



Organization of PJM States, Inc. (OPSI)

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September 5, 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:

In your August 4, 2025, letter approving the Forecast Pool Requirement (FPR) and Installed Reserve Margin (IRM) for the 2027/2028 RPM Base Residual Auction (BRA), you acknowledged concerns with the process that produced the approved FPR and IRM values as well as reiterated concerns from stakeholders about the Effective Load Carrying Capability (ELCC) methodology. Specifically, you noted that the updated values failed to receive a supermajority vote and that while “the PJM Board discussed potential options for reengaging the stakeholders on this matter” ultimately there was not sufficient time. As a result, the PJM Board was forced to accept the parameters that were presented.

OPSI is concerned that operating in this manner creates a problem that challenges the PJM Board’s independence. The Reliability Assurance Agreement requires the PJM Board to “establish” the FPR and IRM “based on the recommendation of the Members Committee.”¹ The Board is not limited to simply approving the value PJM calculates as stated in your letter.² Requiring the PJM Board to simply approve values due to a lack of time or optionality leaves no room for the PJM Board to exercise its discretion to protect the resource adequacy of the PJM system and ensure affordability for the region’s consumers.

¹ PJM, Reliability Assurance Agreement, Schedule 4, B.

² PJM Board Letter, August 4, 2025 (“The calculation of the updated values was conducted in accordance with the Reliability Assurance Agreement (RAA) and associated manuals, and according to the RAA, approval of these parameters is the responsibility of the PJM Board.”).

When the Markets & Reliability Committee and Members Committee are unable to reach a supermajority vote on the FPR and IRM for a particular BRA, it reveals there is significant division amongst members about the appropriate FPR and IRM values. Without alternative values to consider, PJM's recommendation becomes the only value the PJM Board can approve. In turn, this makes PJM's recommendation a de facto, binding recommendation – even if members and the PJM Board do not agree with the values.

It is even more troubling when there are stated concerns about the ELCC methodology that underpins the development of the FPR and IRM. Since at least September 2024, OPSI, the Independent Market Monitor (IMM), and others have stated that the ELCC methodology does not accurately reflect supply and demand conditions and may not reasonably identify levels of expected future risk. Ensuring that this methodology correctly identifies risk throughout the year and accurately reflects expected resource contributions to addressing that risk is more important now than ever. OPSI appreciates that the Board has recognized this importance by directing an independent consultant to review the current methodology used to develop ELCC values.

OPSI urges the PJM Board to develop a process that continues to promote PJM Board independence and calculates alternative values for the Board to consider when appropriate. To achieve this, at a minimum, proposed parameters would need to be submitted to the PJM Board at an early juncture to allow for stakeholder engagement and to maintain auction schedules.

OPSI appreciates the open and transparent tone that the Board has undertaken regarding the review of the ELCC methodologies noted in the August 4th letter and believes that it is critical that the PJM Board follow through with a process that gives it options.³

Respectfully submitted,



Emile Thompson
President, Organization of PJM States

³ OPSI's following members support this letter: the Delaware Public Service Commission, Public Service Commission of the District of Columbia, Illinois Commerce Commission, Kentucky Public Service Commission, Maryland Public Service Commission, Michigan Public Service Commission, New Jersey Board of Public Utilities, North Carolina Utilities Commission, Tennessee Public Utility Commission, and the Virginia State Corporation Commission. The Pennsylvania Public Utility Commission, Public Utilities Commission of Ohio and the Public Service Commission of West Virginia abstained in the vote on this letter.