

Governor Carney and Governor Hogan React to PJM's Alternative Financing Methods for Artificial Island Project

Governors thanked PJM and urged FERC to consider cost allocation that will not unfairly burden Delmarva ratepayers

WILMINGTON, Del. – Delaware Governor John Carney and Maryland Governor Larry Hogan on Friday thanked PJM's Board of Managers for presenting alternatives to financing the \$279 million Artificial Island transmission line project, and urged the Federal Energy Regulatory Commission (FERC) to consider a new cost allocation that will not unfairly burden electric ratepayers on the Delmarva Peninsula.

"This is a positive first step, and we're optimistic that PJM has presented alternative financing for the Artificial Island project that would not unjustly burden electric ratepayers on Delmarva. We're hopeful that the Federal Energy Regulatory Commission will seriously consider these newly-proposed alternatives. And we will continue to work closely – alongside Delaware's Public Advocate, the Public Service Commission, and Delaware's federal delegation – on this issue," said **Governor Carney**. "As we have said all along, Delawareans and Delaware businesses should not be forced to finance this project through higher monthly electric bills, while receiving little in the way of a direct benefit. We're thankful to the PJM Board for their thoughtful consideration of this issue."

"It is encouraging that PJM listened to the concerns of the citizens of Maryland and Delaware and developed alternative cost allocation methods that are much more equitable to

Delmarva residents and businesses,” said **Governor Hogan**. “This is a significant step in the right direction, however we will continue to push for FERC to adopt this new plan in a timely manner so the project can move forward in a way that treats Maryland ratepayers fairly.”

As currently funded, Delmarva Peninsula ratepayers would fund more than 90 percent of the cost of the project through higher electric bills, while receiving few direct benefits. Under PJM’s alternative methods for cost allocation, Delmarva ratepayers would fund approximately 7-10 percent of the project costs.

Governor Carney and Governor Hogan previously appealed the cost allocation to FERC, and urged PJM to support a more equitable cost allocation.

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