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The PJM Board of Managers
C/O Mark Takahashi
Chairman, PJM Interconnection, LLC
2750 Monroe Blvd.
Audubon, PA 19403

**RE: 2025 RTEP Assumptions and Updates**

Dear Chairman and Board Members:

I write to express Public Service Electric and Gas Company's ("PSE&G") concerns, ahead of tomorrow's PJM Transmission Expansion Advisory Committee ("TEAC") meeting, about the information that has been provided by PJM in preparation for this meeting.

As you know, the PJM region has a resource adequacy problem. There simply is not enough generation on the system – or anticipated to be on the system – to serve projected demand for electricity across the region by 2030. That reality has now been starkly presented in the information that PJM has provided regarding its planning assumptions for the 2025 Regional Transmission Expansion Plan ("RTEP"), the plan that PJM will be relying upon to determine how much transmission needs to be built to keep the lights on and where it needs to be built. Specifically, PJM is assuming generation that is highly unlikely to be built will in fact be available to serve customer demand. This concerning assumption includes approximately 11,880 MW of **suspended** queued generation available for dispatch, of which approximately 1,250 MW is offshore wind generation (*2025 Series RTEP 2030 Summer* model, posted on PJM's website on May 2nd).

PSE&G's mission and obligation is to provide safe, reliable and affordable service to our customers in New Jersey, and we are very concerned that PJM's current planning assumptions will create significant reliability risk. We have three related but distinct concerns. First, PJM's TEAC slides demonstrate that there simply is not enough generation to satisfy customer needs, which will cause continuing reliability and price risk for customers. Second, assuming in the transmission planning model the existence of generation that is unlikely to be built will mask reliability problems that need to be addressed through transmission solutions. For states that have insufficient in-state generation, transmission is the mechanism to move generation from other states to serve demand. Yet, the 2025 RTEP model increases the risk that there will be insufficient transmission for anticipated system needs. Finally, an unreliable transmission planning model aggravates the resource adequacy issues and in turn makes us even more susceptible to the types of capacity market pricing issues that we are experiencing now. What all of this will lead to is both insufficient generation - which we know is a problem – and

insufficient transmission, a highly problematic outcome that will continue to increase costs and pose meaningful reliability risk for our customers.

PSE&G owns 1,600 circuit miles of electric transmission lines within the PJM region and has the responsibility to provide safe and reliable service to our 2.4 million electric customers. For 23 consecutive years, PSE&G has won reliability awards in the Mid-Atlantic region and has a proven record of providing reliable and affordable service to customers. We have publicly and repeatedly explained to both PJM and FERC that PJM's capacity market, on which states like New Jersey rely to procure generation, needs fundamental reform that will send proper price signals to incent the development of new generation that is critically needed for future reliability and affordability.

The resource adequacy issues PJM is facing are real and significant. The 2025 RTEP model is "Exhibit A" for the resource adequacy problem coming to a head - and will itself cause additional reliability and affordability problems for customers across the PJM region. We view PJM's Reliability Resource Initiative ("RRI") as a positive and necessary first step to beginning to address the problem, but it is only that and much more new generation – particularly in capacity deficient states like New Jersey – is needed. PJM – working with its asset owner members, states and other key stakeholders – must take bold steps to add new generation resources as quickly as possible.

Sincerely,