



## **ITC Lake Erie Connector Project Approved by U.S. Army Corps of Engineers**

*Completes Major Permit Application Processes in the U.S. and Canada*

*HVDC Transmission Project to Create First Direct Connection  
Between Ontario and Eastern United States Electricity Markets*

**NOVI, Mich., October 24, 2017** – ITC Lake Erie Connector LLC, a wholly-owned subsidiary of ITC Holdings Corp., the largest independent electricity transmission company in the United States, today received notice that the U.S. Army Corps of Engineers (USACE) has issued the necessary permits for the ITC Lake Erie Connector transmission line.

The USACE approval, dated October 16, completes the project's major permit application process in the United States and Canada. ITC previously received a Presidential Permit from the U.S. Department of Energy as well as major permits from Canada's National Energy Board and the Pennsylvania Department of Environmental Protection.

The ITC Lake Erie Connector is a proposed 1,000 MW, bi-directional, high-voltage direct current (HVDC) underwater transmission line that would provide the first direct link between the markets of the Ontario Independent Electricity System Operator (IESO) and PJM Interconnection LLC (PJM). The project would enable transmission customers to more efficiently access energy, capacity and renewable energy opportunities in both markets.

"We have now secured all the major permits needed to build the first direct power connection between Ontario and PJM – the largest electricity market in the world that includes all or part of 13 U.S. states with a population of more 60 million," said Terry Harvill, Ph.D., president, ITC Grid Development. "Customers on both sides of the border stand to benefit from this new electric interconnection that will open the door to electricity trading between these markets and help improve the security and reliability of both energy grids," said Dr. Harvill.

Additional benefits of the project include:

- New opportunities to import and export clean power between the energy markets can help Ontario and U.S. states significantly reduce their emissions and achieve their carbon reduction goals.
- Enhanced optionality for both markets to manage their energy needs and policy goals and respond to shifting supply/demand conditions, outages, and system planning requirements.
- Flexibility for both energy markets, including during extensive nuclear plant refurbishments and plant retirements in Ontario.
- Access to a larger fleet of competitive generation sources.
- More efficient use of existing generation and transmission assets including the potential to increase renewable and non-emitting electricity.

The USACE permit can be viewed along with other permits via the project website at [www.itclakeerieconnector.com](http://www.itclakeerieconnector.com).

## **Project Status**

Remaining milestones for the ITC Lake Erie Connector include completing project cost refinements and securing favorable transmission service agreements with prospective counterparties, after which ITC would proceed with construction.

ITC has completed the necessary system impact studies in IESO and PJM, signed service agreements with the manufacturers of converter stations and the submarine cable, and secured nearly all land necessary for the terrestrial cable route, converter stations and construction laydown areas. The company has held or participated in numerous public consultations in Ontario and Pennsylvania – the respective terrestrial points of the line – to discuss the project and gather community input.

## **Project Specifications**

The ITC Lake Erie Connector is a proposed +/- 320 kV HVDC bi-directional transmission line, approximately 73 miles in length, that would connect converter stations located in Erie, Pennsylvania and Nanticoke, Ontario. A 345 kV alternating current (AC) line would connect the Erie converter station to Penelec's existing Erie West substation, while a 500 kV AC line would tie the Nanticoke converter station to Hydro One's Nanticoke substation. The majority of the transmission line would be buried beneath Lake Erie or underground using existing roadway rights-of-way.

## **About ITC Holdings Corp.**

ITC is the largest independent electricity transmission company in the United States. Based in Novi, Michigan, ITC invests in the electric transmission grid to improve reliability, expand access to markets, allow new generating resources to interconnect to its transmission systems and lower the overall cost of delivered energy. Through its regulated operating subsidiaries ITC *Transmission*, Michigan Electric Transmission Company, ITC Midwest and ITC Great Plains, ITC owns and operates high-voltage transmission infrastructure in Michigan, Iowa, Minnesota, Illinois, Missouri, Kansas and Oklahoma, and in development in Wisconsin. These systems serve a combined peak load exceeding 26,000 megawatts along approximately 15,800 circuit miles of transmission line, supported by 670 employees and nearly 1,000 contractors across our expanding footprint. 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 further information visit [www.itc-holdings.com](http://www.itc-holdings.com). ITC is a subsidiary of Fortis Inc., a leader in the North American regulated electric and gas utility industry. For further information visit [www.fortisinc.com](http://www.fortisinc.com).

## **Cautionary Language Concerning Forward Looking Statements**

This document contains certain statements that describe our management's beliefs concerning future business conditions 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 and wherever possible, we have identified these forward-looking statements by words such as "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 other things, the risks and uncertainties disclosed in our annual report on Form 10-K and our quarterly reports on Form 10-Q filed with the Securities and Exchange Commission from time to time.

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. They 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 document 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. Actual future results may vary materially. 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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