



PJM Board of Managers
PJM Interconnection, LLC
2750 Monroe Blvd.
Audubon, PA 19408

Dear PJM Board of Managers,

I am writing on behalf of the Retail Energy Supply Association (RESA), a broad and diverse group of retail energy suppliers who serve residential, commercial, and industrial customers across the PJM footprint. We are reaching out to express our concern about potential costs that will be assessed to load serving entities (LSEs) and our customers resulting from uplift due to PJM's declaration of "Conservative Operations."

On January 22, 2026, PJM issued an update on "PJM Cold Weather Operations" stating that the grid operator expected the extreme cold to continue through Sunday, February 1 and that "PJM is taking additional precautions with its generation and transmission owners to prepare." PJM also issued a Cold Weather Alert and a Conservative Operations declaration for January 24 through February 1 for "advance unit commitments" which was then extended to February 2, 2026.

RESA and its members understand that in times of extreme weather, maintaining the reliability of the system is paramount. With that said, the call for Conservative Operations over an extended period has the potential to impose significant, unknown costs on LSEs and our customers who are required to pay those costs or risk default. Given the restructured nature of the markets where RESA's members serve customers, there are limited mechanisms to recover these significant, unexpected costs. This comes at a time when energy affordability is of critical importance.

Given forecasts that show additional cold weather impacting the region into February, RESA and its members are also concerned that the impact may be compounded if PJM extends this declaration. In light of RESA's concerns, I am making the following requests:

1. RESA requests that PJM review the necessity of continuing the "Conservative Operations" designation, the scope of resource designations, and the duration of such designation for this current event and its process for future events. RESA also requests that PJM provide an estimate of the potential financial impact of uplift as well as regular updates throughout the period that designation is in place.
2. RESA requests a meeting with PJM to discuss the impact of uplift on energy affordability and potential solutions to mitigate this risk.

RESA appreciates PJM's work to ensure the reliability of the grid across the region and looks forward to a continued dialogue regarding this very important issue.

Sincerely,

Tracy McCormick
Executive Director, RESA