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September 23, 2019

The Honorable Gretchen Whitmer  
Governor, State of Michigan  
George W. Romney Building  
111 South Capitol Ave.  
Lansing, MI 48909

The Honorable Sally A. Talberg  
Chairman, Michigan Public Service Commission  
7109 W Saginaw Hwy.  
Lansing, MI 48917

Dear Governor Whitmer and Chairman Talberg,

Thank you for your correspondence dated Sept. 11, 2019. Cold weather operations and their corresponding impact on people and businesses within our footprint are of the utmost importance to PJM. I applaud you for exploring this issue and for completing Michigan's Statewide Energy Assessment. We were pleased to have submitted comments and offer assistance during the proceeding, and we hope that you found our involvement to be valuable.

In that spirit, we look forward to continuing our dialogue as to the matters discussed in your correspondence. Here is some information to initiate that dialogue:

- Our demand response program has proven to be an effective reliability tool in both our summer and winter operations. Demand response, in fact, played an important role in maintaining reliable operations during the 2014 Polar Vortex. We look forward to working with you to determine whether there are improvements that can be made in the testing, design and operation of our demand response program.
- As to transmission, we have a robust Regional Transmission Expansion Planning (RTEP) process, and we look forward to answering any questions you may have about the RTEP. Regarding alternatives to transmission line projects, we look to the most efficient way to achieve NERC and PJM planning criteria, including the utilization of innovative technologies and non-wires alternatives such as storage. PJM also coordinates with MISO to ensure that prudent infrastructure investment occurs across the seams.
- We fully agree that transparency and visibility into distributed energy resources (DER) will better assist in our forecasting models as well as in dispatch. PJM has been working with states and members to increase our visibility into DER, and we continue to develop mechanisms to both measure and forecast DER impact on reliability. PJM has developed a few tools to help both track and add visibility to DERs in control room operations.
- We understand your concerns associated with capacity imports, and we would be happy to work with the Michigan PSC and stakeholders to discuss the matter.

- Gas-electric coordination has been a priority at PJM, especially since the 2014 Polar Vortex. We have made considerable progress in our interaction and coordination with interstate pipelines and LDCs in the PJM footprint. We coordinate outages, discuss pipeline conditions and are advancing new tools to evaluate reliability impacts. Last, we will undoubtedly partake in the suggested Michigan emergency exercise if invited, and we would welcome any state of Michigan involvement in our GridX or similar emergency exercises.

PJM considers the matters discussed in your correspondence to be of great importance. We look forward to sharing the progress we've made in these areas with you, as well as working with our colleagues from Michigan to build upon this progress.

Sincerely,

/s/ Susan J. Riley

Susan J. Riley  
Interim President and CEO, PJM Interconnection

CC: Dana Nessel, Attorney General of the State of Michigan  
Orlene Hawks, Director of the Department of Licensing and Regulatory Affairs  
Liesl Clark, Director of the Department of Environment, Great Lakes, and Energy  
The Honorable Neil Chatterjee, Chairman, Federal Energy Regulatory Commission  
Ake Almgren, Chair, PJM Board of Directors