



RTEP W3

Maryland Piedmont Reliability Project

Understanding What (and Who) We're Up Against

Researched and compiled by a former
Federal Audit Director and Affected Homeowner

July 2024

DISCLAIMER

The information contained in this slide deck is presented solely to help frame the debate over the need for and siting of a 500kV power transmission line made publicly known to affected landholders and homeowners only recently by the Public Service Enterprise Group (PSEG).

Without an understanding of who is involved in decision making and what issues are of critical importance, it is not possible to craft a coherent, persuasive, informed and effective argument challenging the basis for what officials decide is best for future electric power reliability.

Our laws and regulations have, for over 100 years, enshrined our right to be consulted and heard concerning the distribution of power in this country and this State.

It is this author's hope that the materials presented here will inform affected citizens of the processes, regulations, players, and issues to help guide and focus our next steps.

The Matter of Concern

The Maryland Piedmont Reliability Project (MPRP) is a system (grid) enhancement (update) that has been awarded to PSEG by PJM, the Regional Transmission Organization (RTO) responsible for operating and planning the regional electric grid in all or parts of thirteen states, including Maryland



PJM's 2022 Regional Transmission Expansion Plan (RTEP) process identified several concerning voltage transmission violations predicted to occur as a result of a growing demand for power as fossil fuel-based power plants are being decommissioned

Called the RTEP Window 3 (W3) Projects, design solutions were competitively sought from 72 participants, resulting in the selection of the PSEG's approach, which includes 34 projects of which the MPRP is one



The MPRP is a 500,000-volt (500 kV) transmission line designed to respond to what the PJM forecasts are growing electric needs in Maryland and the surrounding region. The project is expected to go into service (when the project delivers power) in June 2027



The approximately 70-mile proposed transmission route spans three counties, westward from the connection point within the existing Baltimore Gas & Electric transmission line right-of-way in northern Baltimore County, through Carroll County, and into the existing Doubs 500kV Station in southern Frederick County

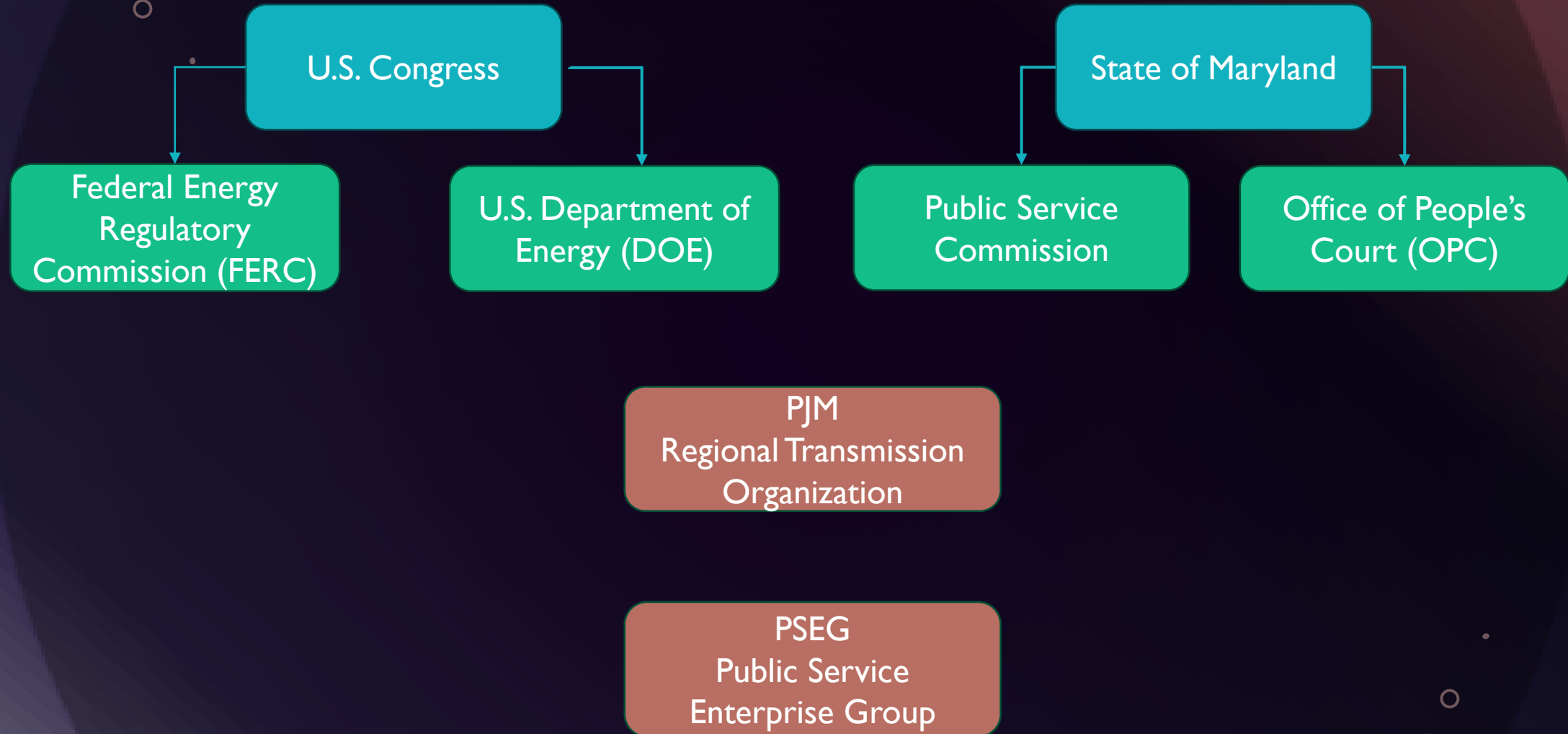


Two transmission routes are under consideration, both of which traverse vast expanses of agricultural and residential lands



Rights of way will be acquired through Eminent Domain if necessary. Public Outreach efforts only began in July 2024

WHO IS WHO? THESE ARE THE PLAYERS



Player 1: Congress

Federal Power Act (FPA) enacted June 10, 1920

- Originally enacted to regulate hydro-electric power generation and transmission
- Created and established the Federal Power Commission (today's Federal Energy Regulatory Commission – FERC)
- Amended many times over 104 years, most notably in 2005 and 2018
- Required that **equal** consideration be given to the purposes of energy conservation, the protection, mitigation of damage to, and enhancement of, fish and wildlife (including related spawning grounds and habitat), the protection of recreational opportunities, and the preservation of other aspects of environmental quality.

Conservation Statute (16 U.S.C. Ch. 12):

- “electric energy shall be held to be transmitted in interstate commerce if transmitted from a State and consumed at any point outside thereof...”

2005: Part II of the Federal Power Act (16 U.S.C. 824 et seq.) is amended by adding at the end the following:

“SEC. 219. TRANSMISSION INFRASTRUCTURE INVESTMENT. Not later than 1 year after the date of enactment of this section, the Commission shall establish, by rule, incentive-based (including performance-based) **rate treatments** for the transmission of electric energy in interstate commerce by public utilities **for the purpose of benefitting consumers** by ensuring reliability and reducing the cost of delivered power by reducing transmission congestion

Rule allowed recovery of “(A) **all prudently incurred costs** necessary to comply with mandatory reliability standards issued pursuant to section 215; and “(B) all prudently incurred costs related to transmission infrastructure development pursuant to section 216.

2018 Amendment required FERC to establish an office to be known as the Office of Public Participation (the “Office”)

- Mission is to empower, promote, and support public voices at the FERC
- Provides guidance and instruction to landowners on how to effectively intervene, comment, file motions, or seek rehearing

Player 2: the FERC

Federal Energy Regulatory Commission (“Commission”) charged by Congress with rulemaking per the FPA

Has jurisdiction over all facilities for the interstate transmission or sale of electric energy

5 Commissioners appointed by the President of the United States and confirmed by the United States Senate, each serving 5-year terms

Commission’s authority is to, among other things:

- ... make investigations and to collect and record data concerning... the location, capacity, development cost, and relation to markets of power sites
- ... **cooperate with the** executive departments and other agencies of **State** or National Governments in such investigations
- ... issue preliminary permits to enable applicants to secure a license

Does NOT have jurisdiction over facilities used for the generation of electric energy or over facilities used in local distribution or only for the transmission of electric energy in intrastate commerce

May issue construction permits **IF** a State in which transmission facilities are to be constructed **does NOT** have the authority to approve the siting of the facility (*Maryland has this authority*)

May issue permits **IF** a State in which interstate transmission facilities are to be constructed has the authority to approve the siting of the facility **BUT** withholds approval for more than 1 year **OR** conditions its approval in such a way as to negate transmission congestion improvements or economic feasibility

Pursuant to P.L. 115-325 enacted 12/18/2018, FERC issued Order No. 679 establishing the processes by which a public utility may seek transmission **rate** incentives:

- Applicant must show that the facilities for which it seeks incentives **either ensure reliability or reduce the cost of delivered power by reducing transmission congestion (but first, as you’ll see, there must be congestion)**
- For an applicant to demonstrate that it meets this standard, including a rebuttable presumption that the standard is met if: (1) the transmission project results from **a fair and open regional planning process** that considers and evaluates projects for reliability or congestion and is found to be acceptable to the Commission; or (2) **a project has received construction approval from an appropriate state commission or state siting authority**

Player 3: US Department of Energy

- Acts as Lead Agency for the purposes of coordinating all applicable Federal authorizations*
- Conducts a study every 3 years of electric transmission capacity constraints and congestion at a national level
- May designate as a national interest electric transmission corridor (NIETC) any geographic area that-
 - is experiencing electric energy transmission capacity constraints or congestion that adversely affects consumers; or
 - is expected to experience such energy transmission capacity constraints or congestion

The Secretary shall coordinate the Federal authorization and review process with State agencies that are responsible for conducting any separate permitting and environmental reviews of the facility, to ensure timely and efficient review and permit decisions

As head of the lead agency, the Secretary, in consultation with agencies responsible for Federal authorizations and, as appropriate, with... State agencies that are willing to coordinate their own separate permitting and environmental reviews with the Federal authorization and environmental reviews, shall establish prompt and binding intermediate milestones and ultimate deadlines for review of, and Federal authorization decisions relating to the proposed facility

* Authorization under Federal Law to site a transmission facility. Includes such permits, special use authorizations, certifications, opinions, or other approvals as may be required under Federal to site a transmission facility

Player 4: the State

In Maryland, the **Public Service Commission (PSC)**

- Established in 1910
- 1 Chairman, 4 Commissioners appointed by the Governor to 5-year terms
- Jurisdiction and powers are found in the Public Utilities Article (PUA), *Annotated Code of Maryland*, which are to
 - Regulate public utilities (gas, electric, etc.)
 - Limited to **intra**state services
 - **Inter**state and wholesale activities of gas and electric utilities are regulated by FERC
 - **Has siting authority in Maryland for construction or modification of transmission facilities**

PSC has the authority to issue a Certificate of Public Convenience and Necessity (CPCN) for the construction or modification of a new generating station, a qualified generator lead line, or an **overhead transmission line** designed to carry a voltage in excess of 69,000 volts

SECTION 10 of the Climate Solutions Now Act of 2022 (CSNA) requires the PSC to complete a general system planning study to assess the capacity of each gas and electric company's distribution systems to successfully serve customers under a managed transition to a highly electrified building sector

The PSC Electrification Study was submitted to the Maryland General Assembly on December 29, 2023

- Provides system-level load growth projections to enable policymakers to understand and benchmark the impacts of different building decarbonization scenarios through 2031
- Concludes that high levels of electrification can be handled by Maryland electric systems through 2031

Player 5: the Court

Maryland Office of People's Court (OPC)

- Established in 1924 by the Maryland General Assembly (Chapter 534, Acts of 1924). Oldest utility consumer advocacy group in the nation
 - People's Counsel is appointed by the Attorney General with Senate consent
 - Serves 5-year terms and must be an attorney-at-law
 - David S. Lapp, esq., appointed until 2026 (410) 767-8150 Davids.lapp@maryland.org
- Independent Maryland State agency that advocates for Maryland's residential utility consumers
- **Your voice at the PSC:** OPC represents the interests of residential customers of natural gas, electric, private water and telecommunications utilities in proceedings before the PSC

OPC operates independently of the PSC and evaluates matters pending before the Commission

- May request that PSC initiate proceedings to protect consumers

OPC appears before the FERC in matters involving interstate transmission line **costs to be allocated** to Maryland consumers

OPC is a member of several boards and committees, including the Consumer Advocates of PJM States (CAPS)

- Established in 2013, CAPS is a non-profit representing over 65 million consumers in the 13 PJM States + DC
- CAPS' engagement is necessary **to ensure consumer voices are heard** in the regulatory rulemaking process

Player 6: PJM

PJM is a **regional transmission organization (RTO)** responsible for the reliable operation of the high-voltage electric transmission system for a control area covering all or parts of 13 states and DC

- Founded in 1927 and approved by the FERC as the nation's first fully functioning independent system operator (ISO) in 1997, and first fully functioning RTO in 2002
- **Regulated by the FERC**
- Governed by a ten-member Board of Managers (Board) that approves the regional transmission plan
- 1,087 members, including electric distribution companies, end-use customers, transmission and generation owners, other suppliers, public power companies, state agencies, and environmental parties

PJM works closely with **state regulatory commissions** to identify and respond to various power industry matters:

- The Organization of PJM States consists of **members from the state commissions (Maryland PSC)** in the region PJM serves and acts as a liaison group for PJM and its members

Stakeholder Participation through the Transmission Expansion Advisory Committee (TEAC) provides advice and recommendations to aid in the development of the Regional Transmission Expansion Plan (RTEP)

PJM Role:

- Planning for the future needs of the regional electric system PJM's role by conducting a Regional Transmission Expansion Plan (RTEP) process that regularly identifies what upgrades to the regional transmission grid are needed to ensure reliability (the uninterrupted flow of electricity)
- When needs are identified, may open a competitive 'window' to procure regulated transmission solutions

Player 7: the PSEG

Public Service Enterprise Group, Inc.

Established in New Jersey in 1903

New Jersey's largest provider of electric and natural gas service

Selected by PJM in December 2023 after a 2022 RTEP competitive solicitation process

- Determined the proposed project route and scope in the winning proposal
- After award, performed a more in-depth routing analysis to further define the study area and identify routing alternatives

Project is called the Maryland Piedmont Reliability Project (MPRP)

TEAC recommended approval of PSEG solution December 2023 to the PJM Board

MPRP proposed route is subject to Maryland PSC's Certificate of Public Convenience and Necessity (CPCN) process

PSEG plans to submit the CPCN application 4th Quarter 2024

Infrastructure upgrade needed to satisfy power demand in 2027 - 2028

Project: 70-miles of 500,000-volt (500kV) transmission line spanning 3 counties from existing BG&E transmission line in Northern Baltimore County through Carroll County, to Doubs 500 kV station in southern Frederick County.

Project is an **intra**state project if Doubs – Goose Creek segment is excluded (rebuild was just approved for 2025)

National Transmission Needs Study

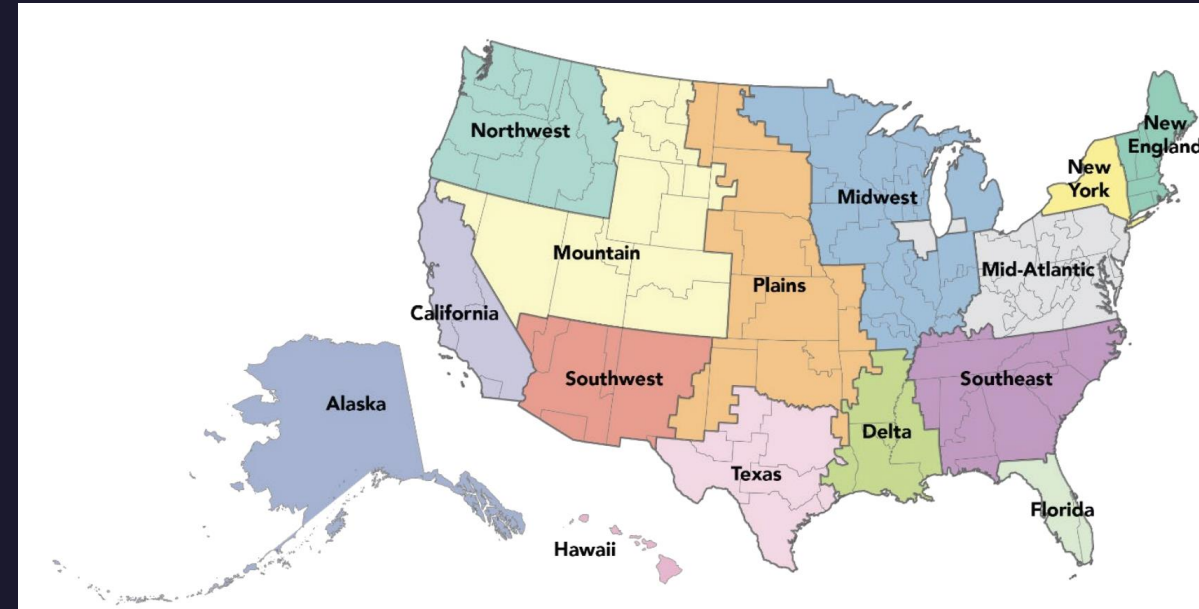
Congress

FPA Amendment P.L.
109-58: Energy Policy
Act of 2005

Dept. of Energy
(DOE)

Latest National Transmission
Needs Study report issued
10/30/2023

Sec. 216(a): Every 3 years
and *in concert with
affected States*, DOE
Secretary shall conduct a
study of electric
transmission congestion



Study Findings

- Several **regions** of the country— notably portions of the Plains, Midwest, **Mid-Atlantic**, New York, and California—have experienced persistently high wholesale electricity prices over the past 3–5 years
- High wholesale market price differences between and within regions show that several regions, including **eastern and coastal parts of the Mid-Atlantic region**, are experiencing transmission congestion and constraints today.

An electric transmission need refers to the existence of present or expected electric transmission capacity constraints or congestion in a geographic area, consistent with FPA Section 216(a)(1).

Energy Congestion: Is there or Isn't There?

November 2021 issue of PSC's 10-Year (2021-2030) Plan of Electric Companies in Maryland was compiled with PJM

The analysis contained in the Ten-Year Plan uses forecasts provided by Maryland utilities, PJM Interconnection, LLC ("PJM"), and other state and federal agencies, and comprises a forward-looking analysis of the composition of Maryland's electricity and generation profile

Although several Maryland utilities are projecting an increase in their customer bases during this planning period, the **aggregated utilities' customer forecasts are 0.13% lower** than the projections provided during the previous (10-year) planning period

*"PJM lists thirteen plants retired in 2020—four coal powered plants and nine natural gas fired combustion turbines totaling 921.5 MW in capacity. There are 3 pending deactivation requests in the Pepco service territory with a combined capacity of 1234.9 MWs; while PJM currently registers 7.7 GW of capacity resources requesting deactivation within the RTO. PJM completed a reliability analysis and identified **no reliability impacts** associated with these deactivation requests in Maryland." (page 20)*

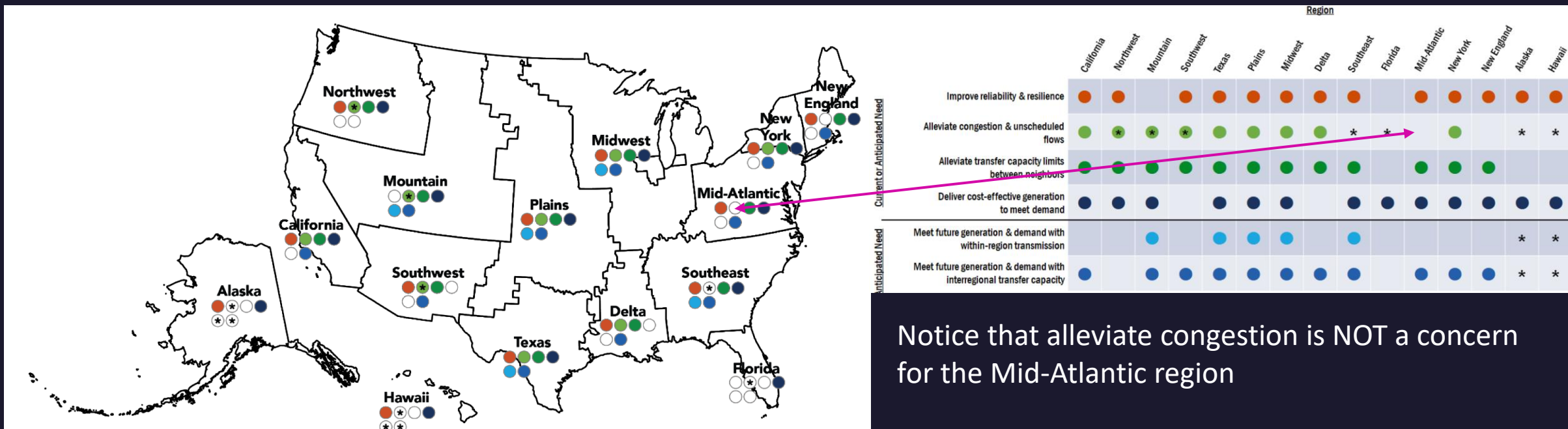
*"The Maryland utilities' load forecasts indicate **a modest amount** of projected annual growth in the number of customers, energy sales and peak demand throughout the state during the 2021 – 2030 planning horizon." (page 24)*

According to **PJM's own 2021 Load Forecast Report**, net energy for load growth for PJM RTO is projected to average 0.3% per year over the next 10-year period, and 0.3% over the next 15-years. Total PJM RTO energy is forecasted to be 806,729 GWh in 2031, a 10-year increase of 26,661 GWh, and reaches 819,553 GWh in 2036, a 15-year increase of 39,485 GWh. **Annualized 10-year growth rates for individual zones range from -0.7% to 0.9%**

“Congestion” Estimates Do Not Support Capacity Expansion

The U.S. Department of Energy undertakes a National Transmission Needs Study (Needs Study) pursuant to Section 216(a)(1) of the Federal Power Act (FPA) every 3 years to identify transmission issues that are currently harming consumers or expected to do so in the future and that could be alleviated by transmission solutions.

Latest needs Study was released in October 2023

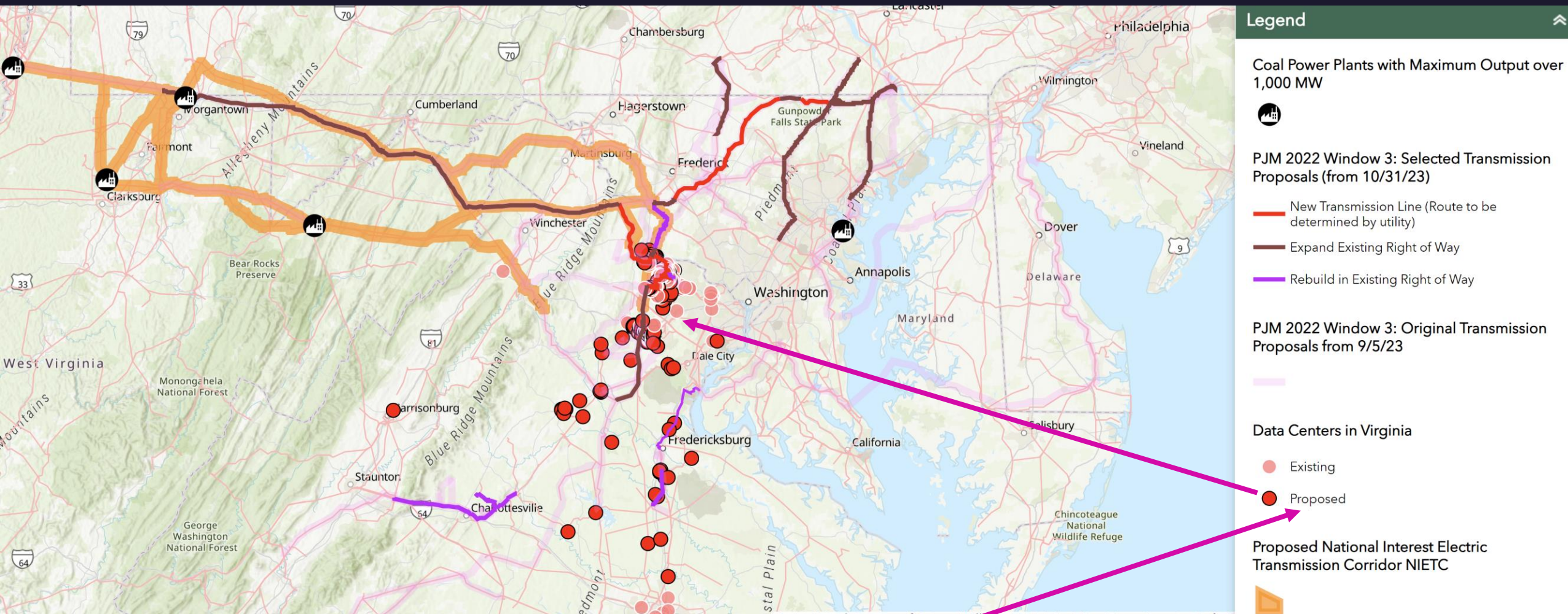


Notice that alleviate congestion is NOT a concern for the Mid-Atlantic region

This echoes the findings of the Maryland’s Ten-Year Plan...

...leaving the Virginia data centers as the **only** driver for additional transmission capacity, as acknowledged by PJM

But...PJM Anticipates Future Reliability Criteria “Violations”

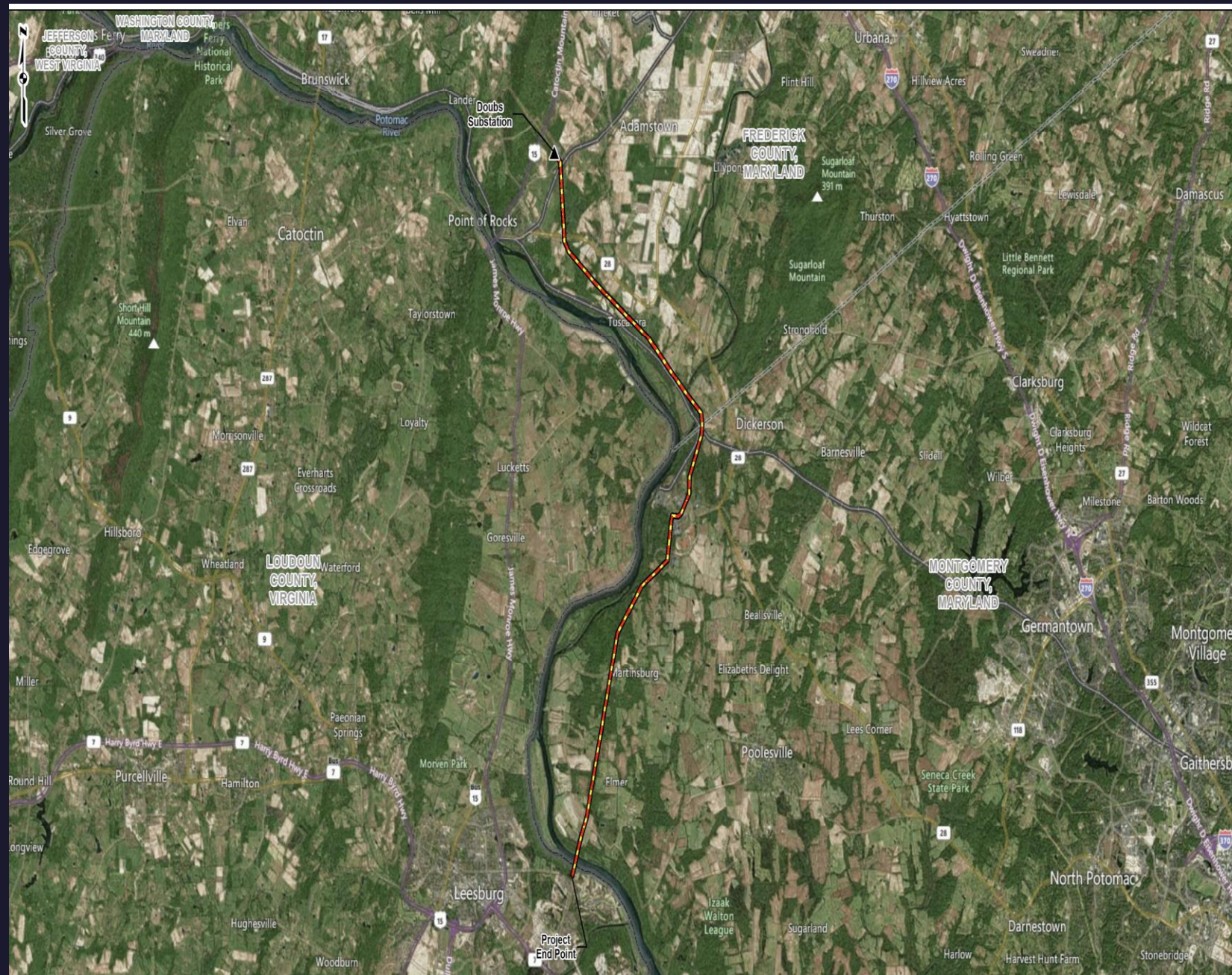


As First Energy* recognizes, the “[RTEP] Window 3 projects, which include the [FirstEnergy] Projects, will resolve reliability criteria violations resulting primarily from data center load growth currently forecasted by 2027/2028 in northern Virginia.”

Notice too the number of **proposed** data centers

* Potomac Edison and the Mid-Atlantic Interstate Transmission – both of which are involved in the MPRP – are subsidiaries of FirstEnergy

Doubs-Goose Creek Line



Line (15.3 miles) is in Frederick & Montgomery Counties and appears in the southwest portion of the MPRD; it spans both Virginia and Maryland (*interstate*)

Rebuild of Existing Line approved by PJM TEAC in 2020 and the PSC in 2023 (est. \$65.8 Million)

Rebuild (of 500 kV line) will utilize 100% of the existing electric utility corridor... with no additional corridor required

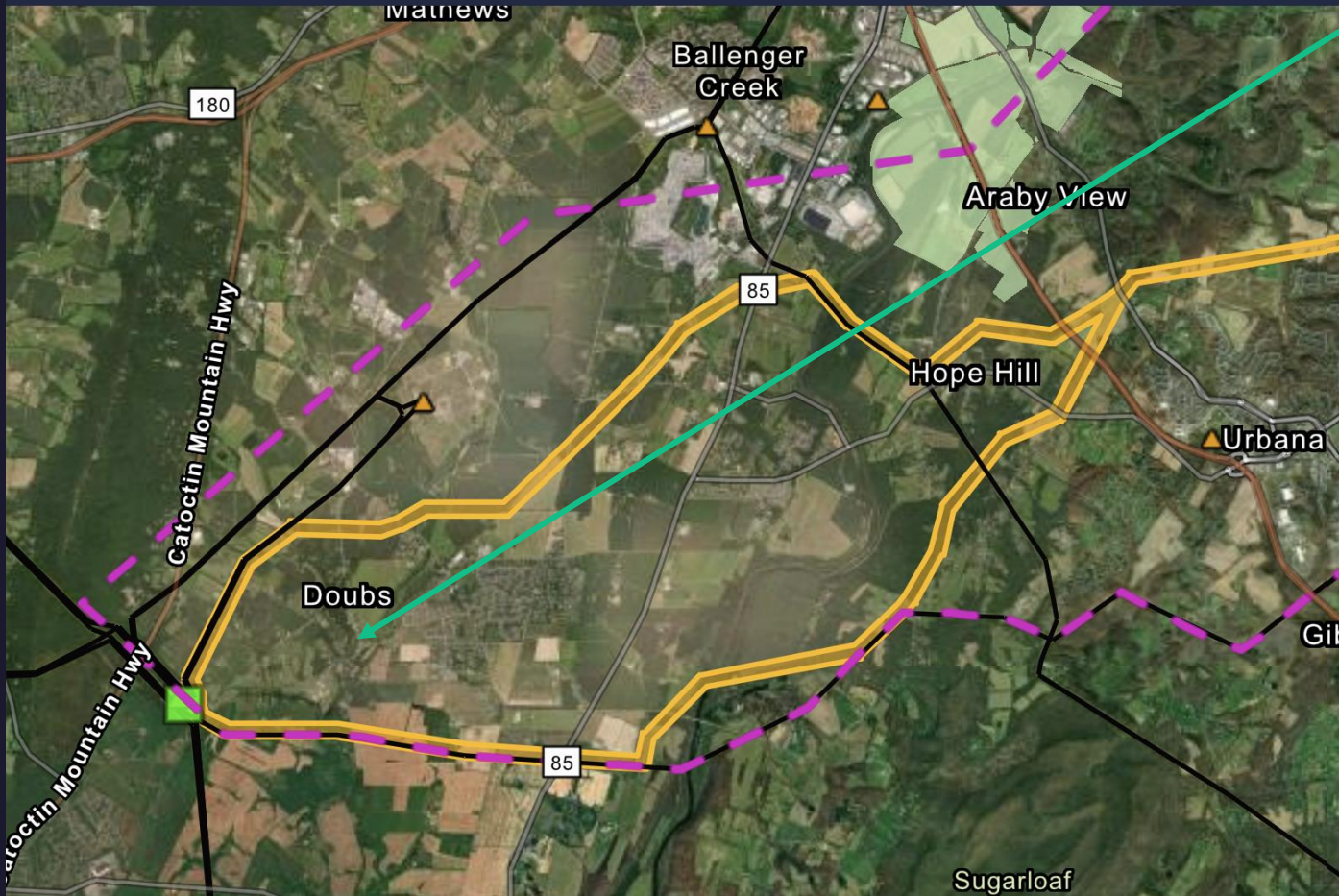
Maximum operating capacity will increase from 2,442 MVA to 4,330 MVA, **increasing reliability**

Alternatives to the line were... considered, including construction of a new 500 kV line, and found to be **less cost-effective** and of greater, adverse environmental impact

Why is this important? See next slide

RTEP W3: Economical Solution or Cash Cow?

Maryland Piedmont Reliability Project



Rebuild of Doubs-Goose Creek was evidently deemed capable of carrying projected data center loads

Without replacing the entire line

Assuming Doubs currently feeds existing 500 kV transmission lines, why is rebuild not considered economical elsewhere given new power line high cost and negative environmental impact, not to mention irate and upset landowners who will surely push back?

Alternative Solutions Not Thoroughly Considered

According to the Waterford Foundation “ The national grid, especially in Virginia, is challenged by unprecedented growth in electricity demand **fueled by the growth of data centers** and the ongoing decommissioning of coal-fired plants before new sources of power become available .”

“In our region [Loudon County,VA], PJM has approved a \$5 billion plan to bring three additional 500 kV transmission lines from West Virginia, Maryland, and Pennsylvania into the data center area east of Leesburg, plus other lines to move the power around that area.”

“Effective incentives do not exist for thinking ahead to provide the best long-term performance, to make best use of the rate payers’ capital, and to consider the full cost and impact on affected communities and business interests”



“For example, advanced conductors promoted by the Federal government, notably composite core lines, can be implemented selectively at much less cost than underground lines. These advanced conductors can carry twice the power on lighter-weight lines, with fewer losses, over existing rights of way”

“The additional capacity of these wires, which can be mounted on existing towers, would be available for delivering more power, handling peak loads, or serving as reserve capacity in the event of an outage on another line at a comparable cost to the existing PJM plan. The capability of a composite core approach offers the potential to eliminate the need for new rights of way, avoid community resistance, save money, and get new capacity in place sooner”

“Plans such as those put forward by PJM **excessively require the imposition of eminent domain on property owners** because the regional competition process disincentivizes the use of better technology that could deliver greater power and resilience using existing transmission lines in combination with a smaller number of new lines built within existing rights of way”

PSC Has Ultimate/Exclusive Siting, Permitting and Construction Rights

Entire MPRD project is within the State of Maryland – it is **INTRASTATE**

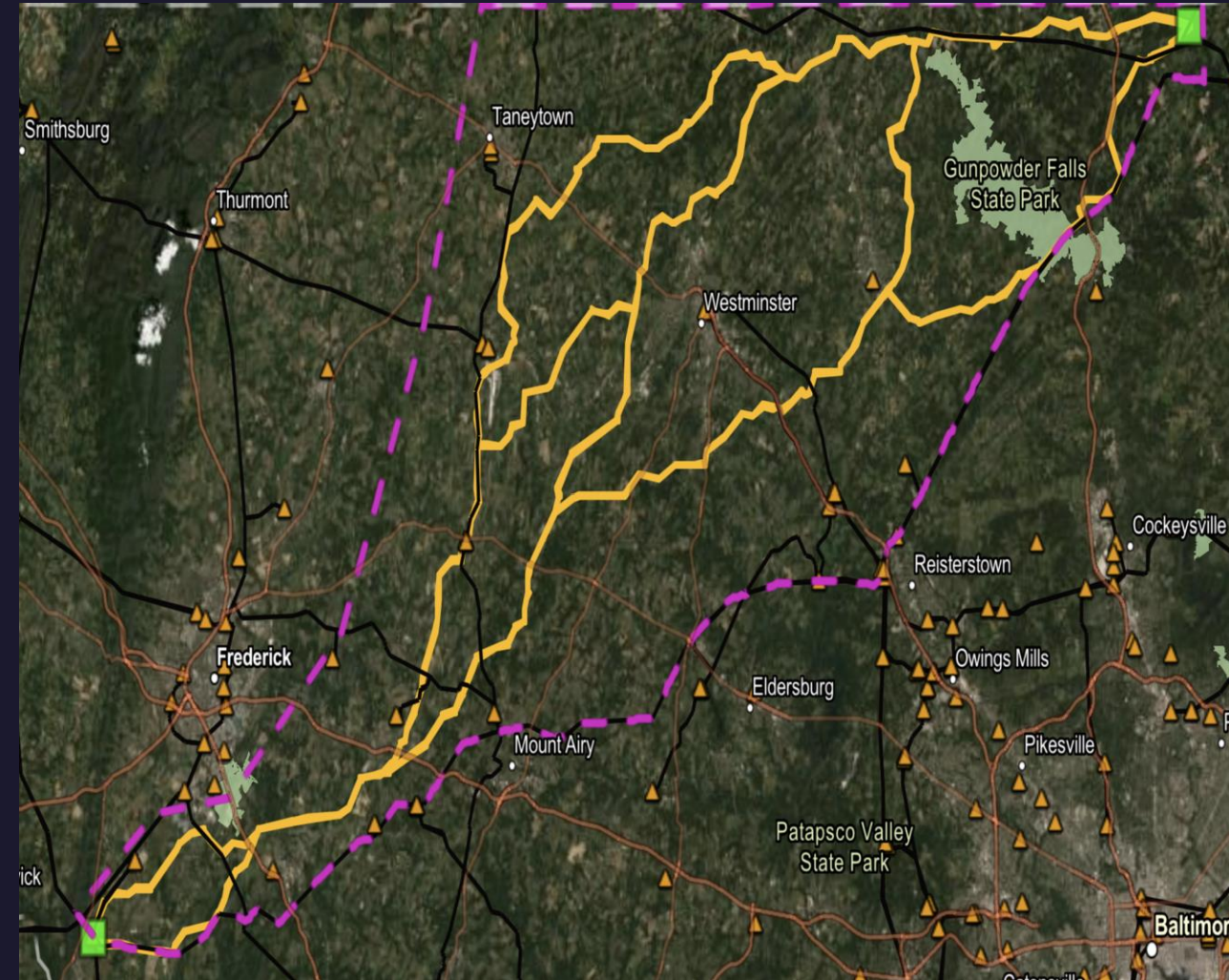
Remember: **Maryland PSC** – not FERC and not the Department of Energy – **has siting authority** in Maryland for construction or modification of transmission facilities

This is done through the CPCN – Certificate of Public Convenience and Necessity – process

The CPCN process gives local government officials, community residents and other stakeholders the opportunity to provide input on projects

According to PSC, no application has been made for a CPCN and PJM planning indicates planned application is scheduled for Q4 of 2024

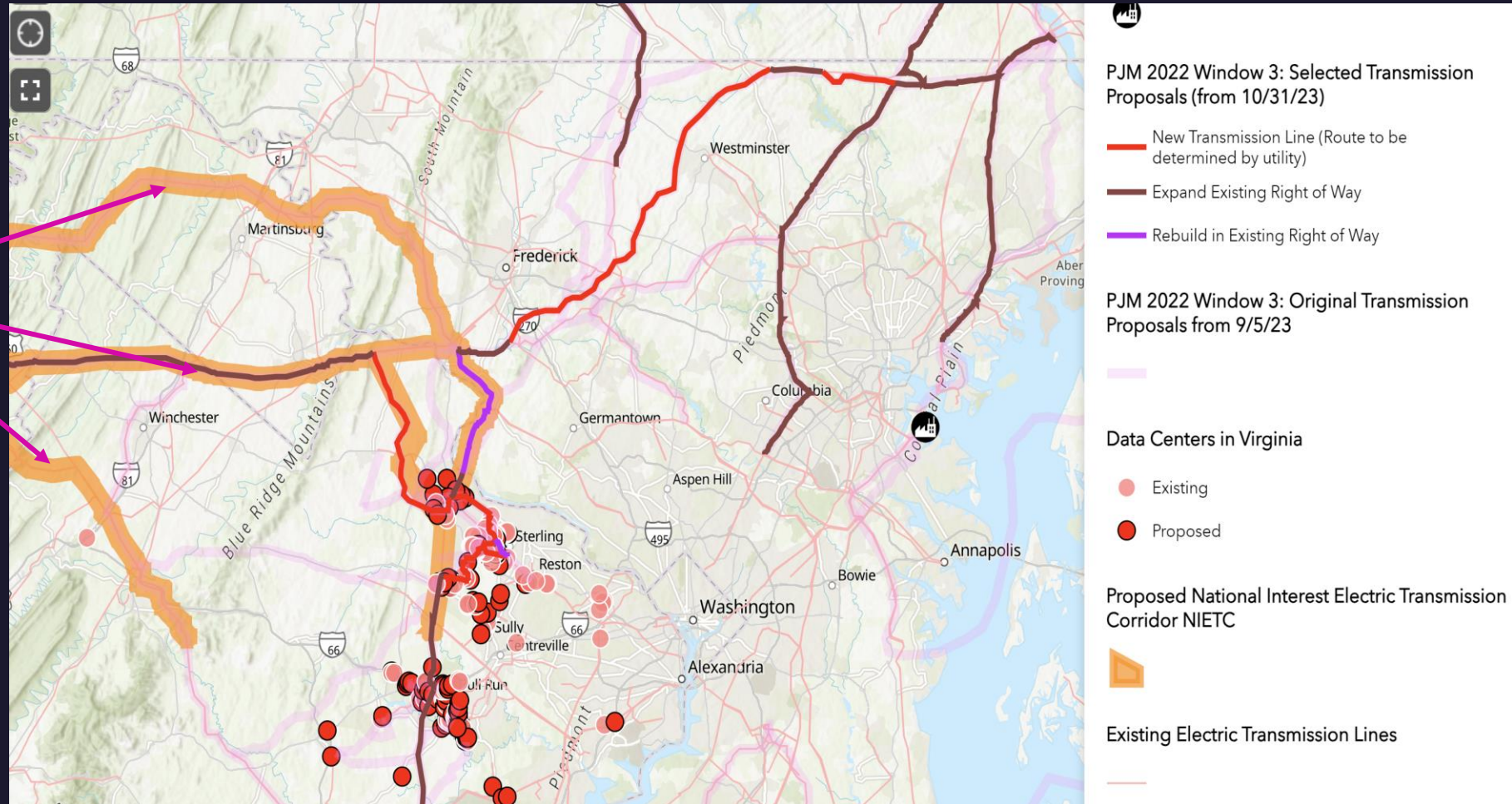
So, if Maryland is responsible for siting transmission lines, why has PSEG/PJM determined preliminary siting... *without input from the State or the public?*



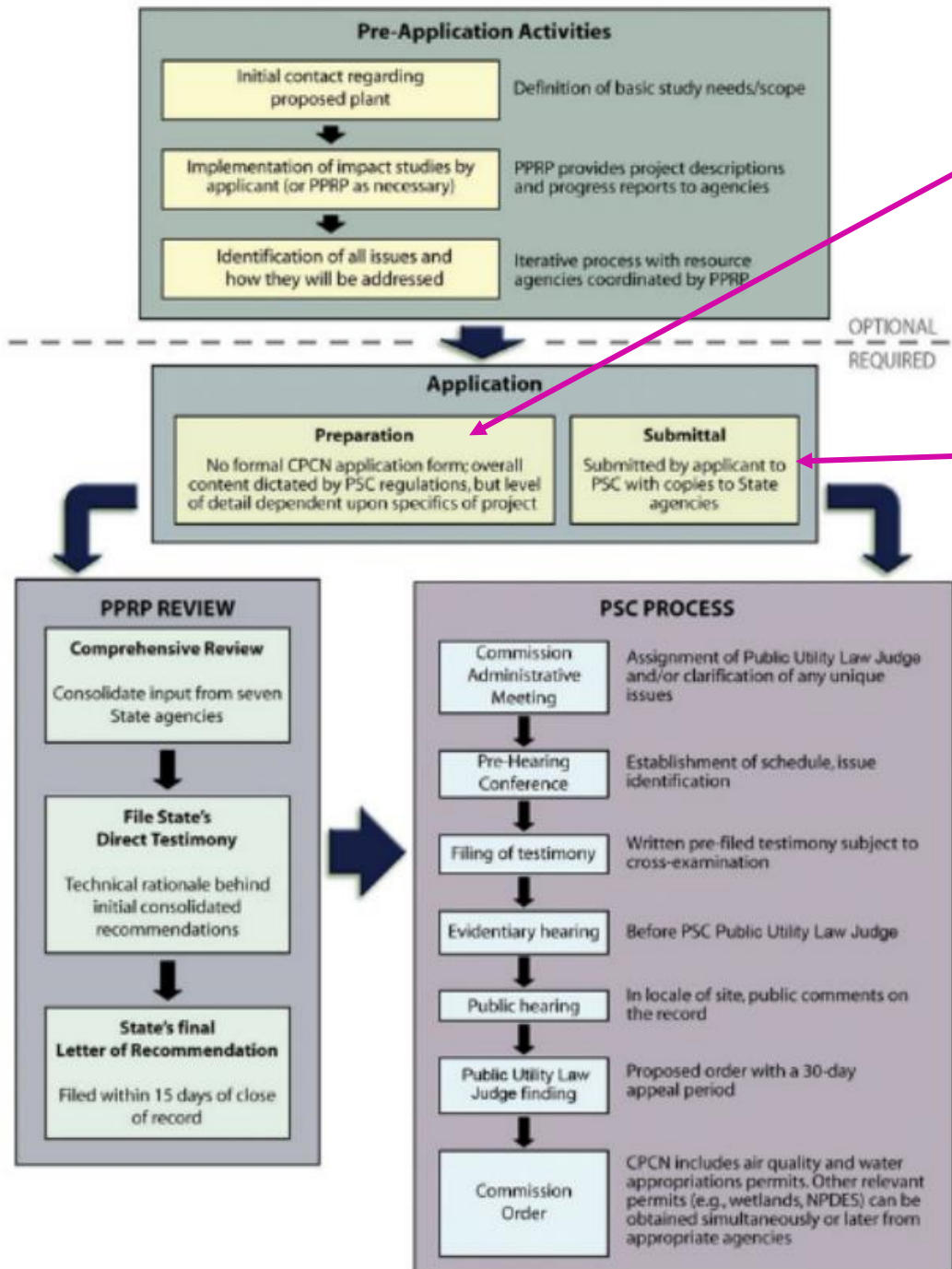
Threats to Maryland's Siting Authority

Remember that the US Department of Energy may designate as a national interest electric transmission corridor (NIETC) any geographic area that is expected to experience such energy transmission capacity constraints or congestion. With a NIETC designation in place, if the PSC has not acted on an application for over one year, or has denied an application, the **federal government may override the permitting process** and issue an approval, cutting the PSC out of the process.

- Newly proposed federal NIETC designation application called the **Mid-Atlantic National Interest Electric Transmission Corridor** is under consideration by the US Department of Energy
- Would affect PA, VA, WVA and MD
 - Application was rushed **and under advertised**
 - So far, MD is not in the corridor, but PJM could attempt that approach



The CPCN Application Process



Applicant (PSEG) files application

- COMAR 20.79.04.01 sets filing details & requirements
- Filing Fee is \$10,000
- Environmental Impact study is required

Applicant is required to provide notice of the filing of the application (and in certain instances a copy of the application) to:

- Certain State and federal agencies;
- Governing bodies of county or municipal corporation (a) in which the project will be constructed or (b) within 1 mile of the project location; and
- General Assembly members representing any part of a county (a) in which the project will be constructed or (b) within 1 mile of the project location; and
- **Each owner of land and each owner of adjacent land when the application requests a CPCN for an overhead transmission line**

The Commission posts notice of an application on its website and on its Facebook and X (formerly Twitter) accounts

The PSEG has NOT yet applied

The CPCN Procedure (1/2)

PSEG will need to provide:

- Costs and benefits
- Proposed route
- Expected environmental impacts



PSEG will need to demonstrate:

- Why their proposal is better than potential alternatives
- That their proposal is environmentally sound backed up by
 - Potential impact on soil or plant life
 - Proximity to cultural or historic sites
 - Effect on customer electric rates



PSC then holds evidentiary and public hearings to evaluate the proposal

PSC initiates a proceeding to consider the application – may be conducted en banc or by a panel (3 Commissioners or 2 Commissioners and a Public Utility Law Judge) , or may be delegated to a Public Utility Law Judge

A Notice of Pre-hearing Conference is issued that has the date, time, and location of the conference as well as the date Petitions to Intervene are due

- Applicant is required to publish the Notice in newsprint of general circulation in the county and/or municipal corporation in which the facility is to be located
- The Notice is published on the Commission’s website on date of issuance

Pre-hearing conference is held during which:

- Completeness of the application is determined
- A procedural schedule is agreed upon, including setting the dates when pre-filed testimony is due from each party and a date(s) for an evidentiary hearing, and the number and timing of public comment hearing(s) is discussed
- Notice of Procedural Schedule is issued

Public Hearing for Comment – At least one hearing for public comment is held at a location close to the proposed location (if available). – Written comments also may be filed with the Commission. – The governing body of the county or municipal corporation in which the project is proposed to be located is invited to join the Commission or Public Utility Law Judge in conducting the public hearing.

The CPCN Procedure (2/2)

Evidentiary Hearing – Typically held at the Commission’s Baltimore offices – Only parties of record participate, but public may attend and watch the proceedings – Witnesses are called, and each party and the presiding officer are able to cross-examine the witnesses

If before a Public Utility Law Judge, the Judge issues a proposed order, which may be appealed to the Commission by a party for a review of an issue(s) – generally a 30-day appeal period

The Commission may, on its own motion, initiate a further proceeding or modify the proposed order

- If an appeal is taken of the proposed order, the Commission issues the final Order
- If no appeal is taken of a proposed order, it becomes a final Order of the Commission

If the matter is before the Commission, it issues a final Order • Any party, other than the MD PSC Staff, or person in interest that is dissatisfied with the final Order may seek judicial review of the Order in the Circuit Court of Baltimore City or any county in which the applicant operates

Remember the 2005 Transmission Investment Incentives?

In the Energy Policy Act of 2005, Congress added section 219 to the FPA, directing the Commission to establish, by rule, incentive-based rate treatments to promote capital investment in certain transmission infrastructure. FERC subsequently issued Order No. 679, which sets forth processes by which a public utility may seek transmission rate incentives pursuant to section 219

Rule allowed recovery of “(A) **all prudently incurred costs** necessary to comply with mandatory reliability standards issued pursuant to section 215”; and “(B) **all prudently incurred costs** related to transmission infrastructure development pursuant to section 216.”

On May 13, 2024, PJM Interconnection, L.L.C. (PJM) filed*, pursuant to sections 205 and 219 of the Federal Power Act (FPA), Order No. 679, and the Commission’s November 15, 2012 policy statement on transmission incentives, a *request for authorization to recover 100% of the prudently incurred costs associated with investment in 34 transmission projects, which are part of the PJM Window 3 Project* (Projects), if they are abandoned or cancelled, in whole or in part, for reasons beyond the control of Potomac Edison, MAIT, TrAILCo, or KATCo (Abandoned Plant Incentive)

Notice was published in the Federal Register May 17, 2024, with interventions and protests due on or before June 3, 2024:

- The Maryland Office of People’s Counsel and Buckeye Power, Inc. each filed timely **motions to intervene**. New Jersey Board of Public Utilities filed a notice of intervention
- On June 28, 2024, Keryn Newman, an electric ratepayer in PJM, submitted comments opposing the filing

Rationale cited circumstances beyond PJM’s control, including:

- Federal, State and local regulatory approvals
- Limited insight into environmental factors
- Legal challenges
- Increased opposition from landowner and other stakeholders

FERC Granted the incentive effective July 15, 2024

* On behalf of FirstEnergy Service Company (FirstEnergy) and its affiliates, Potomac Edison Company (Potomac Edison), Mid-Atlantic Interstate Transmission LLC (MAIT), Trans-Allegheny Interstate Line Company (TrAILCo), and Keystone Appalachian Transmission Company (KATCo),

Protest and Comments of the Maryland Office of People’s Counsel

On January 10, 2024, PJM sought the FERC’s approval to incorporate **cost responsibility assignments** for hundreds of baseline upgrade projects included in PJM’s most recent update to its Regional Transmission Expansion Plan (“RTEP”)

On February 8, 2024, Maryland Office of People’s Counsel (“Maryland OPC”) protested and commented on PJM’s proposed cost allocations for PJM’s 2022 RTEP Window 3 Projects on the basis that PJM’s proposed cost allocations are, for several reasons, unjust and unreasonable and should not be approved

The Window 3 Projects represent an unprecedented expansion of PJM’s transmission system—and an enormous burden on ratepayers—carrying a regional price tag in excess of \$5 billion in estimated capital expenditures. Of that total, the revenue requirements associated with more than \$551 million in capital expenditures—roughly 10% of the total costs—will be charged to locational deliverability areas (“LDAs”) serving Maryland ratepayers under the PJM Tariff’s generally applicable cost allocation methodology for RTEP reliability projects.

On a per kilowatt basis, the burden of these costs is significant on the LDAs serving Maryland ratepayers and **approaches** that of the LDAs serving Virginia. While significant costs of this load growth are borne by Maryland ratepayers, Maryland LDAs are not expected to experience the same exponential load growth in the next few years as is forecasted for the Dominion [Virginia] LDA.

Under PJM’s proposed cost allocations, only approximately 50% of the costs of the Window 3 Projects will be allocated to Virginia ratepayers within the Dominion LDA despite the need for those projects having been overwhelmingly created by load growth within the Dominion LDA in Virginia

Moreover, given the unprecedented and uncertain nature of this expected load growth, there is significant risk that these load increases—or substantial portions of them—**may never be realized**. Should actual loads fall short of PJM’s projections, Maryland ratepayers may be on the hook to pay for an expensive portfolio of projects that, in reality, were not needed

Takeaways & Questions

Whom to believe? DOE, PSC and PJM studies show different congestion findings, but they are **based on different measurement approaches**

Data centers are proposed at this stage, so the “violations’ are based on construction plans **that may not materialize**

Public input and representation should have been at the forefront of ANY planning by PJM **from the beginning** but has not been sought as required by regulation

The proposed MPRP transmission line requirement is driven **solely** by Virginia’s **proposed** data center power needs

What power plant is contemplated to feed this prospective energy demand? Where is it? Have others been considered?

Alternatives to new transmission lines **have not been adequately explored or explained**. For example, why is a rebuild of Doubs-Goose Creek successful at increasing capacity with the same 500 kV voltage lines?

Maryland residents will bear an **unfair share of the costs** to supply Virginia who will only pay for half the cost

The PSEG has not yet filed a licensing application with the PSC, yet has been approved for millions of dollars of ‘abandoned plant’ incentives by FERC

Isn’t this a solution in search of a problem if transmission capacity is not shown to be in any imminent jeopardy, absent Virginia’s data center projects?

Thank you

