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Andrew Ott
President and CEO
610-666-8980

August 20, 2018

Governor Larry Hogan
Office of the Governor
100 State Circle
Annapolis, Maryland 21401-1925

RE: PJM Transmission Projects

Dear Governor Hogan,

Thank you for your letter to the PJM Board of Managers (PJM Board) regarding electric transmission in the state of Maryland. It is with great pride that PJM takes its responsibility to plan for the reliable and cost effective flow of electric power to Maryland and all of the 14 jurisdictions we serve.

PJM accomplishes this task through a robust, interregional transmission planning process that identifies the need for new transmission infrastructure to improve either the reliability of the system or consumers' access to more cost effective generation through congestion relief (i.e., "market efficiency projects").

While it is the transmission developer's responsibility to work with state and local planning authorities to identify a designated route that can balance the interests of all impacted parties, it is PJM's responsibility to identify the need for such a project in the first instance. Understanding both the cost and societal impact a project may have, I assure you we do not embark on this responsibility lightly. As such, PJM undertakes a routine reevaluation process of approved projects. This is done to ensure the project's need persists.

In accordance with the PJM Operating Agreement, Schedule 6, section 1.5.7(f), PJM annually reviews the costs and benefits of constructing new, previously approved market efficiency projects. Those reevaluations are to identify if a project continues to prove cost beneficial to consumers. PJM has initiated this annual review. Market efficiency projects that were approved but not yet complete, including those in Maryland, will be re-evaluated.

PJM anticipates completing its reevaluation by the September 13, 2018 Transmission Expansion Advisory Committee (TEAC) meeting, and will present its results to the PJM Board regarding the continued inclusion or exclusion in the PJM transmission plan of market efficiency projects that have demonstrated changes in costs or benefits.

As always, I extend the support of PJM to your Administration if we can be of assistance.

Sincerely,

A handwritten signature in cursive script that reads "Andrew L. Ott".

Andrew Ott

cc: Dr. Mary Beth Tung; Director, Maryland Energy Administration