

July 23, 2025

Open Letter to the PJM Board of Managers:

As 84 undersigned organizations across the PJM region, we are deeply invested in the success of PJM in ensuring reliable and affordable electricity for ratepayers. We recognize that PJM must play a pivotal role in planning to meet both current and future challenges. This week's capacity auction results—with yet another round of unacceptably high prices—make it clear that the current approach is failing to meet today's needs and the challenges ahead.

We are writing to express our strong support for accelerating reforms in several key areas that are essential to meeting growing energy demand and integrating new technologies. These reforms must be prioritized by the forthcoming new PJM Board members and CEO and included in consideration of board member and CEO replacements.

The following priorities are critical to meeting unprecedented load growth while serving customers reliably and cost-effectively:

### **1. Interconnection Queue Reform**

We appreciate the progress PJM has made following its 2022 interconnection reforms, but a faster interconnection process is still needed. A lack of new entry from the interconnection queue was one of the leading causes for the high clearing price of the last capacity auction, and is likely to keep prices high until the 2030s. Speeding up interconnection will help ensure that modern, cost-competitive generation projects are built in a timely fashion to help with urgent resource adequacy needs and address long-term affordability.

We urge PJM to:

- Fully comply with FERC Order No. 2023 (including its 150 day study deadlines); and
- Implement further reforms:
  - Increase transparency into the cause(s) and duration of project delays that occur after interconnection agreements are signed;
  - Develop fair, fast-track processes for energy-only resources and realistic modeling assumptions to lower costs in the short term;
  - Pursue third-party software automation of study processes to reduce delay and provide stakeholders with a transparent implementation scope and timeline;
  - Enhance the efficiency of the capacity interconnection rights transfer process and limit retiring generators' ability to inefficiently retain interconnection rights; and
  - Create a process to avoid reliability must-run arrangements by considering cost-effective alternative generation and transmission resources, as is being developed in the Deactivation Enhancements Senior Task Force.

### **2. Regional and Interregional Transmission Planning**

The PJM region continues to face high and rising transmission costs, driven in part by an over reliance on inefficient investments in local ("Supplemental") projects. Lack of adequate

transmission also increases grid upgrade costs for interconnecting resources and contributes to high queue withdrawal rates. To address this, PJM must:

- Fully comply with FERC Order No. 1920 by implementing robust long-term regional planning;
- Develop solutions to meet all identified long-term transmission needs without arbitrarily dividing needs into so-called “Core” and “Additional” categories;
- Fully and transparently integrate Supplemental projects into regional planning, pursuing right-sized projects where possible;
- Accelerate the adoption of Alternative Transmission Technologies, which can improve efficiency and deployment speed; and
- Build cost-effective interregional projects, including results from the PJM-MISO Interregional Transfer Capability Study, to ultimately increase power transfers across PJM’s seams with its neighbors so as to reduce costs for ratepayers.

### **3. Capacity Market Reform**

The capacity market must evolve to recognize the full value and reliability contributions of renewable and advanced energy resources. We urge PJM to:

- Quickly advance the stakeholder process and potential adoption of a subannual capacity market structure; and
- Eliminate barriers to imports of external capacity.

### **4. Large load interconnection management**

Data centers and other large loads present a resource adequacy and consumer affordability challenge. While PJM’s recent proposals to standardize load forecasting processes (and potentially derate speculative projects) is a promising step to address “phantom” load, we also urge PJM to:

- Create an interconnection queue for large loads with standardized, transparent, and rigorous large load forecasting;
- Consider queue entry fees and commercial readiness requirements similar to those present in the generator interconnection queue; and
- Ensure that the costs of speculative large loads are not passed on to the general public.

We are in a time of unprecedented change and opportunity in the energy sector. By continuing to modernize interconnection, planning, and market rules, PJM can support the reliable and efficient integration of new technologies and help ensure that our customers’ needs are met today and in the years to come.

We appreciate your leadership and look forward to continued collaboration on these vital priorities.

Sincerely,

350 Montgomery County, MD

Action Together New Jersey  
Audubon Mid-Atlantic  
Beyond Extreme Energy  
Cedar Lane Unitarian Universalist Environmental Justice Ministry  
Center for Progressive Reform  
Ceres  
Chesapeake Climate Action Network (CCAN)  
Chesapeake Earth Holders  
Clean Air Action  
Clean Air Council  
Clean Water Action  
Climate Communications Coalition  
Conservation Voters of PA  
Earthjustice  
Eco-Justice Collaborative of Philadelphia Yearly Meeting  
Energy Efficiency Alliance of New Jersey  
Environment America  
Environment Illinois  
Environment Maryland  
Environment Michigan  
Environment New Jersey  
Environment North Carolina  
Environment Virginia  
Evergreen Action  
Extinction Rebellion Toledo  
Fix Maryland Rail  
Food & Water Watch  
Green Sanctuary, Unitarian Universalist Church of Silver Spring (MD)  
Heartwood  
Howard County Climate Action  
Illinois Environmental Council  
Illinois PIRG  
Indiana Conservation Voters  
Indivisible HoCoMD Environmental Action  
Jewish Earth Alliance PA  
Keystone Energy Efficiency Alliance  
League of Conservation Voters  
Maryland Energy Advocates Coalition  
Maryland League of Conservation Voters  
Maryland Legislative Coalition  
Maryland Pesticide Education Network  
Maryland PIRG  
Mid-Atlantic Solar & Storage Industries Association (MSSIA)  
Nature Forward

NC PIRG  
New Jersey League of Conservation Voters  
New Jersey Policy Perspective  
New Jersey Sustainable Business Network  
Newark Science and Sustainability Inc  
NJPIRG  
NRDC  
Nuclear Information and Resource Service  
Ohio Environmental Council  
PennEnvironment  
PennFuture  
PennPIRG  
Pennsylvania Solar & Storage Industries Association (PASSIA)  
Pennsylvania Solar Center  
Pennsylvania Utility Law Project (PULP)  
Philadelphia Solar Energy Association  
PIRGIM  
PJM Cities and Communities Coalition  
Poolesville Green, Inc.  
Public Citizen, Inc.  
Quaker Action Mid Atlantic Region  
Sierra Club  
Sierra Club Maryland Chapter  
Sierra Club New Jersey Chapter  
Sierra Club Pennsylvania Chapter  
Sierra Club West Virginia  
Solar United Neighbors  
Third Act DC  
Third Act Illinois  
Third Act Maryland  
Third Act New Jersey  
Third Act NC Working Group and Asheville TA  
Third Act Pennsylvania  
Third Act Union  
U.S. PIRG  
Virginia League of Conservation Voters  
Vote Solar - Mid-Atlantic Region  
Vote Solar - Midwest  
Working for Justice Ministry St. Paul's United Methodist Church Allison Park, PA