

Affordability and Reliability for Residential Consumers (ARRC) User Group

PJM Interconnection, LLC, is facing unprecedented challenges, driven by anticipated load growth in the near future from data centers and the emergence in AI technology. Residential ratepayers have already been burdened with dramatic increases in capacity costs and growing transmission costs. Such challenges require a fair opportunity for all stakeholders, including those most vulnerable, to be heard in a meaningful manner. Specifically, PJM's current governance structure does not allow residential consumers a meaningful opportunity to impact decisions.

Accordingly, the state-appointed consumer advocates of several restructured states within PJM are joining together to create the Affordability and Reliability for Residential Consumers (ARRC) User Group. At present, ARRC consists of state-appointed consumer advocate offices from Delaware, the District of Columbia, Illinois, Maryland, New Jersey, Ohio and Pennsylvania. As these jurisdictions are wholly dependent on the capacity market, their residents are particularly vulnerable to growing capacity costs and will be further impacted by transmission expansion undertaken to accompany data centers.

Despite constituting millions of consumers, and forming a fundamental pillar to PJM's market, residential ratepayers have little to no ability to shape proposals and policy within the stakeholder process. For example, the state-appointed consumer advocates representing the vast majority of the 67 million ratepayers across PJM have approximately 1% of the vote in PJM's Standing Committees.

Under PJM's Operating Agreement, a User Group can be formed by a minimum of five PJM Members sharing a common interest. The User Group can submit proposals directly to the Chair of the Members Committee; if the proposal is rejected by the Members Committee, a User Group may then take its proposal directly to the PM Board.

Accordingly, the ARRC User Group consists of state-appointed consumer advocates, whose objective will be to promote the interests of residential ratepayers – with a focus on affordability and reliability for residential consumers. The ARRC Use Group will be positioned to help advance concerns for consumers directly to the PJM Board in instances where its proposals are not adopted by the Member Committee.