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ASSEMBLY TELECOMMUNICATIONS
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April 21, 2025

The PJM Board of Managers
C/O Mark Takahashi
Chairman, PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403

Dear Chairman Takahashi and Board Members,

Thank you for your testimony on March 28, 2025 before the New Jersey Senate Select Committee and the Assembly Telecommunications and Utilities Committee. To assist the committees in their efforts to assess the causes of projected increases in electricity costs and assess PJM's role in the market, please provide the following information:

- In a December 2024 letter to stakeholders, PJM stated that, "Having the categorical 'must offer' requirement exemption in place at a time when the system is becoming increasingly reliant upon this capacity risks the potential exercise of market power. PJM's filing aims to cure this dynamic while at the same time allows these resources to adequately reflect their quantifiable risk of Capacity Performance after proper and independent review."

Can you elaborate on how the categorical "must offer" requirement exemption that was in place during the capacity auction for delivery year 2025/2026 could be responsible for the exercise of market power? Do you believe market power was exercised during the capacity auction for delivery year 2025/2026? If not, what would market power being exercised over the capacity market auction look like?

- In a February 2025 letter to stakeholders, PJM stated that, "While a significant portion of this categorically exempt generation already offers into the capacity market, thus demonstrating a willingness to take on the risks of a capacity commitment amid the present offer structure, it is under tight reserve conditions that clearing prices are especially sensitive to even small amounts of physical withholding."

Given the tight reserve conditions present during the capacity auction for delivery year 2025/2026, do you believe that physical withholding had an impact on clearing prices? Would prices have been lower if the proposed modifications to the “must offer” rule were in place?

- In a press release from April 14th, it was announced that PJM’s President and CEO, Manu Asthana, has decided to step down from his role at the end of 2025. The press release states that, “The PJM Board has formed a CEO Search Committee and has engaged Korn Ferry to assist with the search. The PJM Board intends to solicit input from PJM members and stakeholders as part of its search process, which is targeted to conclude later this year.”

Will the transition process give consideration to a candidate’s plan to address the failings and issues found during the most recent capacity auction? Will a potential candidate be required to provide a plan focused on addressing these issues? Will PJM consider a candidate’s state regulatory experience when making a selection?

- How does the projected development of data centers and similar high electricity demand end users (collectively, “data centers”) affect the capacity auction? How does PJM estimate the number of data centers that will be developed in the future? What entities provide that information? Are there any criteria that the entities have to employ to calculate the number of data center projects? If so, please describe the criteria. Do the entities have to certify the number of projected data center developments to PJM?
- Please provide a list of PJM’s committees, subcommittees, boards, and the rosters of their membership. Please indicate which members are employed in New Jersey or have a relationship or other affiliation to an entity that conducts business in New Jersey. Please include a CV and/or employment history for each member of the Board of Managers and provide the name of the person or entity who nominated them to serve on a PJM committee, subcommittee, or board.
- Please provide copies of the bylaws for PJM and its committees, subcommittees, and boards, and an official description of each committee, subcommittee, and board. Please provide a description of the specific role each entity maintains within PJM’s decision-making process.
- Please describe the process for the nomination and selection of members for each committee, subcommittee, and board.
- Which committees, subcommittees, or boards make recommendations and/or decisions concerning interconnection? Which committees, subcommittees, or boards make recommendations or decisions concerning grid enhancement or grid upgrades? Please specify the role of each entity.
- How are projects selected for interconnection? How are applications prioritized? Please provide a list of generation facilities that have been connected to the grid over the last five years and the source of generation for each project (e.g., nuclear, gas, solar, etc.).

- Please provide the vote tallies (including the specific vote for each member), minutes, and agendas for each committee from 2020 to the present.
- How many generators bid into each auction for the years 2020-2025? Please list the generators, including the owners of the generators that provided the bids for each auction and the sources of generation for each generator (e.g., nuclear, gas, solar, etc.).
- Please provide a complete list of rule changes that occurred between the Base Residual Auction for delivery year 2024/2025 and the Base Residual Auction for delivery year 2025/2026? Additionally, can you provide a complete list of rule changes that have occurred since the Base Residual Auction for delivery year 2025/2026? Was PJM required to submit any of these rule changes to FERC for approval? If so, indicate which rules were mandates.

We appreciate your cooperation. Please direct any questions to Michael Horgan of the Senate Majority Office at (609) 847-3700 or MHorgan@njleg.org, or Erin K. Reagan of the Assembly Majority Office at (609) 847-3500 or EReagan@njleg.org.

Sincerely,



Paul A. Sarlo
Chairman, Senate Select Committee



Wayne P. DeAngelo
Chairman, Assembly
Telecommunications and
Utilities Committee