



Manu Asthana
President & CEO

PJM Interconnection
2750 Monroe Blvd.
Audubon, PA 19403

January 21, 2025

Dear Stakeholder Coalition,

Thank you for your Jan. 14, 2025, letter regarding the Effective Load Carrying Capability (ELCC) values for the upcoming Third Incremental Auction for the 2025/2026 Delivery Year (2025/26 3rd IA), which were discussed at the Jan. 8, 2025, Planning Committee. PJM appreciates the feedback provided during that meeting and detailed in your letter. We understand the concerns raised regarding the impacts of potential ELCC changes between the Base Residual Auction and incremental auctions resulting in supplier risk and potential deficiencies.

As we indicated at the Planning Committee, PJM has continued to evaluate the load forecast model results over the past weeks. That review is still ongoing, and as set forth in PJM's posted materials for the Jan. 23, 2025, Markets and Reliability Committee Meeting (Jan. 23 MRC), PJM has determined that the 2024 Load Forecast is the appropriate forecast to use in determining the final ELCC values, as well as the Installed Reserve Margin and Forecast Pool Requirement for the 2025/26 3rd IA. This is based on the fact that the 2025 Load Forecast was not finalized by December 31 and still is not finalized at this time. The most recent final load forecast at this time is the 2024 Load Forecast. The ELCC model has been updated to reflect changes to the resource mix. PJM will further discuss how these ELCC, FPR and IRM values will be applied to the 2025/26 3rd IA at the Jan. 23 MRC meeting.

Looking forward to future auctions, we recognize your concern regarding the potential for changing ELCC results to create significant risk for suppliers between the Base Residual Auction and incremental auctions and intend to promptly engage with stakeholders to address this concern with the goal of filing revisions with FERC in March of this year so they can be effective for the Third Incremental Auction for the 2026/2027 Delivery Year.

Thank you again for raising your concerns and suggestions with us. We look forward to your continued engagement on these issues.

Sincerely,

Manu Asthana
President & CEO

cc: Board of Managers