

August 12, 2014 Supplemental Request Letter FAQ

PJM has received questions from some of the four finalists stemming from the August 12, 2014 letter regarding the Artificial Island Supplemental Proposal Request. The purpose of this FAQ sheet is to respond publicly to the questions asked.

1. Can the Proposer change certain elements (such as line or transformer ratings) that would impact costs but not conflict with the diagrams attached to the August 12th letter and description from the May 19th TEAC presentation?

PJM Response: No. Proposers may not make changes to the scope, either electrical or physical. The scope of work must be consistent with that which was studied by PJM with respect to performance criteria including PJM modifications shown on the diagram attached to the Aug 12 letter and presented at the May 19 TEAC.

2. Is the SVC at New Freedom included or excluded from what can be considered within the cost submittal?

PJM Response: The SVC at New Freedom is a Transmission Owner Upgrade and should not be included in the supplemental cost information.

3. In reference to the August 12 letter single line diagrams
 - a. The diagram shows breaker additions at Salem with a line to Silver Run with no representation of a transformer or the interconnections at Silver Run.
 - b. The diagram includes a statement "Supplemental Proposal Request –include work at Silver Run remote end".
 - c. It is unclear what PJM is intending. Is the intent that we provide cost information for the scope of work for everything involved? Does the diagram intend that the breakers at Salem assumed to be outside of our scope? How about the transformer at Salem?

PJM Response: While the single line diagram does not identify every element, all final bidders should submit everything a bidder believes should be included within the overall scope of work for the proposed project, including an itemized list of those items that are included under the cost cap, as applicable. PJM views new breakers and transformer(s) to be located within any existing substation to be Transmission Owner Upgrades.

4. Mike Kormos indicated that PJM would be getting an opinion directly from the Delaware PSC and we may not need to respond to this issue. Can you confirm either way?

PJM Response: Please be aware that PJM has posted the email received from the Delaware PSC at the following location:

<http://www.pjm.com/~media/committees-groups/committees/teac/20140807/20140807-delaware-psc-staff-legal-opinion.ashx>

While PJM may solicit an opinion on the matter, it is the responsibility of each proposer to submit a detailed response, including legal references, as well as confirmation from the Delaware Public Service Commission or the Office of the Delaware Attorney General regarding Proposer's legal ability to site and construct transmission in the State of Delaware consistent with its project proposal.

5. Can a bidder join with another entity, which is pre-qualified to participate in the Artificial Island proposal window, without affecting their proposal?
 - a. PJM Response: Section 1.5.8 does not appear to prohibit a bidder from joining with another entity pre-qualified to participate in the same proposal window provided the scope of the project is unchanged.