



David E. Mills
Chair, PJM Board of Managers

2750 Monroe Blvd.
Audubon, PA 19403

August 15, 2025

Mr. Ryan Augsburger
President, The Ohio Manufacturers' Association
33 N. High St., FL 6
Columbus, OH 43215-3076

Dear Mr. Augsburger,

Thank you for your correspondence dated July 16, 2025, wherein you share The Ohio Manufacturers' Association's (OMA) interest regarding PJM's leadership and the manner by which PJM operates to maintain grid reliability. The utilities sector in the United States is anticipating unprecedented growth in the demand for electricity in the near future and beyond. In addition to the load growth associated with the proliferation of data centers across the PJM footprint, we also expect a rise in demand for electricity from the transportation and manufacturing sectors.¹

As you know, for the past several years, PJM has been warning of the potential for shortfalls in resource adequacy if our portfolio of available generation resources fails to keep pace with expected load growth.² In 2023, PJM's 4R report highlighted that the loss of generation resources had begun to outpace the addition of replacement resources amid accelerating growth in consumers' demand for electricity. That pace has only accelerated over the past two years.

Similarly, the North American Electric Reliability Corporation determined in its most recent annual assessment that mounting resource adequacy shortfalls now have the potential to affect two-thirds of the country during extreme system conditions.³ In addition, the Federal Energy Regulatory Commission⁴ and the Department of Energy⁵ have both independently determined that shortfalls in resource adequacy require immediate attention. This is a critical issue that confronts not only PJM, but all grid operators across this country. PJM's messaging is undoubtedly sobering, but it is nonetheless also supported by fact.

There is no better illustration of the manifestation of PJM's resource adequacy concerns than a review of the results of PJM's most recent capacity auction for the 2026/2027 delivery year. This auction produced a price of \$329/MW-day for capacity across the PJM footprint, which compares to nearly \$270/MW-day, the price resulting from the last capacity auction in July 2024. These high capacity prices are sending a clear investment signal across PJM's region that additional generating resources are needed to address the tightening supply and demand conditions, and in turn, maintain resource adequacy. Further, for the first time, PJM has cleared capacity short of its reliability requirement.

¹ [PJM 2025 Long-Term Load Forecast Report](#) (Jan. 24, 2025).

² [Energy Transition in PJM: Resource Retirements, Replacements and Risks](#) ("4Rs report") (Feb. 23, 2023).

³ [NERC 2024 Long-Term Reliability Assessment](#) at p. 6 (December 2024).

⁴ [FERC 2025 Summer Assessment](#) ("We are losing dispatchable generation at a pace that is not sustainable and we are not adding sufficient equivalent generation capacity," said FERC Chairman Mark Christie) (May 15, 2025).

⁵ [DOE Resource Adequacy Report: Evaluating the Reliability and Security of the United States Electric Grid](#) (July 7, 2025).

August 15, 2025

Page 2

This is yet another data point that demand is outstripping supply and that new supply is greatly needed across the footprint.

Turning to your assessment of the priorities of PJM's leadership, I can assure you that we remain dedicated to our reliability-focused mission and our commitment to serving the 67 million consumers in our footprint during a challenging time for our country. PJM makes the best, most informed decisions we can to preserve system reliability and support our competitive markets construct, all while keeping consumer affordability concerns top of mind. We remain committed to the principles of transparency, integrity and responsiveness in each of our actions, every day.

Thank you again for sharing your thoughts.

Sincerely,

A handwritten signature in black ink, appearing to be "D. Mills", with a stylized flourish at the end.

David E. Mills
Chair, Board of Managers