



## **ITC Commences Open Solicitation for Transmission Rights on ITC Lake Erie Connector Project**

*ITC to Solicit Interest from Qualified Parties for Capacity  
on HVDC Merchant Transmission Project*

*First Direct Connection Between Canada IESO and United States PJM Markets*

**NOVI, Mich., June 22, 2015** – ITC Lake Erie Connector LLC, a wholly-owned subsidiary of ITC Holdings Corp., (NYSE: ITC) the largest independent electricity transmission company in the United States, today commenced an open solicitation for interest in transmission capacity on the ITC Lake Erie Connector line. Beginning today and through August 21, ITC intends to solicit expressions of interest from qualified parties for firm transmission rights at negotiated rates.

The ITC Lake Erie Connector is a proposed 1000 MW, bi-directional, High-Voltage Direct Current (HVDC) merchant transmission line that will provide the first direct link between the markets of the Ontario Independent Electricity System Operator (IESO) and PJM Interconnection, LLC (PJM). The ITC Lake Erie Connector will enable transmission customers to more efficiently access energy, capacity and renewable energy credit opportunities in both markets.

“We see sustainable long-term economics in this project, partly driven by potential environmental regulations and U.S. state renewable energy mandates,” said Terry Harvill, Ph.D., ITC Holdings Corp. vice president of International and Merchant Development. “This is an opportunity for generators and load-serving entities to take advantage of a direct link between the two markets, avoiding some of the additional charges they incur from moving power through another system. At the same time, the power will get to market when they need it there and at a cost they can predict and rely on. Ultimately, this project can lower the cost of delivered energy for end-use customers while at the same time increasing the reliability of both markets,” said Dr. Harvill.

### **Open Solicitation Process**

Interested parties can access an overview of the ITC Lake Erie Connector and a confidentiality agreement (CA) on ITC’s Open Solicitation website [www.lakeerieconnector-os.com](http://www.lakeerieconnector-os.com). Execution of the CA will allow interested parties to access additional information regarding the ITC Lake Erie Connector and the open solicitation process. ITC has retained The Brattle Group to serve as an Independent Solicitation Manager to oversee the open solicitation process.

Parties interested in reserving capacity on the ITC Lake Erie Connector must complete and submit a non-binding “Expression of Interest” form no later than August 21, 2015. ITC, with assistance from the Independent Solicitation Manager, will rank prospective customers based on the following five criteria: (1) desired capacity amount; (2) desired term length; (3) creditworthiness; (4) financial strength; and (5) desired start of transmission service. ITC will consider negotiating only with those parties that are interested in purchasing at least 50 MW of transmission capacity on the ITC Lake Erie Connector. Once prospective customers have been identified, ITC will engage in negotiations with these parties, with the objective of executing one or more transmission service agreements based on mutually agreed-upon rates, terms, and conditions. ITC reserves the right to offer more favorable rates, terms, and conditions to certain

customers, such as first-movers or those willing to assume greater risk. Any revisions to the open solicitation schedule or changes to project specifications will be posted on the website.

### **Project Specifications and Permits**

The 1000 MW ITC Lake Erie Connector is a +/- 320 kV HVDC bi-directional transmission line, approximately 73 miles in length, that will interconnect with converter stations located in Erie, Pennsylvania and Nanticoke, Ontario. A 345 kV Alternating Current (AC) underground transmission line will connect the Erie converter station to the existing Penelec Erie West Substation, while a 500 kV AC line will interconnect the Nanticoke converter station to Hydro One Networks Inc.'s Nanticoke Transformer Station. The majority of the transmission line either will be buried beneath Lake Erie or underground using existing roadway rights-of-way.

ITC filed major permit applications with Canada's National Energy Board on May 22 and with the U.S. Department of Energy (DOE) on May 29 – the latter to obtain a Presidential Permit necessary for international border-crossing projects. ITC has completed the necessary system impact studies in IESO and PJM, has signed services agreements with the manufacturers of the converter stations and the submarine cable, and secured nearly all land necessary for the terrestrial cable route, converter stations and laydown areas. ITC anticipates receiving major state, federal and provincial permits for the ITC Lake Erie Connector by Q2 2017, commencement of construction in 2017, and commercial operation in 2019.

### **About ITC Holdings Corp.**

ITC Holdings Corp. (NYSE: ITC) is the largest independent electric transmission company in the United States. Based in Novi, Michigan, ITC invests in the electric transmission grid to improve reliability, expand access to markets, lower the overall cost of delivered energy and allow new generating resources to interconnect to its transmission systems. Through its regulated operating subsidiaries ITC *Transmission*, Michigan Electric Transmission Company, ITC Midwest and ITC Great Plains, ITC owns and operates high-voltage transmission facilities in Michigan, Iowa, Minnesota, Illinois, Missouri, Kansas and Oklahoma, serving a combined peak load exceeding 26,000 megawatts along approximately 15,600 circuit miles of transmission line. ITC's grid development focus includes growth through regulated infrastructure investment as well as domestic and international expansion through merchant and other commercial development opportunities. For more information, please visit ITC's website at [www.itc-holdings.com](http://www.itc-holdings.com).

### **Safe Harbor Statement**

This press release contains certain statements that describe our management's beliefs concerning future business conditions, plans and prospects, growth opportunities and the outlook for our business and the electricity transmission industry based upon information currently available. Such statements are "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. Wherever possible, we have identified these forward-looking statements by words such as "will," "may," "anticipates," "believes," "intends," "estimates," "expects," "projects" and similar phrases. These forward-looking statements are based upon assumptions our management believes are reasonable. Such forward looking statements are subject to risks and uncertainties which could cause our actual results, performance and achievements to differ materially from those expressed in, or implied by, these statements, including, among others, the risks and uncertainties disclosed in our annual reports on Form 10-K, quarterly reports on Form 10-Q and other filings made with the Securities and Exchange Commission.

Because our forward-looking statements are based on estimates and assumptions that are subject to significant business, economic and competitive uncertainties, many of which are beyond our control or are subject to change, actual results could be materially different and any or all of our forward-looking statements may turn out to be wrong. Forward-looking statements speak only as of the date made and can be affected by assumptions we might make or by known or unknown risks and uncertainties. Many factors mentioned in our discussion in this

release and in our annual and quarterly reports will be important in determining future results. Consequently, we cannot assure you that our expectations or forecasts expressed in such forward-looking statements will be achieved. Except as required by law, we undertake no obligation to publicly update any of our forward-looking or other statements, whether as a result of new information, future events, or otherwise.

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