

Congress of the United States
Washington, DC 20515

October 17, 2024

Mark Takahashi
Chair, PJM Board of Managers

Manu Asthana
President and CEO

PJM Interconnection, L.L.C.
2750 Monroe Boulevard
Audubon, PA 19043

Dear Mr. Takahashi and Mr. Asthana:

The U.S. energy sector is entering a period of significant transformation due to rising energy demands, more frequent and intense extreme weather events, and falling renewable energy prices. As the grid operator representing our 13-state region and the District of Columbia, PJM Interconnection (PJM) has a crucial responsibility to maintain a reliable and cost-effective electric grid capable of adapting to these evolving conditions. **We write to you today to urge PJM to fully and swiftly comply with the letter and intent of the Federal Energy Regulatory Commission’s (FERC) Order No. 1920 and Order No. 2023 and pursue proactive transmission planning and interconnection reforms to help our region’s electricity grid maintain reliability and meet our clean energy goals.** Specifically, we request that PJM conduct scenario development and benefit evaluation to the standards of Order No. 1920.

Our region must add new energy sources to our electric grid to meet our constituents’ and businesses’ growing energy needs. Renewable energy is now the cheapest form of energy, and a recent PJM report shows that renewables can meet our region’s increasing energy demands.¹ Federal investments in the Inflation Reduction Act (IRA) and state policies on fostering renewable energy have created an opportunity for billions of dollars of investment in low-cost, low-carbon electricity supply and storage. The PJM region can seize this opportunity to facilitate the replacement of old, costly, increasingly unreliable, and polluting power plants with lower-cost clean energy—and score a triple win for public health, the environment, and consumers’ energy bills.

We applaud PJM’s recent commitment to comply with FERC Order No. 1920 by moving forward with developing long-term transmission planning scenarios this year.² We also understand that PJM has challenged some of the requirements in Order No. 1920 in a request for rehearing.³ While we acknowledge that PJM oversees a region with diverse interests and

¹ <https://www.pjm.com/-/media/library/reports-notice/special-reports/2024/20240624-energy-transition-in-pjm-flexibility-for-the-future.ashx#page=5>

² <https://insidelines.pjm.com/pjm-to-move-forward-with-long-term-planning-scenarios/>

³ <https://www.pjm.com/-/media/documents/ferc/filings/2024/20240612-rm21-17-000.ashx>

differing clean energy targets, we are concerned that PJM may use this request to delay comprehensive transmission planning. Any delays in the clean energy transition will not only contribute to rising climate-related costs, but also harm consumers in our states who will foot the bill for inefficient energy infrastructure.

FERC Order No. 1920 provides a framework for grid operators to conduct comprehensive transmission planning and allocate costs to states and stakeholders based on benefits. This order ensures that states will pay their fair share for the clean energy benefits they receive from transmission on the same terms they would pay for other transmission benefits. PJM must develop a fair and robust process for states and stakeholders to participate in good faith engagement on cost allocation rules. We specifically request that PJM conduct scenario development and benefit analysis to the standards of the Order to ensure the region can plan for a reliable, cost-effective future. This planning should:

- Incorporate state clean energy policies, the private investments spurred by the IRA, and economic drivers of change in at least three planning scenarios. At least one of the scenarios should include a high-renewables scenario.
- Forecast future fossil retirements as accurately as possible, including both those mandated by policy and those driven by economic factors.
- Maximize the entire range of economic and reliability benefits of clean energy and storage.
- Prioritize solutions that minimize community impacts resulting from siting and permitting considerations, including deploying advanced transmission technologies.

In addition to complying with the long-term regional planning rule, PJM should also swiftly comply with FERC Order No. 2023, which will help address the backlog of renewable energy projects waiting to be connected to the electricity grid. PJM's May 2024 compliance filing fails to meet the standards of the FERC rule, and instead asks FERC for special exemptions and lengthy extensions to the rule's deadlines. We are deeply concerned that more than 3,309 projects are in PJM's interconnection queue, which represents the longest queue of any region.⁴ As PJM has noted, "accelerating the pace of new entry is critical to maintaining reliability" as we embrace the energy transition.⁵ Thus, we urge PJM to swiftly and fully comply with FERC Order No. 2023.

Lastly, to ensure a successful and cost-effective transmission planning process, PJM must work closely with state policymakers and regulators to incorporate states' statutory clean energy targets in **all long-term planning scenarios**. By working with state policymakers and regulators, PJM can better maintain grid reliability as fossil plants retire and avoid expensive reliability must-run agreements which keep aging fossil plants online at great cost to consumers.

A robust transmission grid that is ready to accept new resources and maintain reliability in the face of increasing energy demand will not be possible without swift and full compliance with Order No. 1920 and Order No. 2023. As Representatives of states in PJM's region, we stand ready to support these efforts and seek answers to the following questions:

⁴ https://emp.lbl.gov/sites/default/files/2024-04/Queued%20Up%202024%20Edition_1.pdf#page=9

⁵ <https://www.pjm.com/-/media/library/reports-notice/special-reports/2024/20240624-energy-transition-in-pjm-flexibility-for-the-future.ashx>

1. How can PJM ensure that the flexibility it sought in its June 2024 request for a rehearing on Order No. 1920 will not result in delays to PJM developing comprehensive and cost-effective long-term transmission planning scenarios?
2. How can PJM ensure that entrenched incumbent special interests will not undermine PJM's efforts to comply with Order No. 1920 and plan cost-effective transmission?
3. What steps is PJM taking to establish a process for engaging with state policymakers and regulators on Order No. 1920, including on cost allocation and on developing scenario inputs?
4. What is PJM's plan to comply with Order No. 2023? Specifically, what steps is PJM taking to accelerate the pace of new entry?
5. Please outline PJM's plans for meeting the new entry and interregional coordination needs identified in its recent Energy Transition study.⁶ In the interest of increasing transparency and ensuring those plans are on track, how will PJM keep the public and policymakers apprised on its progress?
6. How will PJM help minimize adverse impacts on local communities from transmission deployment, such as by increasing usage of grid-enhancing and advanced transmission technologies?

Thank you again for your thoughtful attention to this important matter and we look forward to your response.

Sincerely,



Jamie Raskin
Member of Congress



Chris Van Hollen
United States Senator



Jennifer L. McClellan
Member of Congress



Donald S. Beyer Jr.
Member of Congress



John P. Sarbanes
Member of Congress



Sean Casten
Member of Congress

⁶ <https://www.pjm.com/-/media/library/reports-notice/special-reports/2024/20240624-energy-transition-in-pjm-flexibility-for-the-future.ashx>



David J. Trone
Member of Congress



Eleanor Holmes Norton
Member of Congress



Delia C. Ramirez
Member of Congress



Summer L. Lee
Member of Congress



Jonathan L. Jackson
Member of Congress



Bonnie Watson Coleman
Member of Congress



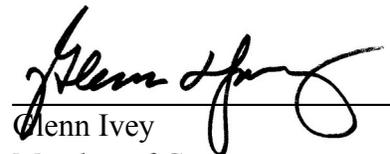
Matt Cartwright
Member of Congress



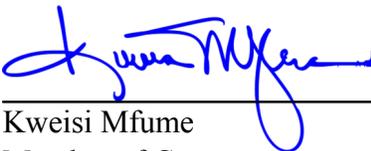
Mike Quigley
Member of Congress



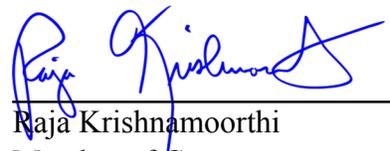
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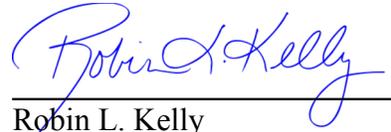
Andy Kim
Member of Congress



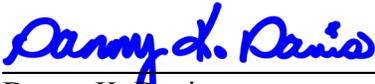
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Gerald E. Connolly
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Robin L. Kelly
Member of Congress



Danny K. Davis
Member of Congress



Benjamin L. Cardin
United States Senator



Tammy Duckworth
United States Senator



Richard J. Durbin
United States Senator



Cory A. Booker
United States Senator



Thomas R. Carper
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Cc: CC Organization of PJM States, Inc (OPSI)
PJM Board of Managers
Jason Stanek, PJM Executive Director – Governmental Services