

## PJM Statement on Public Policies Not Considered Within the 2025 RTEP

In preparing the 2025 Regional Transmission Expansion Plan (RTEP), PJM included 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 performed a scenario with policy-driven deactivations and a corresponding resource expansion to ensure resource adequacy accounting for new generation policies (e.g. RPS).<sup>1</sup>

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 but were ultimately not included in the 2025 planning cycle.<sup>2</sup>

### Background

On December 6, 2024, the Independent State Agencies Committee (ISAC) submitted the “State Policies Workbook” to PJM.<sup>3</sup> 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.”<sup>4</sup>

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

- Renewable portfolio standards
- Generator deactivations driven by state retirement policies and private corporate commitments (through 2030)
- Generator siting restrictions and opportunity zones
- Resource-specific targets for offshore wind and storage technologies

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<sup>1</sup> 2025 RTEP Assumptions Update (May 6, 2025). Presented to the Transmission Expansion Advisory Committee – <https://www.pjm.com/-/media/DotCom/committees-groups/committees/teac/2025/20250506/20250506-item-11---2025-rtep-assumption-update.pdf>.

<sup>2</sup> PJM Operating Agreement, Schedule 6, section 1.5.6(b) – “Following identification of transmission needs and prior to evaluating potential enhancements and expansions to the Transmission System ... [t]he Office of the Interconnection shall also post an explanation of why other Public Policy Requirements and Public Policy Objectives introduced by stakeholders at the assumptions stage were not adopted.”

<sup>3</sup> 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.

<sup>4</sup> PJM Operating Agreement, Schedule 6, section 1.5.4(c).

- Clean energy targets and other clean energy policies
- Policies supporting existing generation
- Electrification policies for buildings and electric vehicles
- Assumptions on new gas build in each PJM state

The policy targets included in the State Policies Workbook were not limited to the planning horizon of PJM's near-term RTEP, but rather they detailed the interim and cumulative targets over the entire horizon of each respective policy, including policies that extend beyond 15 years. The State Policies Workbook also included information that would be useful for other PJM planning initiatives but would not be directly relevant or applicable to near-term planning, such as clean energy targets.

At the January 7, 2025, Transmission Expansion Advisory Committee (TEAC) meeting, ISAC presented to stakeholders the state policy assumptions submitted by ISAC to be considered in the 2025 RTEP.<sup>5</sup> PJM then posted as an informational item for the April 1, 2025 TEAC meeting a statement on those public policies submitted by ISAC that were adopted in the 2025 RTEP.<sup>6</sup>

## Public Policy Requirements and Objectives Adopted in the 2025 RTEP

The 2025 RTEP includes an informational scenario (Scenario 5) that models policy-driven deactivations and new generation policies for the model-year 2032 to inform states and other stakeholders of the potential impacts of these policies.

### Generator deactivations driven by federal and state retirement policies and private corporate commitments (through 2030)

The 2025 RTEP accounts for generation deactivations driven by federal and state retirement policies and corporate commitments through 2030. This policy group could have an immediate, high reliability risk associated with high volume resource deactivations. The inclusion and prioritizing of this policy group part of the 2025 RTEP analysis is to inform stakeholders and policy makers of the potential impacts of implementing such policies, particularly in the near term.

### New generation

Due to the lack of sufficient generation in the queue to ensure adequate resources in the planning models when policy driven deactivations are accounted, the 2025 RTEP Scenario 5 uses capacity expansion techniques to identify additional generation consistent with the RPS policies and the resource-specific targets for offshore wind and storage technologies from the State Policies Workbook.

<sup>5</sup> 2025 RTEP Assumptions from the Independent State Agencies Committee (January 7, 2025). Presented to the Transmission Expansion Advisory Committee – <https://www.pjm.com/-/media/DotCom/committees-groups/committees/teac/2025/20250107/20250107-item-01---state-policy-assumptions-presentation.pdf>.

<sup>6</sup> PJM Statement on Public Policies Adopted Within the 2025 RTEP (April 1, 2025). Posted as informational only item to the Transmission Expansion Advisory Committee – <https://www.pjm.com/-/media/DotCom/committees-groups/committees/teac/2025/20250401/20250401-informational-only---pjm-statement-on-public-policies-considered-within-the-2025-rtep.pdf>.

## Explanation of Public Policy Requirements and Objectives Not Adopted in the 2025 RTEP

PJM did not adopt the following policies, submitted by ISAC via the State Policies Workbook, in the 2025 RTEP planning cycle for the following reasons:

### Clean energy targets and other clean energy policies

Within the State Policies Workbook, this category of policies on its own can be abstract from a transmission planning perspective. Abstract in this context generally means that these policies, in and of themselves, are unable to be modeled for purposes of identifying the transmission needs of the system. For example, clean policies, such as those that seek to achieve 100% carbon reductions by a certain date, are achieved through implementing regulations by delegated state agencies. Such regulations impart how the state intends to achieve the policy aim – such as through electrification of natural gas heating, retirement of existing fossil generation or the building of new carbon-free energy sources. It is these implementing regulations that better inform how transmission needs may manifest. In some instances, such implementing regulations are identified in the State Policies Workbook, as noted below. In other instances, the clean energy target is awaiting agency action or no implementing regulations have been identified.

PJM did not specifically plan for the policies listed in this category, but the new generation in the models, deactivating generation, and electrification policies are reflective of how these types of broader clean energy policies are implemented in the near-term planning and load forecasting processes.

### Policies supporting existing generation

This policy category within the State Policies Workbook is relative to PJM's long-term planning efforts and is supported in Scenario 5 for 2032.

### 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. PJM continued to include New Jersey's Executive Order No. 316, which aims to accelerate building electrification.<sup>7</sup> PJM uses an electric vehicle forecast provided by S&P Global which includes policy assumptions reviewed with stakeholders and OPSI.<sup>8</sup> Other electrification policies included in the State Policies Workbook were not included in the 2025 Load Forecast and therefore were not considered in the 2025 RTEP.

### Generator siting restrictions and opportunity zones

This policy category within the State Policies Workbook is relative to PJM's long-term planning efforts.

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<sup>7</sup> 2025 PJM Long-Term Load Forecast Supplement pg. 37. <https://www.pjm.com/-/media/DotCom/planning/res-adeq/load-forecast/2025-long-term-load-forecast-supplement.pdf>

<sup>8</sup> Load Analysis Subcommittee Reference item from S&P Global. <https://www.pjm.com/-/media/DotCom/committees-groups/subcommittees/las/2024/20241125/20241125-reference---item04-spglobal---pjm-ev-forecast.pdf>