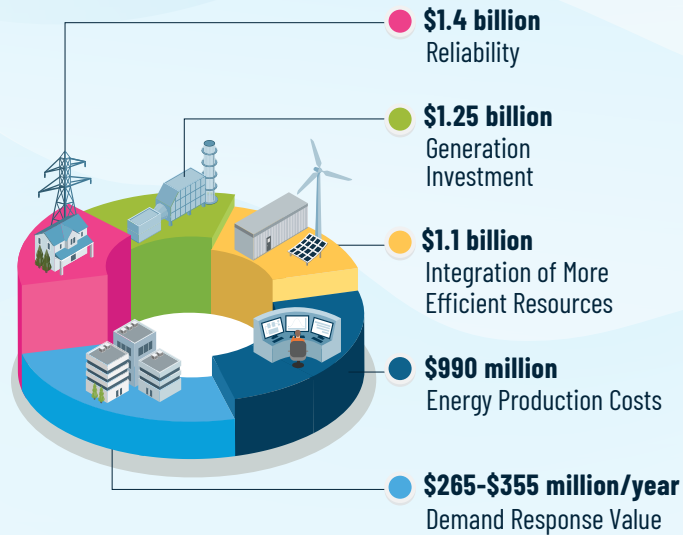


The Value of PJM Interconnection

Since 1927, PJM Interconnection has been providing power reliably and cost-effectively by sharing electricity across state lines. Working with local utilities, PJM provides reliable power from New Jersey to North Carolina and west to Illinois, serving 13 states and D.C.

~\$5 billion annual savings produced

PJM's operations, markets and planning functions result in substantial efficiencies by leveraging scale, competition and market transparency.



Scale

PJM operates across a large geographic footprint, pooling together diverse generation resources and varying electricity demand across its 13-state and D.C. service area, increasing system reliability. This also reduces the amount of both transmission and operating reserves necessary to keep the grid reliable during emergencies or other operational challenges.

Competition

PJM's competitive markets bring new, more economic resources to the system and facilitate the retirement of older, less efficient resources. These newer resources result in significant efficiencies while reducing emissions across the PJM footprint. PJM's markets also encourage alternatives to traditional generation, such as demand response, to compete and contribute to PJM's reliable and cost-effective operations.

Transparency

Transparent price signals across PJM's multiple markets encourage investment in new generation and transmission infrastructure where it is needed most. Developers respond to these signals with new generation and transmission, which then help maintain system reliability, reduce transmission congestion and allow lower-cost generation to serve a greater number of customers.



PJM, the independent grid operator and regional planning coordinator for one-fifth of the nation, operates as a not-for-profit organization and is overseen by a Board of Managers who hold no financial stake in PJM Member companies.