

*As the regulatory review process for the Independence Energy Connection project continues, we have noted several recurring questions we've heard and provided answers below. You can find previous project updates and additional information on the project website.*

*As a reminder, for landowners on the proposed routes, your right-of-way agent is available to address questions specific to the requested easement on your property and to work through the details of structure placement, construction practices, compensation and your personal land uses.*

## Independence Energy Connection Project

# FREQUENTLY ASKED QUESTIONS

### Why hasn't Transource updated its projected project costs?

In October, Transource notified PJM that the company began receiving bid information that indicates Transource's costs associated with the project are projected to increase less than 3 percent.

The company has seen increases on some items and savings in other areas. In addition, the updated costs include scope changes in response to landowner and stakeholder feedback, such as incorporating the use of monopole structures versus self-supporting lattice structures.

Regarding the Transource's updated costs, PJM stated: "The cost increase translates to a slight decrease in the benefit/cost ratio of the project – from 1.42 to 1.40 – still more than enough of an economic benefit to keep the project on PJM's Regional Transmission Expansion Plan [\(continue reading\)](#)."

### What is the updated projected cost of the project?

The total projected cost of construction of the Independence Energy Connection project, including cost updates from Baltimore Gas and Electric, West Penn Power and Transource, is \$372 million, up from \$366 million as reported by PJM in September.

### Why didn't Transource have updated costs at the time of PJM's annual cost / benefit analysis?

Transource is following a planning and engineering process that requires a variety of data. For example, land surveys provide Transource valuable data needed for construction bids. Since winter 2017, the company has been working with landowners to access properties to be able to complete that work. The survey information is one example of information that was part of the bid package provided to potential suppliers.

### What will the IEC project look like when constructed?

Many residents in the area have talked about the impacts of self-supporting lattice towers on the vistas and farming in the community. Though that was the original design, based on feedback last year, Transource committed to using monopole structures across the project to lessen disturbance caused by the project.

Below are visual simulations of what the project will look like in certain landscapes.

## EXISTING ORCHARD ON PROPOSED ROUTE

Before



Before photo taken on July 26th, 2018

After



Visual simulations are based on the level of design available at this time. Moderate changes in structure height and location may occur following subsequent engineering and design refinements and minor modification of the alignment.

# ADDITIONAL FREQUENTLY ASKED QUESTIONS

## Who identified the need and benefit for the Independence Energy Connection (IEC) project?

PJM Interconnection, the regional transmission organization responsible for managing the high-voltage electric grid for 13 states, including Maryland and Pennsylvania, identified concerns with the delivery of electricity into the region and reviewed more than 40 potential solutions from competitive transmission companies. PJM selected Transource’s solution to reinforce the electric grid and awarded construction of the project to the company in August 2016.

## Is this the first market efficiency project?

PJM has had other market efficiency projects and they can benefit areas beyond where the facilities are constructed. For example, a recent market efficiency improvement made in Indiana and Westmoreland counties in Pennsylvania improved how the grid operates and benefits customers in York County, more than 100 miles.

## What are the project benefits?

In September 2018, PJM completed its annual review of IEC and validated the benefits of the project.

PJM stated: “Our thorough analysis of the many factors that go into benefits and costs concluded that the benefits continue to justify the costs. The analysis considered factors such as recent load and congestion forecasts, current cost estimates, power flow projections, topology, interregional modeling, future fuel prices and generation interconnections. As a result of the findings, the project will remain in PJM’s long-term Regional Transmission Expansion Plan. The project is estimated to save consumers \$866.2 million over 15 years in congestion costs [\(continue reading\)](#).”

## Will the project address reliability concerns in the region?

In the September re-evaluation, PJM stated: “During our recent review, PJM found that the Transource project also will address significant reliability issues that are emerging on the regional transmission system, including the potential overload of a key high-voltage line that carries electricity across the Pennsylvania-Maryland border. Without the additional transmission capacity provided by the Transource project, the system could face serious violations of federal reliability standards, which would require additional measures to address [\(continue reading\)](#).”

## Does high-voltage transmission infrastructure currently exist in the region?

Some people have expressed concern that building new electric transmission lines in the area would negatively impact tourism, agri-tourism and farming. The reality is that, for many decades, this region has successfully attracted tourists and worked the land in concert with more than 900 miles of existing high-voltage transmission lines that power the region. Of those 900 miles of existing high-voltage transmission, approximately 230 miles are extra high-voltage transmission lines, 345 kv and greater.

## What is Transource’s role on the Independence Energy Connection project?

While PJM determined the need and benefit, Transource is responsible for siting, construction and maintaining the facilities included in the company’s proposal to PJM. Transource is also responsible for obtaining the necessary state and local approvals for project construction.

IEC includes approximately 45 miles of overhead electric transmission line in Pennsylvania and Maryland, two new substations in Pennsylvania, and upgrades to existing facilities to incorporate the facilities into the grid. Across the project area, Transource will use local workers, services and supplies on the project, when possible. The company prioritizes investment in the local economies where construction occurs.

### Approximate mileage of proposed transmission line by county:

IEC West	IEC East
Franklin County, PA: 24.4 miles	York County, PA: 12.7 miles
Washington County, MD: 4.4 miles	Harford County, MD: 3.1 miles

## Why is new infrastructure needed when customers currently have access to electricity?

According to PJM, “PJM plans not just for today, but for the future. To ensure reliable transmission service, PJM prepares an annual plan that addresses near-term reliability needs and long-term transmission needs over a planning horizon of 15 years.”

## EXISTING BARN ON PROPOSED ROUTE

Before



After



Before photo taken on July 26th, 2018

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# ADDITIONAL FREQUENTLY ASKED QUESTIONS

## Will Transource propose any routes that are different than what was included in the siting applications?

The applications filed with Pennsylvania and Maryland to build the project include proposed and alternate routes. No additional routes or study segments are being considered outside of what is included in the application.

## What else does Transource do to ensure land-use issues are considered?

Right-of-way agents are currently working with landowners on the details of easements and, where possible, have made adjustments to further reduce impacts to farming practices and personal land use. Landowners are encouraged to work with right-of-way agents now, during the design phase of the project, to best incorporate property owner desires into the final placement of the facilities.

## Will Transource own the land for the right-of-way?

The landowner still owns the property under the line with some restrictions on activities, such as buildings and tall trees.

Allowable activities within a right-of-way are clearly defined for the landowner. Although every case is unique, typical permitted activities include gardening, farming and any other activities that do not interfere with the safe operation of the transmission lines. Compatible crops usually include corn, soybeans, wheat and other agricultural products.

Landowners are compensated for the easement that allows Transource the rights to safely construct, operate and maintain infrastructure on their property. Transource will also compensate the landowner for any crop loss or impacts during the construction and restoration period.

## EXISTING FARM ON PROPOSED ROUTE

Before



After



Before photo taken on July 26th, 2018

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## NEXT STEPS:

- *The regulatory process continues to move forward in Pennsylvania and Maryland.*
- *The Pennsylvania evidentiary hearings will be held February 2019. The Maryland public input hearings will occur in March 2019 with evidentiary hearings in April 2019.*
- *Transource will publicize additional information for these events as details are confirmed.*

*We appreciate the feedback and opportunity to address questions, and we look forward to continuing to keep you informed.*

## Is Transource currently condemning landowners?

The PUC process requires utilities to supply a list of property owners with whom the company has not yet secured a signed option to grant an easement agreement.

In September, the PUC hosted local hearings for the community to provide input on this filing. Transource has not filed condemnation on anyone and would not be in a position to do so until after an order is issued by the commission.

It is important to reiterate that Transource continues to negotiate with landowners in good faith with a desire to reach an option agreement. If an option agreement is signed, the landowner will be removed from the PUC condemnation proceeding. Since the filing in May 2018, more than 30 percent of landowners have been removed from the filing.

## Does Pennsylvania Act 45 of 2018 apply to IEC?

Transource PA has been granted utility status by the PA PUC. Act 45 excludes "public utility facilities" from the required approval and has no effect on this project's proceedings.

## What is the timeline for IEC?

Transource recently submitted a revised timeline to PJM that includes construction beginning in summer 2019 and being put in service in the fall of 2020.