



PJM Interconnection, LLC
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December 23, 2024

Re: Electric Distributor Sector Meeting

Dear Members,

As you may be aware, the PJM Board has agreed to conduct closed session meetings between representatives of the PJM Board and each individual sector in an effort to foster elevated and strategic communications. To this end, at 9:00 a.m. on November 20, 2024, independent PJM Board members Vicki VanZandt, Charles Robinson, Mark Takahashi, and President and CEO Manu Asthana met with executive leadership and other representatives from the Electric Distributor Sector. See Attachment A (the "Participants"). PJM Director of Stakeholder Affairs, Dave Anders, was also permitted to attend remotely.

At the outset of the meeting, PJM's General Counsel Chris O'Hara reminded attendees of the following principles governing the meeting:

1. The meeting is conducted in accordance with PJM's Antitrust Policy and Codes of Conduct, including specifically the Addendum to the Board Code of Conduct;
2. The purpose of the meeting is for the Board representatives to listen to comments from the sector, and any comments from a Board member express the views of that Board member, as no single Board member speaks for the Board;
3. Discussions will be confined to the agenda and remain at a strategic and educational level, and shall not address matters pending before the Board and were cautioned not to discuss the particulars of PJM's ongoing market reforms or Reliability Resource Initiative ("RRI"); and
4. The meeting is ex parte, and PJM will disclose briefly, by public posting on its website, the agenda and topics discussed promptly following the meeting.

Meeting Agenda Topics and Summary of Discussion:

1. Discussion on Public Power – The Participants provided an overview of public power, which includes both cooperatives and municipal entities. The Participants discussed the need for market rules that facilitate their members' participation in PJM. From a retail ratemaking perspective, the Participants would like to see a slower pace of change in PJM's market rules to help mitigate price volatility and impacts in retail rates, as well as more critical review of the incorporation of large loads in PJM load forecasts.
2. Reliability – The Participants observed the significant level of load growth coupled with the rate of generation retirements in the last decade, with even more retirements to come. The Participants remarked on the near-term reliability challenges and noted the low ELCC values of the projects in PJM's interconnection queue. The Participants recommended that PJM consider (1) a sub-annual capacity market or interim process available to intermittent resources; (2) the contribution of generators subject to Reliability Must-Run ("RMR") arrangements; (3) the reference resource used in the Reliability Pricing Model ("RPM"); and (4) interconnection queue reforms.

3. PJM's RRI, RPM, and reliance on RMR agreements – Due to limitations with this agenda item, the Participants expressed general support for PJM's efforts to meet growing reliability concerns. The Participants shared that consistent market rules are necessary for predictable price signals to help with investment decisions. Finally, the Participants discussed the urgency of returning PJM's capacity markets to a regular schedule for their business model.
4. Large Loads – The Participants advocated for managing the demand side like the supply side. PJM needs to reconsider how to handle large loads, and Order No. 1920 offers some options that should be entertained. The Participants stated that PJM's large load forecasting needs to be improved to ensure this role stays with PJM. The Participants recommended the creation of a load interconnection queue and related cost allocation methodology. The Participants expressed the view that creating guidelines for the sharing of load forecasting information that address accuracy (including the avoidance of double counting) and protecting confidentiality would be an improvement to the existing process.

The meeting concluded approximately 1.5 hours after its start.

Sincerely,

/s/ Vasiliki Karandrikas

Vasiliki ("Vicki") Karandrikas
Assistant Secretary

Attachment A

Company	Name	Title	In-Person/Remote
Allegheny Electric Cooperative, Inc.	Scott Long	Supervisor, Power Supply	Remote
American Municipal Power	Lynn Horning	Director of PJM Regulatory Affairs	In Person
Northern Virginia Electric Cooperative	Rory Sweeney	Principal PJM & FERC Regulatory Lead	In Person
Northeastern REMC	Allie Jones	SVP, Sr. Counsel	In Person
Old Dominion Electric Cooperative	Chris Cosby	Chief Operating Officer	In Person
Old Dominion Electric Cooperative	Jack Robb	SVP and Chief Legal Officer	In Person
Old Dominion Electric Cooperative	William Pezella	Vice President Regulatory Affairs	In Person
Southern Maryland Electric Cooperative	Sonja Cox	President & CEO	In Person
Southern Maryland Electric Cooperative	John Rohrbach	Executive Director of Regulatory Strategy, ACES	In Person