



Manu Asthana  
President & CEO

David E. Mills  
Chair, PJM Board of Managers

PJM Interconnection  
2750 Monroe Blvd.  
Audubon, PA 19403

**VIA ELECTRONIC DELIVERY**

June 23, 2025

Dear Governors Meyer, Moore, Murphy, Pritzker and Whitmer,

Thank you for your correspondence dated May 27, 2025, wherein you provided feedback on PJM's compliance efforts with the Federal Energy Regulatory Commission's (FERC's) Order 1920 for long-term transmission planning.

PJM recognizes the importance of our states in our Order 1920 compliance efforts. Over the last several months, PJM staff has engaged with state representatives on Order 1920 through the state-established PJM Area Relevant State Entities Committee (PARSEC).<sup>1</sup> This body was conceptualized by FERC in Order 1920 and was set in motion by all PJM state utility commissions. We thank the PARSEC for their engagement to date, as it plays a critical role in developing a collaborative, multistate framework that best serves the states' interests.

As a threshold matter, PJM strongly prefers a proposal to comply with Order 1920 that can receive broad state support from across our 14 jurisdictions.

Order 1920 presents an opportunity to enhance our long-term planning process through the analysis of plausible and diverse scenarios and the identification of long-term system needs. Although we are still developing our compliance approach with the PJM stakeholder community, including our states, we can say at this time that our proposed scenario framework will be inclusive of each state's policies, per the requirements of Order 1920.<sup>2</sup>

With regard to the long-term needs that these scenarios will identify, the tagging of needs as "Core" and "Additional" does not prohibit any policy from being addressed through this process. Rather, this tagging is designed to help PJM identify which reliability violations need to be resolved to maintain safe and reliable operations, which we are responsible for as the regional transmission organization. In a sense, it can be thought of as establishing a *minimum* set of system needs to maintain grid reliability, many of which are in fact driven and informed by public policies. This minimum set of "Core Needs" and the projects addressing them would then be part of a larger final plan that includes other projects of interest to our states. We have proposed this design to Order 1920 compliance, in part, because several states have expressed a desire to not be charged for transmission that is designed to exclusively support another state's policy choices.

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<sup>1</sup> PJM Area Relevant State Entities Committee, "The purpose of the PARSEC is to provide PJM, PJM's stakeholders, and the PJM Transmission Owners, with the input necessary to comply with FERC Order No. 1920, including providing advice, input, and participating in processes for the development and evaluation of selection criteria, benefit metrics, planning scenarios, and cost allocation. The PARSEC is open to any State entity responsible for electric utility regulation or siting electric transmission facilities within the PJM region." <https://opsi.us/parsec/> (Retrieved June 1, 2025)

<sup>2</sup> *Bldg. for the Future through Elec. Reg'l Transmission Plan. & Cost Allocation*, Order No. 1920, 187 FERC ¶ 61,068 (2024) at PP 507-518

As to your specific requests, we are planning to evolve our proposal and afford greater opportunities for the “Additional Needs” to be addressed by project developers. We intend to communicate these changes to our proposal soon if we can get state sign off on them via the PARSEC.

Regarding your request for a mediator, such an approach could certainly be helpful if a broad group of states agree to it. Based on your letter, we will reach out to the PARSEC to see if such agreement between the states to engage a mediator can be reached. If the PARSEC believes that this can be helpful, then PJM will work with that mediator as we forge ahead with our states and the District of Columbia on PJM’s compliance with Order 1920.

Again, we appreciate your correspondence, and we look forward to continued engagement with our states and stakeholders on Order 1920 compliance.

Sincerely,

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