



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
400 NORTH STREET
HARRISBURG, PENNSYLVANIA 17120

ROBERT F. POWELSON
COMMISSIONER

December 23, 2008

Howard Schneider
Chairman, PJM Board of Managers
955 Jefferson Ave.
Norristown, PA 19403

Dear Mr. Schneider,

I have reviewed Allegheny Energy's proposal to PJM's Capacity Market Evolution Committee that recommends reconsideration of the Fixed Resource Requirement ("FRR") option.

I am concerned with the Brattle Group's recent recommendations that could make the FRR an even more attractive option for some entities. Rather than consider the FRR changes proposed by Brattle, we agree with Allegheny that elimination of the FRR is the better course of action. While I fully support increased capacity being made available in the PJM market, options that allow or encourage opting-out of RPM do not seem in the spirit of efficient and fair market development.

Very truly yours,

A handwritten signature in black ink that reads "Robert F. Powelson".

Robert F. Powelson
Commissioner

pc: Terry Boston
Stephen Boyle