



PJM Annual Meeting

**Public Interest Environmental
Organization Users Group
(PIEOUG)**

May 14, 2025

**Consumer Advocates of the PJM
States (CAPS) Presentation**

The 16 Member Offices of CAPS

Delaware	Division of the Public Advocate
District of Columbia	Office of the People's Counsel
Illinois	(1)Citizens Utility Board (2)Office of the IL AG (Public Utilities Bureau)
Indiana	Office of Utility Consumer Counselor
Kentucky	Office of Rate Intervention
Maryland	Office of People's Counsel
Michigan	Michigan Department of Attorney General
New Jersey	Division of Rate Counsel
North Carolina	(1)Office of Attorney General, Utilities Section (2)Public Staff – North Carolina Utilities Comm.
Ohio	Office of the Ohio Consumers' Counsel
Pennsylvania	Office of the Consumer Advocate
Tennessee	Office of the Tennessee Attorney General - Consumer Advocate & Protection Division
Virginia	Office of the Attorney General – Division of Consumer Counsel
West Virginia	Consumer Advocate Division

Goals

1. Establishing reliability throughout the region at the most cost-effective prices.
2. Use our resources to provide awareness and improve our contributions to the stakeholder process.
3. Continue to expand dialogue with both demand and supply interests to seek consensus.

Priorities for PJM Should Remain

- Keeping the lights on;
- Identifying the most efficient and cost-efficient improvements to the grid; and
- Independence

Core Areas of Discussion


- } Customer Expectations for Regional Grid Operations (and What We Would Like to See Moving Forward)
- } What Customers Want to See from PJM's Competitive (Capacity) Market Moving Forward
- } Additional Items to Address (as Time Permits)
- } PJM wholesale cost impact on customers – update

Customer Expectations for Regional Grid Operations (and What We Would Like to See Moving Forward)

Four Main Areas to Address Moving Forward:

- } Better understanding by PJM of consumer needs and delivery of valued service to meet those needs in a cost-efficient manner. (For example, providing customer affordability data.)
- } Assurance that PJM will “avoid outcomes that are economically disruptive and could threaten acceptance of PJM[’s Capacity Market]”.*
- } Significant improvements in transparency.
- } PJM Independence from members.

*PJM MIC Special Session – Quadrennial Review, Item 1B: Brattle Presentation: Sixth Review of PJM’s RPM VRR Curve Parameters...., November 26, 2025, page 2.



Re-establishing Confidence in PJM's Capacity Construct

What Customer's Want to See from a Competitive Capacity Market

Areas of Concern Related to the Capacity Market

- } Defensible market results
 - Accurate load forecast
 - Rules that do not artificially restrict supply
 - Rules that prevent the exercise of market power
- } Transparency for large load adjustments
- } Existing customer stranded cost risk – what if load growth doesn't materialize?
- } Order 2023 compliance for new supply entry
- } RRI should not be a preferred mechanism
- } Auctions should be run as designed (e.g. three years forward)
- } Needed changes require deliberative, open, collaborative processes
- } Appreciation (and recognition) of PJM positions on customer costs

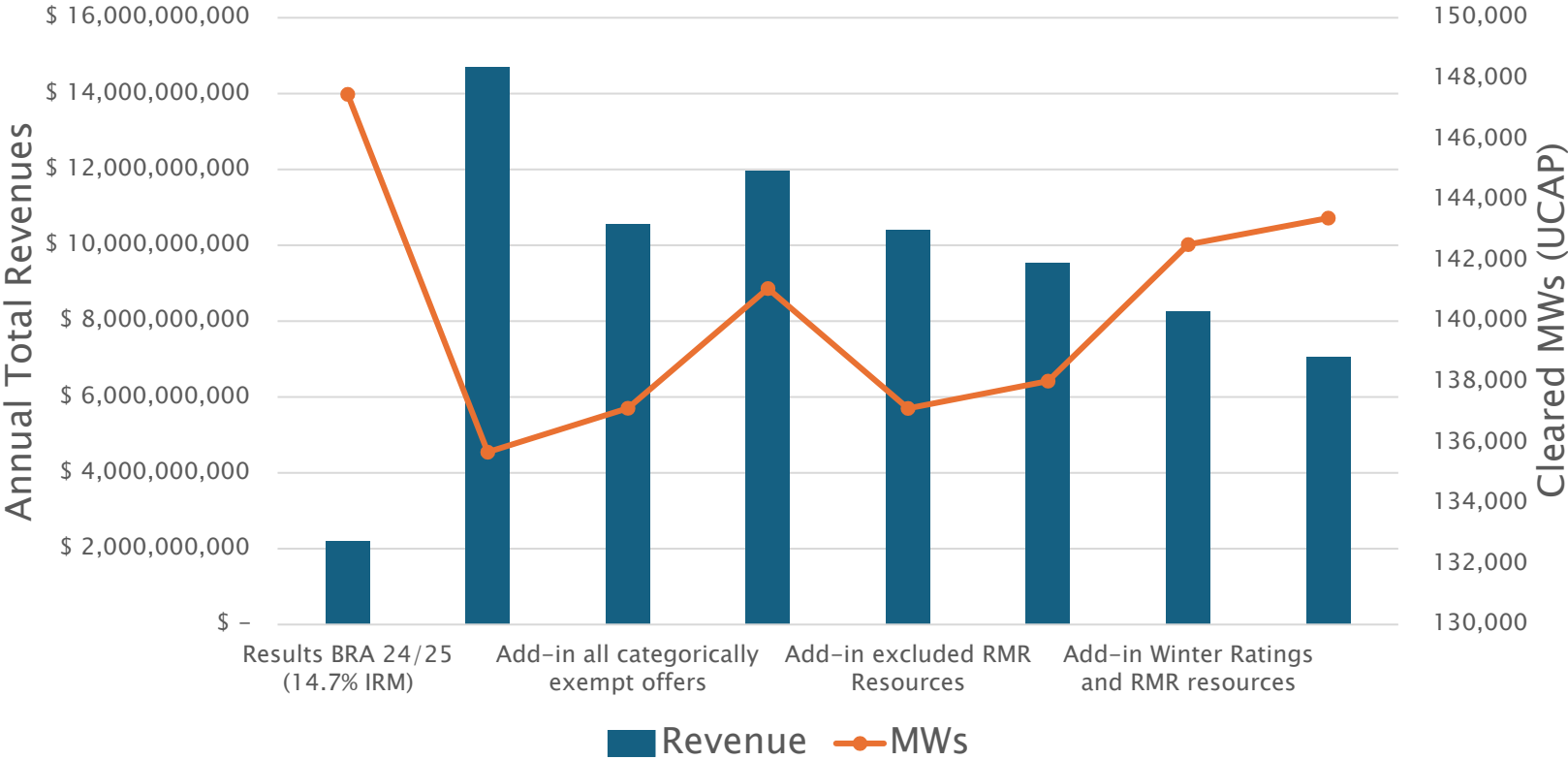
Rebuilding confidence in the markets moving forward is critical.



The Last PJM Capacity Market Results Had As Much to do with PJM Turning Levers as it was “a supply and demand issue.”

PJM BRA 25/26 – with Corrected Parameters (\$s and MWs)

Source: IMM, Analysis of 25/26 RPM BRA – Part A (Sep. 20, 2024); Part B (Oct. 15, 2024).

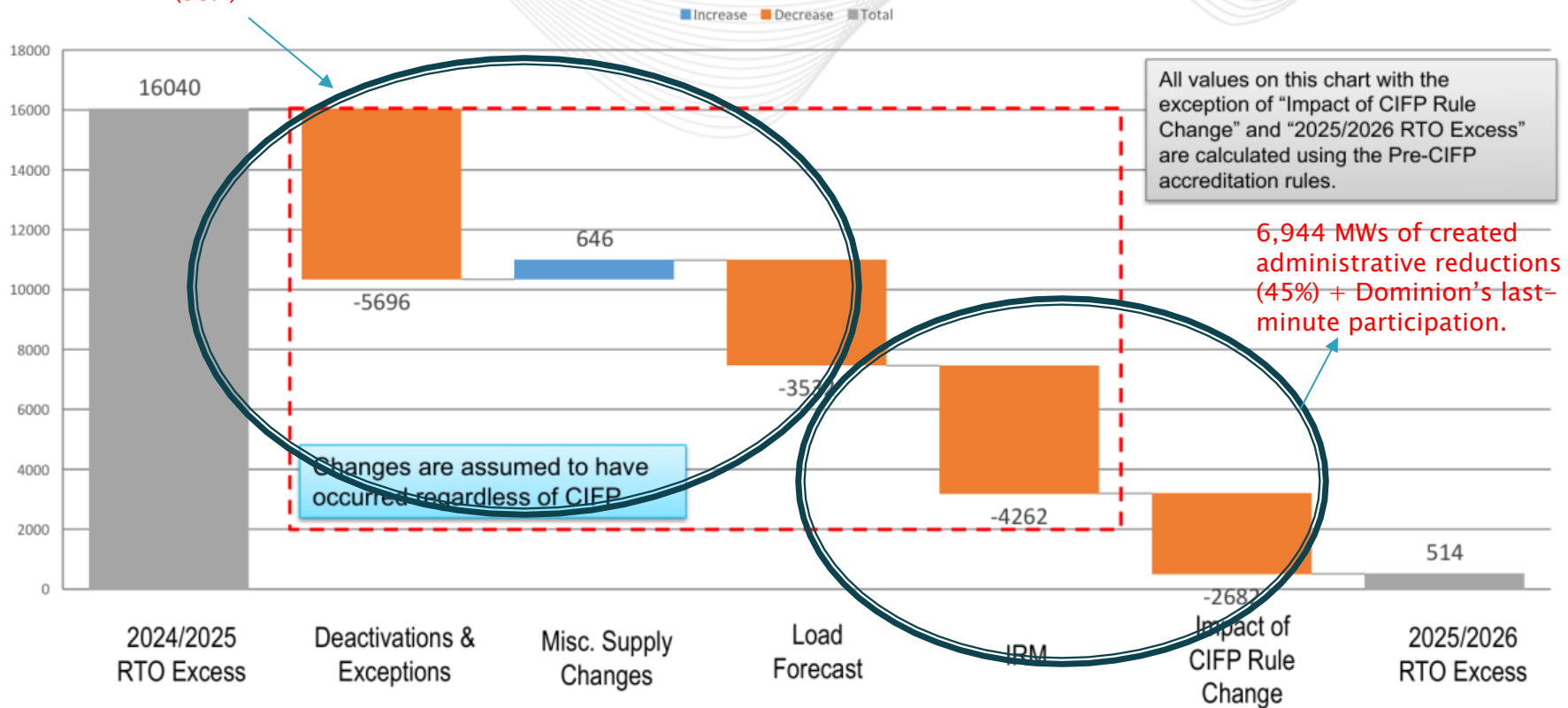


The Last PJM Capacity Market Results Had As Much to do with PJM Turning Levers as it was “a supply and demand issue.”



8,582 MWs of projected supply/demand reduction (55%)

Waterfall Chart of Reduction in Excess Capacity (UCAP) from 24/25 to 25/26



*Annual resources only; CIFP impact represents net impact of reduced supply (due to lower pool-wide average accreditation) and reduced demand (due to lower Forecast Pool Requirement).

PJM © 2024

PJM Base Residual (AKA Capacity Market) Auction Chart

*3 year forward auctions should have approximately 1,095 days before the delivery year.

<u>Delivery Year</u>	<u>Base Residual Auction opening date/results date</u>	<u>3-year forward?</u>	<u>Days late</u>
2014 – 2015	May 2, 2011 (posted May 13)	Yes	on time
2015 – 2016	May 7, 2012 (posted May 18)	Yes	on time
2016 – 2017	May 13, 2013 (posted May 24)	Yes	on time
2017 – 2018	May 12, 2014 (posted May 23)	Yes	on time
2018 – 2019	August 10, 2015 (posted August 21) *71 = 6/1/2015 to 8/10/2015	No	3-yr forward Reduced by 71 days
2019 – 2020	May 11, 2016 (posted May 24)	Yes	on time
2020 – 2021	May 10, 2017 (posted May 23)	Yes	on time
2021 – 2022	May 10, 2018 (posted May 23) *last 3-year auction	Yes	on time
2022 – 2023	May 19, 2021 (June 2) *719 days = 6/1/2019 to 5/19/2021	No	reduced by 719 days
2023 – 2024	June 8, 2022 (posted on June 21) *738 days late = 5/10/2020 to 6/8/2022	No	reduced by 738 days
2024 – 2025	*Held Dec. 7, 2022, and finalized Feb. 27, 2023) **initial auction 555 days late = 6/1/2021 to 12/7/2022	No	Reduced by 555 days
2025 – 2026	*Held July 17, 2024 549 days late = 6/1/2022 to 7/17/2024	No	reduced by 777 days
2026 - 2027	*pending for July, 2025 (should have been June, 2023) 769 days late = 6/1/2023 to 7/9/2025 (proposed)	No	reduced by 769 days
2027 - 2028	3-year forward = 6/1/2024 now likely will be <u>Dec.</u> 2025	No	reduced by xxx days
2028 – 2029	3-year forward = 6/1/2025 now scheduled for June, 2026	No	reduced by xxx days
2029 – 2030	3-year forward = 6/1/2026 now schedule for <u>Dec.</u> 2026	No	reduced by xxx days
2030 – 2031	3-year forward = 6/1/2027 schedule for <u>June</u> , 2027	Yes	

The last 3-year forward auction was held in May, 2018.

The shortest period of time between auction and delivery year will be the next auction.

Perhaps, the next 3-year forward auction – summer 2027.

Other Areas of Concern

- } PJM needs to prioritize implementation of Grid Enhancing Technologies (GETs) and the efficient use of the PJM grid. As a start, PJM could provide more analysis about needs that could be resolved by lower-cost technologies.
- } The Load Forecast needs to be more accurate and less bias towards the upside. We would like to see PJM systemize how they collect load forecasts from the LSEs.
- } Prioritizing load flexibility mechanisms – including residential load flexibility.
- } Consideration of a seasonal construct that provides more granularity and reduces barriers to new entry.

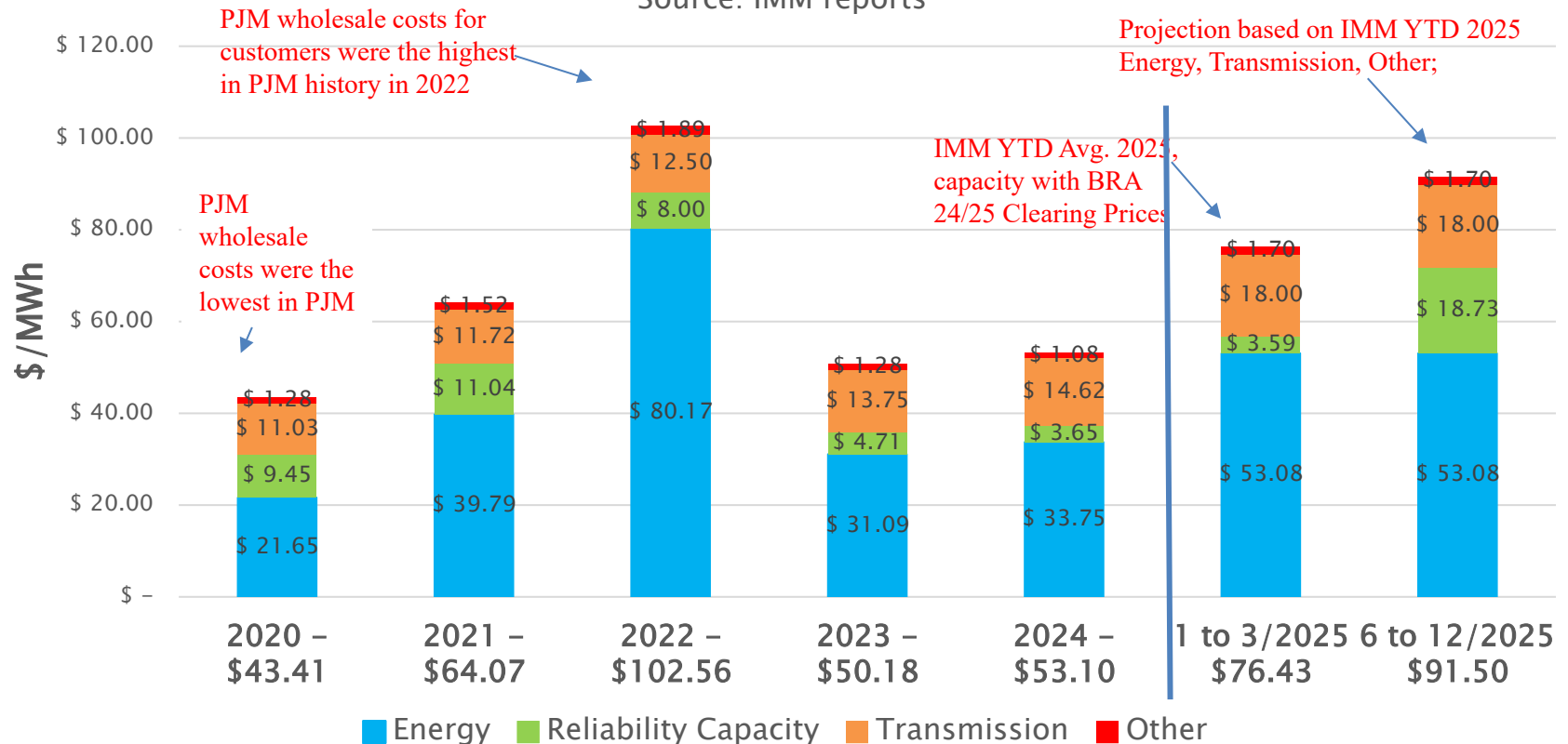
PJM Wholesale Cost Impact on Customers

Reasonable Prices – Our Perennial Concern

*PJM is transitioning this metric to the IMM purview in 2025 because the IMM provides a more accurate reflection of customer costs.

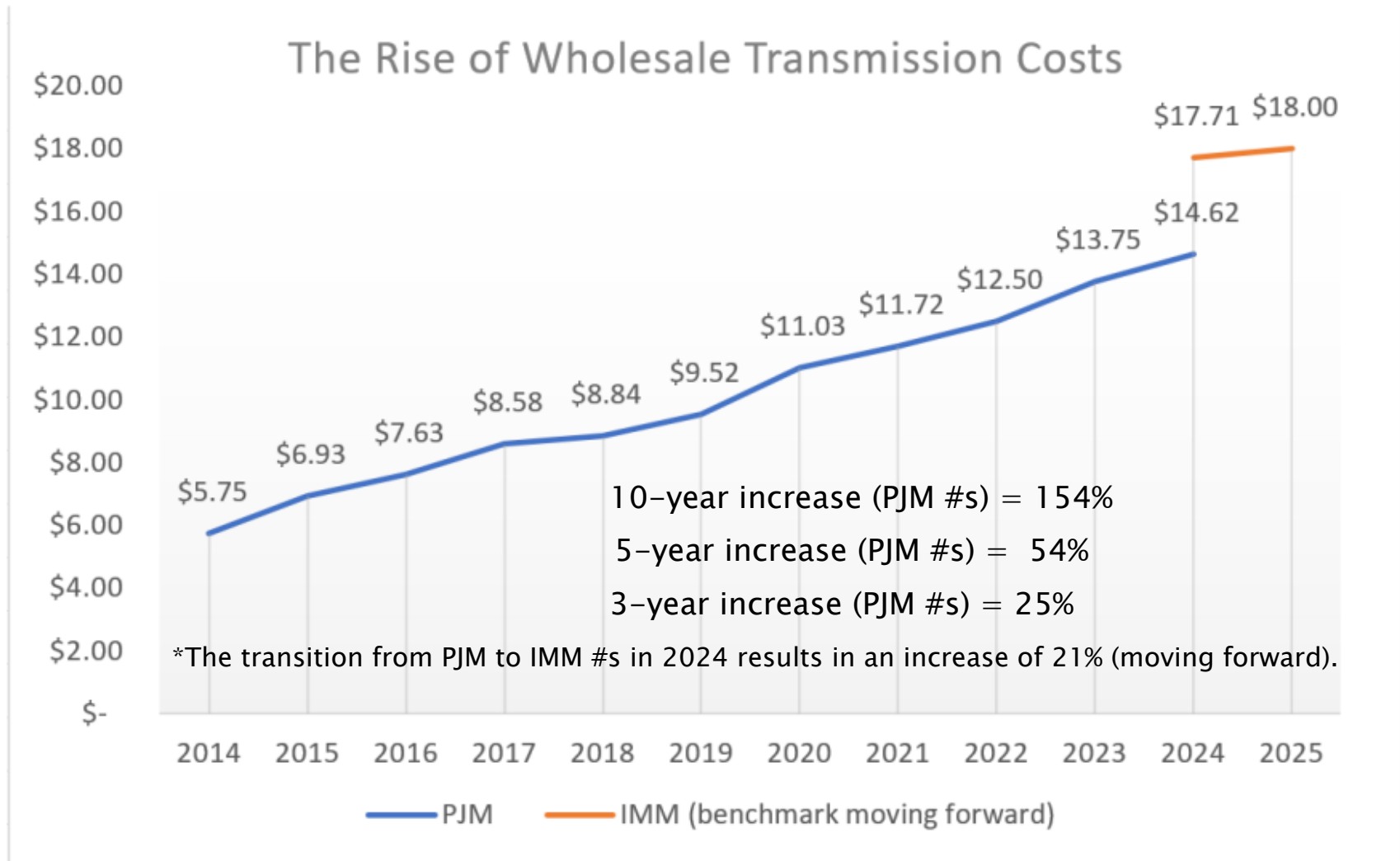
PJM Annual Average Wholesale Cost 2020–2025 \$/MWh

Source: IMM reports



The Rise of Wholesale Transmission Costs Over the Years

***PJM is transitioning this metric to the IMM purview in 2025 because the IMM's analysis provides a more accurate reflection of the cost to customers - customer impacts.**



* PJM presentation:: item-05a, MC webinar, January 21, 2025 slide 5. link: [item-05a---1---market-operations-report.pdf](#)

Contact Information

Greg Poulos,
Executive Director, CAPS

Phone: 614-507-7377

E-mail: poulos@pjm-advocates.org

Appendix

What is CAPS?

Who We Are

Established in 2013, Consumer Advocates of the PJM States, Inc., (CAPS) is a nonprofit organization whose members represent over 61-million consumers in the 13 PJM states and the District of Columbia. Regulatory rules vary greatly across our jurisdictions, but in each the electricity costs paid by consumers is at least partly determined by the tariff and rules under which PJM operates. PJM and its stakeholders set those rules and CAPS' engagement is necessary to ensure that consumers' voices are heard.

Mission

Our mission is to actively engage in the PJM stakeholder process and at the Federal Energy Regulatory Commission to ensure that the prices we pay for reliable, wholesale electric service are reasonable.