agreement, and adopts an annual transmission revenue requirement (established in accordance with applicable requirements, including those of the FERC to the extent applicable) for inclusion in the Tariff, such revenue requirement and associated rate for Network Integration Transmission Service shall be stated in an appendix to this Attachment H-9 and added to the annual transmission revenue requirement and rate for Network Integration Transmission Service for the Zone. The foregoing shall not affect such rights as any entity may have under Section 30.9 of the Tariff, provided that no such entity may recover more than its annual transmission revenue requirement through the combination of any rights exercised pursuant to this Attachment H-9 and Section 30.9 of the Tariff.
3. The rate derived pursuant to Sections 1 and 2 above shall be effective until amended by the applicable Transmission Owner(s) within the Zone or modified by the Commission. No filing by a Transmission Owner with respect to its revenue requirement or rate shall be deemed a basis for examining the revenue requirement or rate (or methodology for determining the revenue requirement or rate) of any other Transmission Owner within the Zone.
4. In addition to the rate set forth in Sections 1 and 2 of this Attachment, the Network Customer purchasing Network Integration Transmission Service shall pay for transmission congestion charges, in accordance with the provisions of the Tariff, and any amounts necessary to reimburse the Transmission Owners for any amounts payable by them as sales, excise, "Btu," carbon, value-added or similar taxes (other than taxes based upon or measured by net income) with respect to the amounts payable pursuant to the Tariff.
5. Other Supporting Facilities Charge. In accordance with (1) above, the Zone rate for Network Integration Transmission Service for the delivery of all capacity and energy to the electric system of Southern Maryland Electric Cooperative, Inc. is increased by \$3,350 per megawatt per year to reflect the use of facilities at voltages below 115kV.