



FOR IMMEDIATE RELEASE

**PJM REQUESTS DOE TO DESIGNATE  
TWO “NATIONAL INTEREST” TRANSMISSION CORRIDORS**

*Designation Sought in Mid-Atlantic to Enhance Reliability, Lower Prices*

(Valley Forge, Pa. – March 7, 2006) – PJM Interconnection yesterday asked the U.S. Department of Energy to designate two electrical paths as National Interest Electric Transmission Corridors to address electric transmission needs in the Mid-Atlantic region. PJM is the first regional transmission organization to invoke new authority granted by Congress to the U.S. Department of Energy under the Energy Policy Act of 2005.

The designation brings a national focus to resolving transmission constraints that affect reliability and raise electricity costs in the eastern PJM footprint, including the major eastern population centers of Washington, D.C.; Baltimore; Wilmington, Del.; Philadelphia and Newark, N.J.

The two electric transmission paths are the

- Allegheny Mountain path – the high-voltage transmission system extending from the West Virginia panhandle region southeastward and serving population centers in the Baltimore-Washington area, and the
- Delaware River path – the high-voltage transmission system extending from the West Virginia panhandle region east and serving population centers around Philadelphia and in New Jersey and Delaware.

PJM said the national interest designation of the transmission paths is needed to:

- maintain reliability,
- achieve economic benefits for consumers,
- ease electricity supply limitations in markets and diversify electricity sources, and
- enhance energy independence .

PJM's requested designation is designed to spur proposals to resolve significant transmission constraints and reduce congestion, which will result in lower electricity costs and improved efficiencies. PJM will evaluate specific proposals, including those recently announced by American Electric Power and Allegheny Power, through its Regional Transmission Planning process. States will review the eventual proposals through their siting processes. Under the Energy Policy Act of 2005, the Federal Energy Regulatory Commission maintains “backstop” siting authority for large multi-state proposals.

– MORE –

The corridor designations address needs that result from continuing growth in electricity use, closing of local generating plants, limited construction of new generating facilities and aging transmission infrastructure. In 2005, transmission congestion on the Allegheny Mountain path totaled \$747 million. It totaled \$464 million on the Delaware River path in 2005. The proposed designation also will assist development of renewable resources such as wind power in addition to bringing other new and existing resources to a broader market.

"Expansion of the electric transmission grid and the consideration of alternatives are needed in these key areas to ensure reliability and lower electricity costs," said Phillip G. Harris, PJM president and chief executive officer. "Congress and the President provided a mechanism in the Energy Policy Act to ensure that transmission constraints that adversely impact national interests can be addressed in a timely manner. We appreciate federal leadership and believe these paths and the critical needs of these large metropolitan areas make them the very type of national interest concerns to which Congress was referring."

PJM's determination of the need for the national corridors is based on its Regional Transmission Expansion Planning process as well as the findings of the Department of Energy in its 2002 National Grid Bottleneck Study. In developing the plan, PJM analyzes the existing transmission system, expected generation retirements and additions, growth in usage and the system's ability to meet reliability standards.

*PJM Interconnection ensures the reliability of the high-voltage electric power system serving 51 million people in all or parts of Delaware, Indiana, Illinois, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia. PJM coordinates and directs the operation of the region's transmission grid, which includes 6,038 substations and 56,070 miles of transmission lines; administers the world's largest competitive wholesale electricity market; and plans regional transmission expansion improvements to maintain grid reliability and relieve congestion. Visit PJM at [www.pjm.com](http://www.pjm.com).*

###