

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,

The FirstEnergy Utilities<sup>1</sup> 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.<sup>2</sup>

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.

The FirstEnergy Utilities support the Energy Dominance Council and the PJM Governors' call to protect customers from PJM capacity price increases. Customers rightfully are

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<sup>1</sup> For purposes of this letter, the FirstEnergy Utilities are: Ohio Edison Company, The Cleveland Electric Illuminating Company, Toledo Edison, FirstEnergy Pennsylvania Electric Company, Jersey Central Power & Light Company, Monongahela Power Company, and The Potomac Edison Company. The FirstEnergy Utilities serve over 6 million customers in the Midwest and Mid-Atlantic regions.

<sup>2</sup> 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>).

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 FirstEnergy's residential retail customers' monthly bills of 17%. Speaking to this issue, 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.<sup>3</sup>

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.

The FirstEnergy Utilities appreciate 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. The FirstEnergy Utilities look 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/ Wade Smith

President  
FirstEnergy Utilities

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<sup>3</sup> 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.>