

July 31, 2026

The PJM Board of Managers
c/o Mr. David Mills, President & CEO
PJM Interconnection
2750 Monroe Blvd.
Audubon, PA 19403

Dear President Mills and the PJM Board of Managers,

We write to commend PJM on its recent efforts to enable the rapid addition of new resources needed to ensure resource adequacy through surplus interconnection service.

In Indiana and Virginia, we recently passed bipartisan legislation, SEA 240 and SB 508/HB 1065 respectively, both of which require utilities to evaluate opportunities to deploy surplus interconnection resources. We believe that surplus interconnection service is a critical tool to improve grid utilization and bring new resources online quickly to meet load growth.

PJM has already accomplished one key step in facilitating the use of surplus interconnection service by amending its tariff to provide for an improved study process to assess surplus interconnection service opportunities. However, developers seeking to interconnect capacity resources using surplus interconnection service still face barriers. We understand that PJM is working with market participants to address the capacity market rules that make it difficult to use surplus interconnection service to contract for the capacity value of a new capacity resource. A solution to this issue would be a critical complement to our states' legislative actions.

As the author and sponsors of these laws, we support this effort to quickly resolve participation barriers and urge PJM to prioritize this issue for consideration at its August 2026 Market Implementation Committee meeting. Thank you for your continued and timely focus on this important matter.

Sincerely,



Eric Koch
eric.koch@
iga.in.gov
State Senator
District 44
Indiana



Phil Hernandez
delphernandez@
house.virginia.gov
State Delegate
District 41
Virginia



Schuyler VanValkenburg
senatorvanvalkenburg@
senate.virginia.gov
State Senator
District 16
Virginia