

President
RYAN AUGSBURGER

July 16, 2025

The PJM Board of Managers
c/o David Mills, Chairman
c/o Manu Asthana, PJM President and CEO
PJM Interconnection L.L.C.
2750 Monroe Boulevard
Audubon, Pennsylvania 19408

Dear Chairman Mills and PJM Board of Managers,

On behalf of The Ohio Manufacturers' Association (OMA) and our 1,300-member manufacturing businesses, I write to express our interest in PJM's leadership and its approach to market design, transparency, and grid reliability.

The OMA supports competitive, multi-state electricity markets to achieve reliability aims while accommodating electric technology innovations at the least cost. We recognize that rapid technological changes can disrupt electric markets. This has happened recently with new sources of natural gas, and now again with emerging technologies such as renewables, energy storage, and electrification of transportation. Additionally, we recognize that artificial intelligence (AI) data center electricity needs are creating new challenges and opportunities, as does nascent electrification of building and industrial process heating. Finally, more frequent and extreme hot and cold weather events and their associated storms create real and perceived risks to grid reliability. The electric grid is critical to society, and we are clear-eyed that rapid changes create both risks and opportunities.

It is thus critical that the change in PJM's leadership brings with it a zeal for integrity, a fair hand, and support for fast-responding markets. PJM can demonstrate leadership by showing responsibility for creating solutions. Most importantly, PJM needs to put its electric customers first.

Unfortunately, it's been hard to see these leadership qualities in recent years. We've been frustrated by the drumbeat of crisis and doomsday messaging to the public and state policymakers. There is more than enough data to demonstrate that PJM has sufficient generation now and in the near term, and that competitive power producers are clamoring to supply increased electric load. The OMA wrote this board to request a fairer communication of favorable scenarios in PJM's 4Rs report¹. The OMA is still interested in a common-sense action of PJM running multiple resource adequacy models with alternative load and generation assumptions put forward by consumers. Critically, we are deeply concerned that – 3 years later – there has not been a thorough, quality root cause investigation of the June 2022 blackouts in central Ohio, nor of AEP or PJM's responses to the crisis. More recently, OMA has brought forward to PJM staff concerns with AEP's large-load adjustments to its load forecast of late 2024, adjustments that are unsupported and in conflict with an on-going in-state regulatory hearing. PJM adopted AEP's adjustments with little modification, likely skewing the transmission

¹ Runnerstone memorandum to the OMA, ["PJM Reliability Report Misses the Mark"](#)

and capacity planning processes, and thereby customers' electricity costs. The significance of this issue is now raised at FERC by multiple industrial customer groups².

Make no mistake, the OMA is deeply concerned about electric system reliability. In Ohio however, we have learned costly lessons that a primary threat to the electric system's integrity is a lack of transparency, a lack of accountability, and a disregard for customer interests and working markets. These leadership failures can be the breeding ground for corruption and the type of groupthink that results in systemic failures.

We remain hopeful about PJM's future though, as PJM's markets are the solution to real and perceived resource adequacy problems. PJM should set course to get auction timelines back on track, now, to fix interconnection queue log jams, and to lead coordination of the electric and gas sector. By taking responsibility, PJM can be a leader for functional electric markets.

While PJM has made some recent commonsense reforms, we are mindful that they are of little solace this summer for Ohio's manufacturers who will be contributing to the additional \$12 billion in capacity revenue to generators in the 2025/26 delivery year, as compared to the 2024/25 delivery year. And while a wave of power waits to interconnect to PJM, price controls for future years ensure continued high utility bills. And for what? Manufacturers are beginning to ask, is this a fair price to attract new generation, or are customers being sold a bill of goods? Will PJM's interconnection queue issues and continued havoc in auction timing and rules raise prices without attracting generation? We eagerly await the results of the forthcoming auctions. It is with regret but candor that we raise this issue. But it is justified. Ohio's recent history is replete with money-for-nothing schemes approved by utility regulators, and for which accountability is still lacking.

A shocking example is FirstEnergy's Distribution Modernization Rider, called the DMR, [later to be found unlawful](#)³. The DMR was a nearly half-billion-dollar handout given to FirstEnergy in 2017 by the Public Utilities Commission of Ohio. Though wrapped in the language of crisis it did essentially nothing. FirstEnergy was not required to use the money for any type of "distribution modernization" at all. It pocketed the money as profit. Later, PJM leaders themselves commiserated about the DMR but it was the OMA that stopped this illegal charge at Ohio's Supreme Court. Sadly, Ohioans had already paid \$456 million to FirstEnergy and received nothing in return.

There's more. It is well known that Ohio's notorious House Bill 6 created out-of-market subsidies for the poorly performing OVEC coal plants, one of which is not even in Ohio. Less well known is that HB6 copied a mechanism approved by the PUCO. There was never a need for the OVEC subsidies. Ample record was produced at the time demonstrating the likelihood that OVEC subsidies would create a substantial cost to ratepayers, with no corresponding reliability benefit. Ohio's regulators approved it anyways, again adopting red herring arguments that the subsidy was a financial "hedge" and would produce benefits for Ohio's ratepayers. Their actions in the case meant more than their words, however, because they approved of the mechanism, but with a toothless concurring opinion that the OVEC mechanism should not become "a blank check". Eight years later, that's what it has become, and Ohioans have paid \$670 million in

² [Joint Customer Letter to FERC](#), Electricity Customer Alliance.

³ [Former PUCO chair texted he knew FirstEnergy charge was likely unlawful, but company would keep money anyway](#), <https://energynews.us/2022/05/20/former-puco-chair-texted-he-knew-firstenergy-charge-was-likely-unlawful-but-company-would-keep-money-anyway/>

subsidies to these power plants without receiving any benefit. From these rulings and more, Ohioans have paid billions in the name of electric reliability, with nothing to show for it. Where were PJM's leaders then and now when Ohioans could have benefited from their help in avoiding costly, useless policies?

Reliable electricity is an important underpinning of a modern economy, and Ohio's manufacturers are willing to pay a fair price to attract generation and pay for a working electrical grid. But in return we expect integrity, transparency, and responsiveness to our concerns. We hope that PJM answers the call to lead by presenting thoughtful solutions to real challenges.

Ultimately, we need to trust that PJM's leadership is dedicated to taking responsibility for supporting competitive markets that produce real, tangible benefits instead of purveying in talking points and excuses.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ryan Augsburger".

Ryan Augsburger
President
The Ohio Manufacturers' Association