

The PJM Board of Managers
c/o Mark Takahashi, Chairman
c/o Manu Asthana, PJM President and CEO
PJM Interconnection L.L.C.
2750 Monroe Boulevard
Audubon, Pennsylvania 19408

Cc: Evelyn Robinson

September 8, 2023

Dear Chairman Takahashi and PJM Board of Managers,

The undersigned are writing in response to your stakeholder letter dated August 3, indicating that PJM would not be proceeding with a circuit breaker mechanism. We are disappointed by this decision.

As you acknowledge in your letter, there should be protection for consumers in the event of catastrophic occurrences. A properly designed circuit breaker is a stop-loss approach that limits extreme pricing when costs far exceed the value of any contribution towards reliability. Throughout the stakeholder process, when consumer advocates pleaded the case for a circuit breaker, the PJM Board and staff assured the community that they took the issue seriously and that the process would result in a circuit breaker mechanism. The decision to scrap the process and not exercise the Board's discretion in filing at FERC undermines our confidence.

Thus, we are now left without a circuit breaker and less confidence in PJM's decision-making process than when we started.

In your letter, you indicate that the current market rules are not unjust and unreasonable. If that is the case, we question how the existing rules protect against the type of event a circuit breaker mechanism is designed to address. If PJM lacks clear rules to protect consumers from a market breakdown, and consumers are expected to bear the costs, then the market is fundamentally flawed, unjust, and unreasonable.

The concerns that the Board raises in its letter about preserving reliability and considering market consequences will ring hollow to captive consumers if we enter into a scenario when a circuit breaker would have otherwise been enacted. RTO's rarely make news beyond the trade press, but when they do, it is likely because of a catastrophic breakdown of the system and PJM's markets.

Catastrophe was narrowly avoided during Winter Storm Elliott, but consumers cannot rely on luck. The circuit breaker mechanism is only more necessary as time goes on.

Again, consumer advocates rely on, and believe in, well-designed markets. But, when an extreme shortage occurs so that prices skyrocket without the likelihood of incenting more electricity, then the market has broken down and protections need to be in place to shield consumers. Without a

circuit breaker, such extreme cases mean that price signals and increased supply are divorced and instead merely result in astronomical unwarranted costs for consumers.

The undersigned remain firmly committed to creating a circuit breaker mechanism at PJM and trust that PJM Board of Directors will move to protect its consumers.

Sincerely,

Sarah Moskowitz
Illinois Citizens Utility Board

Ruth Ann Price
Delaware Division of the Public Advocate

Patrick M. Cicero
Consumer Advocate
Pennsylvania Office of Consumer Advocate

Bruce Weston
Ohio Consumers' Counsel
/s/ Angela D. O'Brien
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