

COMMENTS ON PJM'S REGIONAL PLANNING PROPOSAL UNDER FERC ORDER 1920



Illinois Commerce Commission and
New Jersey Board of Public Utilities
Staff



PJM TEAC MEETING

MAY 19, 2025

AGENDA

1. Why PJM's proposed regional planning framework will not sufficiently plan for the Long-Term (LT) Needs in our states;
2. Principles of good regional transmission planning that would identify the PJM states' LT Needs; and
3. Requested next steps.



PJM'S CURRENT PLANNING PROPOSAL FALLS SHORT

- PJM is developing a long-range plan that will not capture the footprint's needs without extensive state involvement
- Categorizing needs based on “Core” and “Additional” is problematic and limiting
- Sponsorship model for Additional Needs will likely fail to build any projects
- Core and Additional framework is needlessly complex



CORE AND ADDITIONAL FRAMEWORK IS LIMITING

- Exclusively prioritizing reliability through Core Needs will not adequately identify crucial economic benefits
- Current Core Needs structure does not directly incorporate age-based retirements and includes a range of load additions that will mask likely LT Needs
- Transmission Owners will not be incentivized to propose solutions that holistically solve both Core and Additional Needs in the current framework.



ALTERNATIVE PRINCIPLES TO PJM'S PROPOSAL

- An alternative framework should address reliability, market efficiency and binding public policy in a comprehensive manner.
 - Should identify projects that cost-effectively address all categories of needs without relying on state sponsorship
 - Should identify “least regrets” and most beneficial solutions using the seven benefits listed in Order 1920



BENEFITS THAT SHOULD BE REALIZED IN AN ALTERNATIVE APPROACH

- Create a robust backbone transmission system that can meet short term challenges (fuel-loss, extreme weather) as well as long term challenges,
- Reduce congestion, dispatch costs, and losses,
- Lower capacity needs and generation costs,
- Savings in avoided transmission projects costs,
- Reduce transmission losses (capacity and energy), and
- Increased resiliency and reliability to the transmission grid protecting vital infrastructure from loss of power events,



REQUESTED NEXT STEPS

1. Continued meetings to discuss PJM's proposal and address states' concerns;
2. Develop a white paper explaining the current PJM proposal;
3. Provide fundamental education on PJM's resource expansion, reliability and economic modeling;
4. Eliminate the "Core" and "Additional" categories and the associated state sponsorship requirement;
5. Expand reliability and economic modeling to capture a plausible set of LT Needs; and
6. Use all seven benefit metrics required under Order 1920 during the evaluation and selection Process.



THANK YOU

HANNAH MCCORRY, AMANDA LESCANO

