

May 22, 2020

VIA ELECTRONIC MAIL

The PJM Board of Managers
c/o Ake Almgren, Ph.D.
PJM Interconnection, L.L.C.
2750 Monroe Boulevard
Audubon, Pennsylvania 19408

RE: End of Life (EOL) Transmission Planning

Dear Chairman Almgren and PJM Board of Managers:

PJM is at a crossroads, where a handful of stakeholders have put forth a proposal that both PJM and the Indicated Transmission Owners, the two parties to the Consolidated Transmission Owners Agreement, believe violate this foundational governing document of PJM. PJM itself has publicly acknowledged this view. Yet, the stakeholder process moves forward with the specific objective of certain participants seemingly to leverage the stakeholder process to place PJM in the potentially awkward position of feeling compelled to make a FERC filing that it believes is legally flawed and operationally misguided. These circumstances demand action by the PJM Board in order to uphold the integrity of the stakeholder process. Under the Operating Agreement, the Board has the ability to present comments to the Members Committee prior to any Members Committee consideration of this stakeholder proposal, and the PJM Transmission Owners listed below urge the Board to action.

Dialogue and the exchange of ideas is essential to the collaborative approach of PJM, however, where issues have been definitively decided by FERC, the continued debate of settled law is no longer dialogue, it is a dissent that should be appropriately appealed to the courts, rather than pursued in PJM committees.

The Operating Agreement changes that have been presented by AMP and LS Power, which are not in the best interest of our customers and will impair system reliability and safety, attempt to transfer to PJM the authority to plan for enhancements or expansions not needed to address PJM planning criteria and cannot be accorded to PJM. Quite simply, "End of Life" issues are a subset of asset management. As FERC and the Board itself has previously acknowledged and was recently reiterated by PJM to the Markets and Reliability Committee and the Organization of PJM States, these decisions are the sole responsibility of the Transmission Owners.

That being said, please understand that the PJM Transmission Owners do support increased transparency and have posted a Notice of potential changes to Attachment M-3 to effectively adopt the principles embodied by the PJM proposal, and, in so doing, preserve accountability for maintaining assets with those parties who bear the risk and liability to keep the lights on and have an obligation to serve safely and reliably.

We would ask that if the AMP/ODEC/LS package being considered by the MRC is presented for approval to the PJM Members Committee in its current or substantially similar form, the Board consider submitting comments to the Members Committee for its consideration pursuant to Section 18.6(a) of the Operating Agreement reiterating the views expressed in the Board's October 4, 2019 letter and articulated in PJM's presentation of its package during special MRC sessions on end-of-life planning.

The PJM Transmission Owners also support planning the "Grid of the Future." PJM currently plans the grid of the future every day with a set of robust expansion criteria. It is undeniable that we have to maintain the current transmission grid to serve our customers while preparing ourselves for the future. It is not an either/or decision between the current and the future, we must address both. Planning for the future PJM Transmission System has been and continues to be built on a solid base of PJM Transmission Owner planning to meet local needs through maintaining, replacing and expanding, as necessary, the Zonal transmission infrastructure. Indeed, PJM continues to plan for the future and is in fact doing so effectively in collaboration with Transmission and Generation Owners across PJM as we move as a community through the current impacts associated with COVID-19.

We appreciate the opportunity to correct the record and present the views of the Indicated PJM Transmission Owners on these important issues.

Respectfully,

American Electric Power Service Corporation, on behalf of its affiliates,
Appalachian Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company, Wheeling Power Company, AEP Appalachian Transmission Company, AEP Indiana Michigan Transmission Company, AEP Kentucky Transmission Company, AEP Ohio Transmission Company, and AEP West Virginia Transmission Company

The Dayton Power and Light Company

Duquesne Light Company

East Kentucky Power Cooperative

Exelon Corporation

FirstEnergy Service Company, on behalf of its transmission owning affiliates,
including Jersey Central Power & Light Company, Metropolitan Edison Company, Pennsylvania Electric Company, Monongahela Power Company, The Potomac Edison Company, West Penn Power Company, Trans-Allegheny Interstate Line Company and American Transmission Systems, Incorporated.

PPL Electric Utilities Corporation

Public Service Electric & Gas Company

UGI Utilities Inc.

Virginia Electric and Power Company d/b/a Dominion Energy Virginia