

February 12, 2025

Mr. Mark Takahashi
Chair, PJM Board of Managers PJM Interconnection, LLC
2750 Monroe Boulevard
Valley Forge Corporate Center
Audubon, PA 19403

Dear Mr. Takahashi and the PJM Board of Managers:

On behalf of the Members of PJM, the sector representatives of the Liaison Committee look forward to the opportunity to continue discussion with the Board of Managers at our February 24th meeting. The LC Sector Representatives suggest the following topics for our upcoming meeting.

1. Establishing Effective Market Signals

A considerable amount of attention has been devoted to resource adequacy rule reform and discussion recently. PJM identified concerns with resource adequacy in its February 2023 report, [Energy Transition in PJM: Resource Retirements, Replacements & Risks \(PDF\) \(“Four R Report”\)](#), and those concerns are being realized now. Balancing the imperative for adequate resources to ensure reliable operations with achieving public confidence in PJM’s markets and right-sizing impacts on consumers is a challenge.

2. Strategic Direction

Some steps have been taken to address issues raised in the Four R Report through the work of various committees and task forces, as can be seen on PJM’s website –[Ensuring a Reliable Energy Transition](#). However, there are members who are concerned that PJM is not holistically and proactively approaching and managing the issues raised in the Report and are instead addressing issues on a piecemeal basis with, at times, limited engagement with stakeholders.

In addition to the two proposed topics, the LC requests that the Board provide its perspective on recent Section 205 filings, pending Section 206 complaints, the potential for pool-wide resource adequacy shortages, the potential need to review and update the current provisions in the PJM Tariff such as the Reliability Backstop, and the role of stakeholders in developing solutions.

Sincerely
Steven Kirk
Senior Director, Regulatory Affairs
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