



FOR IMMEDIATE RELEASE

June 9, 2017

CONTACT INFORMATION

Matt Hartigan 302-736-7532

Matthew.Hartigan@state.de.us

Delaware PSC Welcomes PJM's Artificial Island Cost/Benefit Analysis

DOVER –

In an early morning stakeholder meeting, PJM Interconnection, LLC (PJM) released additional technical analyses that had been requested by the PJM Board regarding the cost allocation of the Artificial Island (AI) transmission project. This new information demonstrates two potential methods for determining the beneficiaries of the AI project and could drastically reduce the Delmarva Peninsula's approximately 93% portion identified in the prior cost allocation. Each of the alternate methods illustrate that Delaware customers benefit substantially less from the AI project than the previous solution-based DFAX cost allocation.

The Delaware PSC appreciates the technical efforts put forth by PJM planning Staff to develop alternative cost allocations approaches for the Artificial Island project that more appropriately reflect the benefits of a stability based transmission solution. "PJM's recognition of the concern and their commitment to assisting Delaware and others with alternative solutions is a credit to their professional organization," said PSC Chairman Dallas Winslow.

PSC Director Howatt emphasizes, "this is only a beginning step in a lengthy process to secure an appropriate cost allocation with results that are commensurate with the benefits to Delaware." As PJM has indicated, the responsibility to file any cost allocations rests with the Transmission Owners who must be persuaded by the stakeholders or directed by FERC to file a separate cost allocation that could be used when a transmission line is required to resolve a generation stability concern.

On August 28, 2015 the Delaware PSC had filed a complaint with FERC alleging that use of the solution based DFAX cost-allocation methodology as applied to the AI project was unjust and unreasonable, which was denied on April 22, 2016. The Delaware PSC is currently seeking reconsideration of FERC's denial of its complaint. The newly-provided analysis supports Delaware's petition for reconsideration, and more closely relates the costs and benefits for the AI project.

The Delaware PSC and others are evaluating PJM's alternative analyses and will be considering further regulatory or legal actions as may be needed to help secure an improved cost allocation approach for Delaware ratepayers.