



David E. Mills
President & CEO

PJM Interconnection
2750 Monroe Blvd.
Audubon, PA 19403

Via Electronic Mail

September 1, 2026

Mr. David S. Lapp
Maryland People's Counsel
6 St. Paul Street
Suite 2102
Baltimore, MD 21202

Dear Mr. Lapp,

Thank you for your correspondence dated August 28, 2026 wherein you request that PJM clarify that the parameters posted on August 31, 2026 for the 29/30 Base Residual Auction are subject to adjustment based on large load information that will become available after August 31, 2026 but in advance of running that auction in December.

As you note, PJM has proposed through its Interim Resource Adequacy Service (IRAS) filing with the Federal Energy Regulatory Commission (FERC) to remove any incremental new large loads that do not bring their own new capacity from the Variable Resource Requirement (VRR) demand curve beginning with the 29/30 auction. If there are any such new large loads in the most recent load forecast that will not materialize by the 29/30 Delivery Year, it is reasonable to assume that these large loads will not indicate that they are bringing their own capacity for that Delivery Year and will therefore be removed from the VRR curve, consistent with the MD OPC's request.

For several reasons, we do not believe we should attempt to make any further adjustments to the load forecast for the 29/30 auction. To do so would inject significant uncertainty into the auction schedule as PJM would need to make a waiver filing with the FERC. Further, in our rough estimation, there will need to be substantial load reduction for the auction to clear at a price lower than the "collar cap." Thus, here, there would be no meaningful consumer cost tradeoff made for the uncertainty that PJM would inject into the auction process for 29/30 if we were to adopt your recommendation.

We appreciate your attention to this matter and understand the origin of your concerns. Here, your requested remedy will not impact consumer bills due to the already implemented "collar cap."

Sincerely,

David E. Mills
President & CEO, PJM Interconnection, LLC

cc: Board of Managers