

David E. Mills Chair, PJM Board of Managers

PJM Interconnection 2750 Monroe Blvd. Audubon, PA 19403

July 18, 2025

The Honorable Gov. Matt Meyer	The Honorable Gov. Phil Murphy	The Honorable Gov. Bill Lee
The Honorable Gov. JB Pritzker	The Honorable Gov. Josh Shapiro	The Honorable Gov. Wes Moore
The Honorable Gov. Andy Beshear	The Honorable Gov. Gretchen Whitman	The Honorable Gov. Glenn Youngkin

Dear Honorable Governors,

Thank you for your correspondence dated July 16, 2025, wherein you requested a meeting with the members of the PJM Nominating Committee so that you may share your proposal for a slate of candidates to fill the two vacant positions on the PJM Board of Managers ("PJM Board").

As you are likely aware, PJM's Nominating Committee comprises three PJM Board members, one of whom serves as the non-voting chair, and five Member representatives, one from each sector. This group is responsible for identifying qualified candidates for PJM's Board for consideration by PJM's full membership. We have forwarded your letter to the Nominating Committee for its consideration, and they will respond to you regarding this request.

The PJM Board shares your desire to have the most qualified candidates arise from the Nominating Committee process, encourages the engagement of all stakeholders and appreciates your interest in this process.

As set out in PJM's Operating Agreement, it is the PJM Members Committee and not the PJM Board that is responsible for the election of PJM's Board members following their nomination by the Nominating Committee. Further, some of the changes suggested in your letter would require modification of PJM's Operating Agreement. The Section 205 FERC filing rights for such a modification are conditioned upon approval by the PJM Members Committee.

For these reasons, we propose to add an agenda item at our upcoming Members Committee meeting at Valley Forge on July 23 so that your representatives can share your perspectives with our entire membership. PJM will also forward this correspondence to the governors of the states of Indiana, North Carolina, Ohio and West Virginia, along with the D.C. Mayor's office, so that their representatives may also attend the Members Committee meeting as well as any meeting that may occur with the Nominating Committee members, should those representatives choose to meet.

We would also like to take this opportunity to respond to the characterizations made about the current state of PJM in your correspondence. PJM's work has recently been publicly recognized by the current and former chairs of the Federal Energy Regulatory Commission.¹ Our operators are keeping the lights on through some of the most challenging circumstances that any grid operator, anywhere, has faced in its history.

¹ Federal Energy Regulatory Commission Chair Mark Christie <u>video clip</u> from the April 17, 2025, FERC Open Meeting.

Chairman Christie: "I just want to say I think that a lot of this criticism I have seen in the media, directed at PJM and its management, and blaming them, for everything that's wrong with the PJM capacity market, I think is in many ways misplaced. I think a lot of it is because of state policies that have recently come to a head."

Comm. Willie Phillips: "I want to echo the comments you made about Manu and PJM leadership. I think what you said was spot on and very well said."

This year alone, PJM has maintained bulk power system reliability during its all-time winter peak and a record-setting heat wave while providing support to neighboring systems. Our operators successfully and tirelessly managed a stressed grid during both of these events, maintaining a reliable power grid for 67 million people. We also continue the necessary function of operating regional markets as well as planning for a grid that is seeing an explosion of demand growth at the same time that state and federal policies have pushed a meaningful amount of generation capacity into retirement. In several cases, these policies have also discouraged new entry of dispatchable thermal generation needed to firm up the mostly intermittent generation in our generation interconnection queue.

PJM has taken several decisive actions to address concerns raised by our states. These include:

- 1. The temporary capacity market cap/floor construct
- 2. Allowing for Reliability Must-Run units to be included in future capacity auctions
- 3. Developing a "must offer" requirement for all of our resources to partake in the capacity auction
- 4. The Reliability Resource Initiative (RRI) that will advance more shovel-ready projects through the generation interconnection queue
- 5. A filing that advances a more efficient transfer of Capacity Interconnection Rights
- 6. Expansion of opportunity for Surplus Interconnection Service to enable more efficient interconnection of certain new units at the site of existing generators

Additionally, we completed an almost two-year effort to reform our interconnection queue process in 2022. As a result, we now have 46 GW of generation approved by PJM to construct, with another 17 GW expected to be approved by the end of this year and a further 46 GW by the end of next year. PJM has also entered into a collaboration with Google to consider how artificial intelligence can be deployed to further speed up generator interconnections.

When your schedules permit, we would be honored to host you to see firsthand the level of training, technology and expertise that goes into managing the bulk power system for one in five Americans on a minute-by-minute basis, and how seriously we take our responsibility to do so.

We very much value your input and the commitment expressed in your letter to increase your engagement on these important issues. We too look forward to working closely with you and with our Members to deliver our shared responsibility for reliable and affordable power.

Respectfully,

David Mills Chair, PJM Board of Managers