EAST KENTUCKY
POWER COOPERATIVE

August 6, 2026

Secretary Chris Wright
U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

Chairman Laura V. Swett
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Secretary Wright and Chairman Swett,

As the CEO of East Kentucky Power Cooperative (EKPC), which owns and operates power plants and high-voltage transmission infrastructure serving 1.2 million Kentucky residents and businesses, I wish to express my deep concerns with PJM Interconnection's recent proposals to FERC for addressing capacity needs in the short and long terms. EKPC has been a member of PJM since 2013 and we are devoted to reliable, low-cost electric service for our members, and supporting economic development that brings jobs and investment to Kentucky.

Unfortunately, it seems PJM's ability to establish market rules that provide long-term stability and low, predictable costs is repeatedly undermined by the machinations of politicians from retail-choice states that lean heavily on PJM's wholesale power market to meet their basic energy needs. The result is cost volatility and cost shifting for regulated states like Kentucky that have responsibly maintained reliable generating resources to match our needs. Simply stated, we did not create PJM's problems, but we would forced to pay for them under PJM's proposals.

PJM's proposal to FERC seeks to fix problems created by states that voluntarily and knowingly made themselves dependent on PJM's wholesale market to meet their energy needs because

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they have not placed appropriate requirements on those who serve their retail customers to ensure safe, reliable and adequate service. These proposals only create more volatility and shift costs unfairly to market participants in regulated states like Kentucky that have done nothing to create the problem.

This result is especially disappointing because EKPC and others worked very hard during PJM's stakeholder process to identify common ground and build a coalition of support for well-grounded rules that would apply fairly and consistently across PJM's footprint. The rejected coalition proposal—the only proposal to achieve the requisite support to pass—would have created greater stability and certainty while shielding homes and businesses from bearing the costs of serving large loads.

PJM needs billions invested in new generating resources to close its existing capacity gap and to meet the growing energy demand from data centers. But investors need certainty and stability, which has been lacking at PJM. In 2024, PJM bowed to political pressure from Pennsylvania Gov. Josh Shapiro and politicians from other retail-choice states to impose a cap on power plant capacity prices. The negative reliability consequences EKPC identified in its protest of the cap have come to fruition: existing resources are choosing to export to other regions and new investment is not coming to PJM fast enough. And the ability to obtain 15-year price certainty in a backstop procurement likely chilled new entry in PJM's most recent capacity auction. Neither of those outcomes should be surprising. Market manipulations challenge investor confidence.

By PJM's own estimate, 70 gigawatts of new generating resources are needed in the next 12 years to meeting growing load, much of it driven by data centers, which play a growing role in the nation's economy. Data center capabilities determine global competitiveness in emerging applications for R&D, industry, commerce, and national defense. But the ability of PJM members to serve the sizable energy needs of data centers is impeded by the organization's inability to establish and sustain clear ground rules on which market participants can base 20-year investment decisions. At a pivotal moment when nations and organizations are competing to lead in developing industries and technologies that will endure for decades, PJM now is signaling that its territory is closed for business until further notice.

PJM can protect everyone by efficiently operating competitive markets and ensuring grid reliability with clear, consistent rules and transparent price signals that support the goal of maintaining generation capacity sufficient to cover peak demand, even in periods of robust growth. That goal is much more achievable if states face mandates forbidding overreliance on wholesale markets to meet retail obligations. States should take responsibility for maintaining reliable generating capacity to meet their own needs, as Kentucky has done. Where state leaders choose not to act responsibly, it is not FERC's job to cover for their errors by punishing everyone.

EKPC looks forward to actively participating in the dockets established to evaluate PJM's proposals and reserves its rights with respect thereto.

Sincerely,

Don Mosier

Don Mosier
President & CEO

CC:
David E. Mills, President & CEO, PJM
PJM Board of Managers
Kentucky Gov. Andy Beshear
Kentucky Public Service Commission