

PJM Statement on Public Policies Adopted Within the 2025 RTEP

In preparing the 2025 Regional Transmission Expansion Plan (RTEP), PJM will include several Public Policy Requirements and Public Policy Objectives, including certain electrification policies, policy-driven generation that has signed a Generator Interconnection Agreement (GIA) or Wholesale Market Participation Agreement (WMPA), and transmission upgrades supporting the interconnection of projects brought forward through the State Agreement Approach (SAA). PJM also will perform a sensitivity analysis on the 2025 RTEP base case considering the anticipated policy-driven deactivations submitted by the Independent State Agencies Committee (ISAC).

In conformance with its obligation under the PJM Operating Agreement, Schedule 6, section 1.5.6(b), PJM provides this statement to explain the Public Policy Requirements and Public Policy Objectives that were offered by stakeholders at the assumptions stage of the 2025 RTEP development process and that will be used in performing the evaluation and analysis of transmission needs in the 2025 planning cycle.¹

Background

On December 6, 2024, ISAC submitted the “State Policies Workbook” to PJM.² ISAC indicated the workbook’s stated purpose is an effectuation of the PJM Operating Agreement, Schedule 6, section 1.5.4(c), which states “The Office of the Interconnection also shall solicit from the Members, Transmission Customers and other interested parties, including but not limited to electric utility regulatory agencies within the States in the PJM Region, Independent State Agencies Committee, and the State Consumer Advocates, information required by, or anticipated to be useful to, the Office of the Interconnection in its preparation of the enhancement and expansion study, including information regarding potential sensitivity studies, modeling assumption variations, scenario analyses, and Public Policy Objectives that may be considered.”³

The State Policies Workbook detailed the PJM states’ respective Public Policy Requirements and Public Policy Objectives related to:

¹ PJM Operating Agreement, Schedule 6, section 1.5.6(b) – “Prior to the initial assumptions meeting, the Transmission Expansion Advisory Committee and Subregional RTEP Committees participants will be afforded the opportunity to provide input and submit suggestions regarding the information identified in items (i) through (v) of this subsection. Following the assumptions meeting and prior to performing the evaluation and analyses of transmission needs, the Office of the Interconnection shall determine the range of assumptions to be used in the studies and scenario analyses, based on the advice and recommendations of the Transmission Expansion Advisory Committee and Subregional RTEP Committees and, through the Independent State Agencies, the statement of Public Policy Requirements provided individually by the states and any state member’s assessment or prioritization of Public Policy Objectives proposed by other stakeholders. The Office of the Interconnection shall document and publicly post its determination for review. Such posting shall include an explanation of those Public Policy Requirements and Public Policy Objectives adopted at the assumptions stage to be used in performing the evaluation and analysis of transmission needs.”

² The State Policies Workbook was submitted by ISAC via email to staff within PJM’s Governmental Services Department. The email also included a cover letter addressed to PJM’s Planning Department.

³ PJM Operating Agreement, Schedule 6, section 1.5.4(c).

- Renewable portfolio standards
- Generator deactivations driven by state retirement policies and private corporate commitments (through 2030)
- Clean energy targets and other clean energy policies
- Policies supporting existing generation
- Electrification policies for buildings and electric vehicles
- Generator siting restrictions and opportunity zones
- Resource-specific targets for offshore wind and storage technologies
- Assumptions on new gas build in each PJM state

Determination of Submitted Public Policies Used for the 2025 Planning Cycle

The following policies, submitted via the State Policies Workbook, will be considered as part of the 2025 RTEP planning process.

Renewable portfolio standards

Renewable portfolio standards (RPS) can influence the types of new resources being proposed in and around states with such policies. Many RPS-eligible resources are already in service, and more are being proposed through PJM's New Services Request process for interconnecting generation. The planning model used for the PJM RTEP, as per current Planning Manual 14B provisions,⁴ includes those proposed RPS-eligible resources that have signed a GIA or WMPA but have not begun commercial operation. PJM will also consider resources at earlier stages (pre-GIA/WMPA) to meet the growing load.

Generator deactivations driven by retirement policies

ISAC submitted a list generators anticipated to retire by 2030 as a result of state policies.⁵ The state policies affecting this list of generators are:

- **Illinois** – Climate and Equitable Jobs Act (CEJA)
- **New Jersey** – New Jersey Department of Environmental Protection's CO2 Rule
- **Virginia** – Virginia Clean Economy Act

ISAC also included generators that are anticipated to retire by 2030 as a result of private corporate commitments.⁶

In total, the amount of anticipated retiring capacity submitted by ISAC is 10,921.9 MW by 2030.

⁴ PJM Manual 14B: PJM Region Transmission Planning Process, Attachment B: Regional Transmission Expansion Plan – Scope and Procedure, Section B.4.

⁵ Anticipated to retire means that these resources have not submitted an official deactivation notification to PJM but are expected to retire by a certain date in compliance with the relevant state policy impacting the resource.

⁶ Annual Progress Report for the Permanent Cessation of Coal Combustion by 12-31-2028 (Oct. 11, 2024). AEP – ELG Rule Compliance – <https://www.aep.com/environment/elg/>

Electrification policies for buildings and electric vehicles

The information provided in this policy category was also submitted to PJM's Load Analysis Subcommittee for consideration in the 2025 Load Forecast. The 2024 PJM Load Forecast included New Jersey's Executive Order 316 as a building electrification policy in the load forecast.⁷ The 2025 PJM Load Forecast continued to include this policy.

Electric vehicle policies were provided by ISAC. PJM's load forecast utilizes S&P vendor data for electric vehicle projections.⁸ The vendor data takes into consideration state electric vehicle policies to produce its forecast, which is then utilized for PJM's planning efforts.

Resource-specific targets for offshore wind and storage technologies

Like RPS and other clean energy policies, discrete policies around offshore wind and energy storage technologies help drive projects toward entering PJM's New Services Request process for interconnecting generation. By default, PJM models all generation projects with a signed GIA and WMPA, including offshore wind and storage projects. Transmission upgrades supporting the interconnection of projects brought forward through the SAA will also be included in the 2025 RTEP modeling together with their associated upgrades identified through the SAA study. PJM will also consider resources at earlier stages (pre-GIA/WMPA) to meet the growing load.

Deactivation Sensitivity

PJM will perform a sensitivity analysis on the 2025 RTEP base case using the list of anticipated deactivating resources provided by ISAC that includes resources expected to retire as a result of state policies and identified private commitments. This list of anticipated resources totals 10,921.9 MW by 2030, but the exact amount of deactivating capacity within the sensitivity may be subject to change based on the circumstances of when the analysis is conducted. The sensitivity analysis will be performed in parallel with the base case to assess where overlaps may exist and to perform a robustness test when selecting transmission solutions.

PJM will produce a report to be shared with ISAC members that provides an overview of the transmission violations or needs. PJM will also provide an update after the February 2026 Board of Managers meeting to highlight which of the new baseline projects overlap with the identified needs and where the sensitivity output may have been used to inform project selection.

⁷ 2024 Preliminary PJM Load Forecast (November 27, 2023). Presented to PJM Load Analysis Subcommittee – <https://www.pjm.com/-/media/committeesgroups/subcommittees/las/2023/20231127/20231127-item-03---2024-preliminary-pjm-load-forecast.ashx>

⁸ 2025 Preliminary PJM Load Forecast (December 9, 2024). Presented to PJM Load Analysis Subcommittee – <https://www.pjm.com/-/media/DotCom/committees-groups/subcommittees/las/2024/20241209/20241209-item-03---2025-preliminary-pjm-load-forecast.pdf>