

January 30, 2026

VIA Electronic Submission & U.S. Mail

David E. Mills
Chair, PJM Board of Managers
Interim President & CEO, PJM Interconnection LLC
PJM Interconnection
P.O. Box 1525
Southeastern, PA 19399-1525

Dear Chair Mills,

Duquesne Light Company (“Duquesne Light”) submits this letter as their input to the PJM Board’s January 16, 2026, request for feedback on whether the price collar that was in place for the 2026/2027 and 2027/2028 PJM capacity auctions should be extended.

As the Board is aware, the price collar came out of regulatory litigation and negotiations that were led by Pennsylvania Governor Josh Shapiro. And PJM credits the price collar with saving over \$12.8 billion in capacity prices for the two years for which the collar was in effect.¹

On January 16, 2026, the National Energy Dominance Council within the White House and the Governors of 13 of the PJM states issued a *Statement of Principles Regarding PJM*. In the *Statement*, the Energy Dominance Council and the Governors urged PJM expeditiously to file tariff amendments with FERC that protect residential customers from PJM capacity price increases by extending the existing price collar for the capacity auctions for the 2026/2027 and 2027/2028 delivery years.

Duquesne Light supports the Energy Dominance Council and the PJM Governors’ call to protect customers from PJM capacity price increases. Customers rightfully are concerned about affordability as they have seen dramatic increases in their monthly bill. For example, the recent all-time-high PJM capacity prices have resulted in average increases to Duquesne Light’s residential retail customers’ monthly bills of 10%. Speaking to this issue,

¹ PJM, 2026-2027 *Base Residual Auction Report*, Appendix (customer savings of \$2.9 billion) (available <https://www.pjm.com/-/media/DotCom/markets-ops/rpm/rpm-auction-info/2026-2027/2026-2027-bra-report.pdf>); 2027-2028 *Base Residual Auction Report*, Appendix (customer savings of \$9.9 billion) (available <https://www.pjm.com/-/media/DotCom/markets-ops/rpm/rpm-auction-info/2027-2028/2027-2028-bra-report.pdf>).

Governor Shapiro recently noted that it was unacceptable for customers to pay sky-high utility bills, and that time was running out to protect consumers in PJM.²

Extending the current price collar on electric generation resources is a positive step as it provides some price certainty for customers. This effort is commendable. However, until significantly more incremental generation capacity is developed in PJM, the next two auctions can be expected to clear at the current cap. As such, more should be done to mitigate capacity cost increases to protect customers. For example, a lower price collar can be established administratively or through other alternative mechanisms.

Duquesne Light appreciates the steps being taken by the White House and the PJM Governors to protect customers, as well as the Board's interest in protecting customers and maintaining affordability. Duquesne Light looks forward to working with stakeholders, the PJM states, and the Board on these issues, as well as on overall resource adequacy efforts going forward.

Sincerely,

/s/ Kevin Walker
President & Chief Executive Officer
Duquesne Light Company

² Press Release, *Governor Shapiro's Legal Action Again Averts Historic Price Spike Across 13 States*, 12/17/25, available <https://www.pa.gov/governor/newsroom/2025-press-releases/gov-shapiro-s-legal-action-again-averts-historic-price-spike-acr#:~:text=%E2%80%9CMy%20Administration%20has%20once%20again,protect%20consumers%20from%20their%20inaction.>