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Steven R. Herling
Vice President, Planning

March 1, 2017

Colonel Jason E. Kelly
District Commander, Army Corps of Engineers
803 Front Street
Norfolk, Va. 23510

Subject: Tabors Alternatives to the Skiffes Creek Project

Dear Colonel Kelly:

I am writing to you concerning analysis done by Tabors Caramanis Rudevich on behalf of the National Trust for Historic Preservation in October of 2016. The stated purpose of their analysis was to identify alternatives to the Surry – Skiffes Creek 500 kV overhead transmission project. As noted below, PJM staff has reviewed the proposed alternatives and found that none of them resolve the identified reliability criteria violations that are being addressed by the Surry – Skiffes Creek 500 kV project.

PJM is the Regional Transmission Organization (RTO) that ensures the reliability of the electric transmission system under its functional control and coordinates the movement of wholesale electricity in all or parts of 13 states including the Commonwealth of Virginia. As part of its ongoing responsibilities as an RTO, PJM prepares a Regional Transmission Expansion Plan (“RTEP”) to assess the electric supply needs of the customers in the PJM region and direct transmission upgrades to address those needs. PJM’s authority with respect to developing the RTEP is based on its role as an RTO, approved by the Federal Energy Regulatory Commission (“FERC”). FERC has also approved the NERC Standards to which PJM plans and operates the bulk electric transmission system. PJM is designated by NERC as the Planning Coordinator and Transmission Planner with respect to the NERC Standards. PJM applies reliability criteria to evaluate transmission system conditions and then develops the transmission solutions needed to ensure compliance with the NERC Standards.

PJM works closely with stakeholders throughout the development of the RTEP. Stakeholder input is a key part of the PJM planning process. The Skiffes Creek project was reviewed in numerous open meetings of the PJM Transmission Expansion Advisory Committee where public comment was sought prior to approval of the project by the PJM Board. As part of that process, Dominion transmission staff provided PJM its own thorough and comprehensive analysis of system needs as well as potential solutions for PJM consideration. Most importantly however, the Dominion analysis, which itself was based on PJM's initial determination of reliability criteria violations that needed to be addressed, was then independently validated by PJM and publicly vetted through the PJM stakeholder process prior to PJM recommending Board approval of the Skiffes Creek project.



In response to the alternatives proposed by Dr. Tabors in his October 28 report to the USACE, PJM completed a series of analyses consistent with RTEP procedures and found that none of the four proposed alternatives address all of the reliability criteria violations that are being addressed by the Skiffes Creek 500 kV project. In essence, there are a number of violations that are required to be addressed in the area, many of which are interrelated. Solving for a single violation does not address the panoply of reliability violations that are designed to be addressed through the Skiffes Creek project. For example, the continued operation of the Yorktown 3 generator as proposed by Dr. Tabors would not address thermal overload and voltage violations on the 230kV and 115kV bulk electric system that were identified by PJM. In addition, Dr. Tabors' reliance on the Yorktown 3 generator as a solution ignores the significant environmental operating restrictions and limitations on plant operations associated with that plant. As a result, PJM cannot recommend reliance upon the Yorktown 3 unit as a sustainable alternative solution to the identified reliability criteria violations.

I also wish to address the need for timely action concerning permitting the Skiffes Creek Project. As noted in our January 2017 letter, the need for the project was originally identified in 2012 to address numerous grid reliability criteria violations in the Dominion transmission system driven by the scheduled deactivation of generators at the Dominion Yorktown facility in York County Virginia. That letter also noted that the Skiffes Creek Project remains, in PJM's determination, the most effective solution to address the identified reliability problems. The reliability criteria violations are expected to occur immediately following the deactivation of the Yorktown generators. PJM's subsequent RTEP restudies continue to confirm the need for the project even considering the updated load forecasts in the recently released 2017 PJM Load Forecast Report. As a result it is PJM's determination that the current Skiffes Creek 500 kV project remains the most effective and efficient solution to address the identified reliability criteria violations.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Herling", written in a cursive style.

Steven R. Herling

Cc: Sharee Williamson on behalf of Paul Edmondson, National Trust for Historic Preservation
Andy Ott, PJM
Mike Bryson, PJM
Dr. Joseph Bowring, Monitoring Analytics
Ronnie Bailey – Dominion
Randy Steffey – USACE
William Walker – USACE