



FOR IMMEDIATE RELEASE

Contact: Frank Maisano, (202) 828-5864, c: (202) 997-5932

frank.maisano@bglip.com

FERC Action Will Enable Offshore Transmission, Reduce Congestion
First-of-Kind Offshore Backbone Project will Deliver Clean Energy, Jobs, Reliability

WASHINGTON, DC – The Federal Energy Regulatory Commission (FERC) approved a filing that greatly enhances transmission development to support America's renewable energy needs, which will also reduce expensive transmission congestion in the Mid-Atlantic states. FERC's order provides a boost to new transmission projects like the Atlantic Wind Connection that require large sums of capital that are totally at risk. The Atlantic Wind Connection investment will create thousands of offshore wind development jobs and expand reliability and national security through improvements in the electric grid.

"This is an important and significant step forward to build the interstate electric super highway necessary for offshore wind to reach scale," said Robert Mitchell, CEO of Atlantic Grid Development, the project's developer. "The Atlantic Wind Connection project will allow thousands of megawatts of clean power to efficiently connect to the PJM transmission grid, while spurring the creation of thousands of clean energy jobs and improving the reliability and security of the power grid in the Mid-Atlantic. We are gratified and appreciate that the Commissioners recognize the important benefits this project will provide in furthering the efficient and timely development of offshore wind in New Jersey, Delaware, Maryland and Virginia."

AWC originally filed its petition with FERC regarding its backbone transmission project in December. Announced in October, the AWC project is the super highway for potential offshore wind energy along the Mid-Atlantic coast. AWC will help industry create tens of thousands of jobs, improve consumer access to clean energy sources, strengthen national security and increase the reliability of the Mid-Atlantic region's existing power grid. Moreover, it will enable thousands of megawatts of offshore wind to be developed distant from land. The project is led by Trans-Elect and is financed by Good Energies, Google and Marubeni Corporation.

"FERC's order clears the way for the AWC project to maintain the strong financial foundation necessary to move the project along its development path," said AWC project attorney Eli Farrah, of Dewey LeBoeuf, LLC, who is guiding the project through the FERC approval process. "The certainty this order will provide for consumers, states, grid managers, wind developers and investors will help reduce the significant risks for this necessary, but first-of-kind project."

In a decision during today's regular FERC meeting, Commissioners unanimously granted an overall return on equity (ROE) of 12.59 percent, which includes 250 basis points in incentive ROE adders. FERC also granted Atlantic Wind's requests for other incentives, such as inclusion of 100 percent of construction work in progress (CWIP) in rate base, the opportunity to recover 100 percent of prudently incurred costs if the project is abandoned for reasons outside the company's control and a hypothetical capital structure based on 60 percent equity and 40 percent debt. The incentives do not take effect until the project is approved under the transmission planning process managed by PJM, the region's independent grid operator. FERC provides these incentives to encourage much-needed investment in transmission and acknowledges the high risk of developing new transmission.

AWC's FERC filing details the project's vital economic, reliability and national security benefits to citizens living in the Mid-Atlantic region – and beyond. In the original filing, a Brattle Study of the AWC project

said it will generate \$9-15 billion of benefits – which far exceeds the backbone's cost – while making the regional grid stronger and more efficient by offering enormous economic, reliability and congestion-relief benefits, as well as significant cost savings. The original filing also details important national security benefits that will strengthen America's national security through improvements to the electric grid. As noted in the Brattle Study, the development of 7,000 MW of offshore wind will provide enough power to remove over five coal plants of 500 MW each which is like removing 16 tons of CO2 each year or taking 3 million cars off the highways.

Last month, the AWC project filed a right-of-way application with the DOI's Bureau of Ocean Energy Management, Regulation and Enforcement. In a recent Congressional hearing, BOEMRE Director Michael Bromwich indicated support for the AWC project and said "it's on a fast track."

The Mid-Atlantic region offers more than 60,000 MW of offshore wind potential in the relatively shallow waters of the outer continental shelf. With few other renewable energy options ideally suited for the Atlantic coast, this transmission project will help states meet their renewable energy goals and standards by enabling the local offshore wind industry to deploy thousands of megawatts of clean, cost-effective wind turbine capacity. When complete, the AWC backbone will be able to connect up to 7,000 MW of offshore wind, enough power to serve over 2 million households.