

Scarp  
PJM Liaison Committee Chair  
2519 SE Leithgow Street  
Port Saint Lucie, FL 34952

April 25, 2025

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

Re: Final Agenda for the May 12, 2025 Liaison Committee Meeting

Dear Mr. Takahashi and the PJM Board of Managers,

Thank you for the response to the membership's proposed topics for the Liaison Committee (LC) meeting on May 12, 2025. We agree to incorporate your suggested topic on CEO transition in the agenda. To accommodate the additional substantive topic, we are adding 30 minutes to the length of the meeting by starting at 9:30 AM rather than the originally scheduled 10:00 AM (ET). We appreciate your willingness to have a conversation on this topic early in the CEO search process.

The finalized list of topics to be covered at the May 12, 2025 LC meeting are captured in the following agenda for the meeting:

**1. Welcome and Introductions (10 minutes)**

**2. Merging Good Market Design with PJM Stakeholder Process (35 minutes)**

Members seek a stable, durable suite of markets and products - based on economic and reliability principles and sound market design. The pressing need to address resource adequacy and the number of market changes that have taken place in quick succession have emphasized the need for effective communication between PJM and members. The LC Sector Representatives would like to discuss ideas and perspectives that would allow the Board, PJM staff, and stakeholders to work collaboratively and proactively on important issues. The LC Sector Representatives request the Board come prepared to discuss what measures it is taking to redirect the current approach and apply rules consistent with M34 that are more deliberate, collaborative, consistent, and transparent.

**3. Long-Term Strategies to Ensure Reserve Certainty (35 minutes)**

The events during the recent Martin Luther King Holiday weekend resulted in an increase in Balancing Operating Reserve Charges of \$332 million in under a week. These results underscore three areas of concern to the members – a.) PJM's continued challenges in gas-electric coordination and b.) energy and ancillary service/reserve products market incorporation of operator actions, and c.) transparency of operator actions and impact to secondary markets. Members seek to discuss PJM's plan going forward that balance the various interests, including the use of uplift versus incorporation of operator actions into market prices, while considering

the ultimate cost to customers of any such changes. The LC Sector Representatives would like to provide their perspectives on the best way to account for operator actions and to incentivize the necessary resource participation and flexibility in both the energy and ancillary services markets and hear directly from the Board what steps PJM is taking to promptly address these issues. The LC Sector Representatives would appreciate as much detail as possible from the Board pertaining to the market development process and timelines anticipated in PJM's plan.

**4. Resource Adequacy Developments (35 minutes)**

Members wish to discuss the evolution of PJM resource adequacy. Specifically, the LC Sector Representatives wish to provide their perspectives on the following key challenges:

- The ability of the PJM markets to retain generation and incent new generation needed to meet the projected load growth.
- The current quadrennial review process and its role in meeting resource adequacy
- Exploration of load flexibility and hedging solutions to potentially address supply and demand shortages.
- Large load forecasts and the ability of PJM's load forecasting process to track changes, avoid double counting and provide realistic values that inform the planning and markets processes.

**5. CEO Transition (30 minutes)**

The Board would like to provide the Members with an update on the process it will undertake to search for the new PJM CEO in light of Manu Asthana's announcement to step down from the role. The Board would appreciate hearing the Members' perspectives on essential qualities for the role so that the Board can relay this feedback to the search firm.

**6. Closing Remarks (5 minutes)**

The LC sector representatives value the opportunity to discuss these timely and important topics with the Board and to hear Board members' perspectives on these issues. We look forward to a productive and enjoyable LC meeting.

Best Regards,



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Chair, PJM Liaison Committee