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June 30, 2018

VIA E-MAIL & REGULAR MAIL

Mr. Steven Herling, Vice President, Planning PJM PJM
Board of Managers
PO Box 1525
Southeastern, PA 19399-1525

Dear Mr. Herling and PJM Board Members:

On behalf of the members of Citizens to Stop Transource (York County), Stop Transource Power Lines MD (Harford County), and Stop Transource Franklin County, we are writing to request the immediate removal of the proposed Transource Independence Energy Connection (IEC), Project 9A, from the RTEP plan.

There is unanimous opposition of landowners, state and federal legislators, and editorial boards in the affected areas. The state of Maryland has responded to our requests by passing legislation favorable to our cause. Legislation has been enacted in Pennsylvania that will make it more difficult to enforce eminent domain in agricultural areas, and further legislation will soon be introduced to strengthen these protections. All of the local governing bodies have entered the case as protestants. And through our congressman, we have received a favorable response from FERC Chairman Kevin McIntyre to whom we have expressed our misgivings of the PJM process. Day by day, the case for the project continues to deteriorate and the opposition grows stronger.

The Discovery process in Maryland and Pennsylvania has uncovered several incontrovertible facts, each of which alone should be sufficient for PJM to call a halt to this market efficiency project. Consider:

- 1) In the February review of the IEC, PJM became aware that the congestion savings had fallen from over \$600 million to just \$245 million.¹

¹ Paul McGlynn (PJM), May 21 2018, MD OPC interrogatory 9-04-A.

- 2) There has been no review of Transource's proposed costs since Q1 2016, even though steel has risen 36%, and aluminum has risen over 30%, and will likely go much higher due to tariffs targeting those materials.¹
- 3) The forecasted load in the target DC area has decreased yet again, to a flat line over the next 10 years. Moreover, there is an unmistakable trend to decrease the forecast every year.²
- 4) Congestion costs have decreased significantly over the last few years as old lines have been upgraded, including a 65% reduction in congestion costs within BGE, leading PJM to state "Due to the significant decrease in the posted congestion drivers, upgrades are the most costeffective solutions."³
- 5) Discovery in both states has provided ample evidence that the IEC-East is bordered on both sides by newly rebuilt 230kV lines that are empty on one side and have room for a second circuit, without bundling conductors.⁴ Public confidence in the PJM process is shaken as the newspapers post pictures of half empty lines while farmers are threatened with eminent domain for new construction.
- 6) No surveys have been completed in Harford County, and the 2018 window for bog turtle surveys has passed.
- 7) Other utilities have been so unimpressed by the chances of project success that they have done no work at all on the project. For example, PECO has not done any planning, site acquisition, or surveying to link the proposed Furnace Run substation to their 500kV line.⁵

1 Paul McGlynn (PJM), March 21 2018, MD OPC interrogatory 4-9 referencing PJM paper <http://www.pjm.com/P/media/committees-groups/committees/teac/20160512/201605122014-2015-longterm-proposal-window-independent-cost-review-white-paper.ashx> ; Pricing data from St Louis Federal Reserve "FRED" economic research.

2 PJM 2017 Maryland and DC Infrastructure Report (May 2018): <http://www.pjm.com/P/media/library/reports-notices/state-specific-reports/201712017-marvland-and-dcstate-infrastructure-report-ash> page 22-24.

3 PJM TEAC report 2/8/18.

4 Circuits 2302, and 2303 (Conastone to Otter Creek, and Graceton to Manor). Reference PPL response to OCA XII April 4, 2018.

While we understand that PJM feels a responsibility to Transource to allow them to fail gracefully at the state level after a protracted review, the facts demand that PJM cancel this project immediately. Millions of taxpayer dollars are being spent to review this project in two states, and landowners are fighting the project with their own attorneys.

The merits of this project are dwindling, the costs of the project increasing, and the timeline is slipping. By now PJM is certainly aware that there is little chance of approval. Until now, landowners have considered Transource to be their opponent, but unless PJM soon exercises its right to withdraw the project, we will hold PJM responsible. PJM will become the target of our media outreach, our legislative efforts, and potentially, our legal efforts as we hold PJM responsible for the tremendous costs incurred by landowners who will ultimately emerge victorious. Further PJM support of this project will be viewed as an abuse of process.

We therefore ask you to use your professional and moral judgment to do the right thing and withdraw the IEC within the next month.

Sincerely,



Dolores Krick
President, Citizens to Stop Transource



Lori Rice
President, Stop Transource Franklin County



6 PA OCA Interrogatory XV-4.
Aimee O'Neill
President, Stop Transource Power Lines MD

cc:

Rep. Kristin Phillips-Hill, PA House of Representatives

Rep. Stan Saylor, PA House of Representatives

Sen. Scott Wagner, PA Senate

Del. Kathy Szeliga, MD House of Delegates

Del. Richard Impallaria, MD House of Delegates

Del. Patrick McDonough, MD House of Delegates

Rep. Scott Perry, U.S. Congress

Rep. Lloyd Smucker, U.S. Congress