



## Organization of PJM States, Inc. (OPSI)

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August 28, 2025

Mr. David Mills, Chair, PJM Board of Managers  
Mr. Manu Asthana, PJM President, and CEO  
PJM Interconnection, L.L.C.  
2750 Monroe Boulevard  
Audubon, Pennsylvania 19403

Dear Mr. Mills and Mr. Asthana,

On August 20, 2025, PJM members rejected PJM's proposed modifications to its Effective Load Carrying Capability (ELCC) methodology. This outcome highlights ongoing concern about the lack of accuracy of this critical resource adequacy input value, and leaves stakeholders without consensus on a path forward.

OPSI has consistently raised concerns about PJM's ELCC methodology, and the PJM Board has been made aware of these misgivings.<sup>1</sup> OPSI appreciates PJM management's efforts to refine ELCC and, importantly, the PJM Board of Managers' recent decision to begin restoring confidence by ensuring the methodology is implemented transparently and in a way that accurately reflects supply and demand in the region.

In its August 4, 2025, letter approving the planning parameters for the 2027/2028 Base Residual Auction—parameters which themselves failed to achieve majority stakeholder support—the Board directed two important actions:

- Engage a consultant to identify additional recommended enhancements for discussion at the ELCC Senior Task Force or a similar stakeholder body, for implementation after the 2028/2029 BRA and
- Publish a detailed written description of the ELCC model.

To achieve the objective, the consultant reviewing PJM's ELCC methodology must be independent; the scope of review should not be limited to "enhancements," but include an evaluation of the assumptions and methods used to generate the values; and the final report must be issued in time for stakeholders to react to any proposed changes prior to the 2029/2030 BRA.

Providing a full, written description of the ELCC model is long overdue. Market participants, stakeholders, and state regulators need transparency into how the accredited values are set and how those

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<sup>1</sup> See OPSI's September 27, 2024 letter requesting that "The PJM Board should direct PJM to conduct a review of its newly implemented marginal Effective Load Carrying Capability ("ELCC") methodology as soon as possible."

values<sup>2</sup> impact rates. It should concern the Board, as it does the stakeholder community, that PJM stakeholders could not achieve consensus on fundamental BRA planning parameters due, in part, to a lack of integral information.

To instill confidence in the ELCC methodology, additional clarity is also needed around the scope of the consultant's review. In OPSI's view, the scope of review must encompass more than enhancements to ELCC and include evaluating whether PJM's implementation of ELCC—including the assumptions driving the model—continues to be consistent with reliability standards across the country. The final report should be made public and be completed in time for stakeholders to act on any reforms before the 2029/2030 BRA.

Now is the time for the Board to exercise its independence and leadership and advance an effort to coalesce around an ELCC methodology in the best interests of consumers. The accuracy of the ELCC methodology is essential and necessary to ensure that it reflects the true ability of supply to meet demand and secure the reliability needs of the region.<sup>3</sup>

Respectfully submitted,



Emile Thompson  
President, Organization of PJM States

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<sup>2</sup> See recent order in Docket EL24-91 where FERC stated, " ... that the PJM Operating Agreement is unjust and unreasonable because it fails to provide market participants with a sufficient level of detail regarding the calculation of OCAs."

<sup>3</sup> This letter was approved unanimously by the by the OPSI Board on August 27, 2025.