

## COMMONWEALTH OF PENNSYLVANIA



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### **Via Electronic Mail**

The PJM Board of Managers  
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To the PJM Board of Managers and Planning Department:

The Pennsylvania Office of Consumer (PA OCA) submits these comments requesting the PJM Board of Managers (Board) to not approve Project 237 for the Mid-Atlantic Area Cluster (MAAC), as contained within PJM's 2025 Regional Transmission Expansion Plan (RTEP). The 2025 RTEP, including Project 237, was submitted by PJM staff to the PJM Board for consideration and approval following the conclusion of the Transmission Expansion Advisory Committee (TEAC) meeting held on January 6, 2026.

The 2025 RTEP contains a record \$11.6 billion of planned new bulk grid projects. PJM staff selected projects to solve reliability needs. The costs of these projects, of course, will be paid for by electricity consumers, with the residential customer allocation being approx. \$9 billion.

### **Project 237**

Of paramount concern is Project 237 submitted by NextEra and Exelon and selected by PJM staff. This solution is a 221-mile long, 765 kV single-circuit line from the Kammer Station in Marshal County, West Virginia, crossing 9 Pennsylvania counties, and terminating at the Juniata substation in Perry County, Pennsylvania. Project 237 requires 200-foot-wide, mostly greenfield right-of-way (ROW). Estimated at nearly \$2 billion in costs, Project 237 was selected in large part to accommodate PPL's **new** projected data center demand (beyond the 2025 load forecast) and the **recent** removal of NJ offshore wind development.

However, selection of Project 237 for final PJM Board approval, in the PA OCA's view, is premature given rapidly evolving circumstances around data center AI load, incomplete assumptions, and process concerns.

As for rapidly evolving circumstances and incomplete assumptions:

- it is not clear, at this time, whether or how PJM's recent downward adjustments to data center demand in its 2026 load forecast, released on January 14, 2026, would impact the accommodated data center load growth in PPL's zone.
- it is not clear, at this time, whether or how the recent leadership direction from the White House, PJM Governors, and PJM Board, as announced on January 16, 2026, would impact the siting and building of generation that may obviate the need for all or part of Project 237.
- selection of Project 237 ignores the 8.4 GW of announced Pennsylvania natural gas projects expected to enter PJM's four-year paused queue in 2026, which could obviate the need for all or part of the project.<sup>1</sup>
- Finally, from the PA OCA's experience over the last 20 years of litigating high-voltage transmission line cases, PJM staff severely underestimates the costs and risks of building a 221-mile, high-voltage greenfield right-of-way line in Pennsylvania.

As for process concerns:

- Project 237, especially the portion from Kammer to Buttermilk Falls which facilitates transfers from the PJM West cluster to the MAAC cluster, is a long lead-time solution. However, the 2025 RTEP Proposal Window #1 Problem Statement and Requirements RFP document clearly stated that in 2032 for the MAAC 500 kV system overloaded facilities from terminal equipment constraints could be mitigated without long-lead time solutions.
- Furthermore, the load deliverability analysis was conducted on regional cluster-groupings that did not seem to follow the Zonal LDA or Global LDA capacity emergency transfer limit (CETL) Study Areas in Manual 14B. This approach was not discussed in the initial January 2025 assumptions presentation<sup>6</sup> at TEAC or subsequent updates in March<sup>7</sup> or April.<sup>8</sup>

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<sup>1</sup> Referring to the 4.5 GW of natural gas in Homer City, the 2.7 GW in Shippingport/Bruce Mansfield, 944 MW in Hummingbird, and the 269 MW in Armstrong. PJM's generation queue has been on hold since 2022. The 8 GW of western PA gas generation will benefit from the 500 kV line upgrade from Keystone or Conemaugh to Juniata and may have the potential to eliminate the need for transfers into the large MAAC study region.

- PJM identified load deliverability issues in one scenario where NJ offshore wind did not materialize as planned. However, PJM stated in its reliability analysis slide 11 that it intends to defer decisions on other upgrades related to NJ offshore wind.
- PJM identified load deliverability issues in one additional scenario that used 3.5 GW of additional PPL load from the 2026 Load Forecast, whereas the rest of RTEP is all developed with the 2025 Load Forecast. This approach was not discussed in the assumptions presentations.
- There was a 60-day competitive window rather than a 120-day competitive window recommended to be used for long-lead time projects in Manual 14F.

### **Other Potential Solutions and Alternative Paths Forward**

We believe that likely in-state generation buildouts or faster-to-deploy alternatives utilizing existing ROWs could solve the problems this line intends to address while imposing lower costs and providing higher benefits to Pennsylvania ratepayers

PJM does a very good job of defining needs that exist on the regional high-voltage grid. However, Project 237 has the potential to become the “poster child” for overbuilding new transmission infrastructure and failure to solve reliability needs with potentially less expensive generation options, storage, demand response and other innovative proposals.

The PA OCA urges the re-starting or re-bidding of the project need with more clear, complete, and consistent assumptions, with a new long lead time window in RTEP 2026 to allow for additional proposed solutions that are more cost-effective and capable of being built faster. Alternatively, PJM could reopen and extend the project bidding window in a second competitive round to allow for more cost-effective proposals that account for likely build time and generation buildout.

### **Final Thoughts and Closing**

To be clear, PJM has a very important mandate – to keep the lights on. The PA OCA has great respect for the work that PJM does in this regard, and these comments should not be interpreted as denigrating the important work that PJM does.

In closing, utility consumers in Pennsylvania are paying higher energy prices, due, in large part, to increased costs for bulk power grid services. A primary reason for higher bulk power grid costs is the current imbalance in supply and demand for electricity, driven by data center and artificial intelligence demand that is outstripping existing and forecasted supply, resulting in higher wholesale supply costs and expensive transmission grid expansion. While this letter addresses specifically the expensive expansion to electric transmission facilities to support data center AI demand contained within Project 237, the PA OCA is concerned about rising

PJM costs generally and will continue to stay engaged in matters concerning Pennsylvania ratepayers.

Respectfully,

/s/ Melanie Joy El Atieh

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