



Manu Asthana
President & CEO

Mark Takahashi
Chair, PJM Board of Managers

PJM Interconnection
2750 Monroe Blvd.
Audubon, PA 19403

Via Electronic Delivery

November 7, 2024

Honorable Jamie Raskin
Honorable Chris Van Hollen
Honorable Jennifer L. McClellan
Honorable Donald S. Beyer Jr.
Honorable John P. Sarbanes
Honorable Sean Casten
Honorable David J. Trone
Honorable Eleanor Holmes Norton
Honorable Delia C. Ramirez
Honorable Summer L. Lee
Honorable Jonathan L. Jackson

Honorable Bonnie Watson Coleman
Honorable Matt Cartwright
Honorable Mike Quigley
Honorable Eric Sorensen
Honorable Glenn Ivey
Honorable Kweisi Mfume
Honorable Raja Krishnamoorthi
Honorable Jan Schakowsky
Honorable Chris Deluzio
Honorable C.A. Dutch Ruppersberger
Honorable Jesús G. “Chuy” García

Honorable Jared Huffman
Honorable Bill Foster
Honorable Andy Kim
Honorable Steny H. Hoyer
Honorable Gerald E. Connolly
Honorable Robin L. Kelly
Honorable Danny K. Davis
Honorable Benjamin L. Cardin
Honorable Tammy Duckworth
Honorable Richard J. Durbin
Honorable Cory A. Booker
Honorable Thomas R. Carper

United States Congress
Washington, DC 20510

Dear Members of Congress,

Thank you for your recent correspondence sharing your concerns regarding PJM’s ongoing activities to comply with FERC Order Nos. 1920 and 2023, the long-term transmission planning and cost allocation rule, and the generator interconnection rule. We appreciate your interest in PJM’s response to these new rules and in how we intend to improve our transmission planning and generator interconnection processes so that PJM can continue to reliably serve the 65 million people who live and work in our service territory. Rest assured that PJM intends on complying with the final iterations of both FERC Order Nos. 1920 and 2023.

As you correctly recognize, the energy transition is occurring during a challenging period where we are experiencing record growth in demand for electricity while available supply is decreasing as existing generators are retiring faster than new supply resources (mostly renewable generation) are coming online. While this challenge to maintain resource adequacy is not unique to our region, PJM has been vocal on this issue as the grid is now beginning to experience some of the conditions that we forecasted in our 2023 paper: [Energy Transition in PJM: Resource Retirements, Replacements & Risks](#). PJM has been working diligently with its stakeholder community to ensure compliance with the directives of FERC’s recent rules, as we support the goal to encourage long-term, forward-looking regional transmission planning, including scenario-based planning. Even prior to the issuance of Order No. 1920, PJM proposed to its states and stakeholders an enhanced, proactive, long-term planning process to identify, evaluate and select regional transmission facilities that address long-term reliability concerns, changes in the resource mix and changes in demand, including those driven by federal and state policies. Similarly, prior to the issuance of Order No. 2023, PJM had filed and FERC approved a comprehensive interconnection reform effort that is currently underway. PJM knows that both long-term planning and interconnection reform are important, and we have been working on these issues with our stakeholders even prior to FERC’s issuance of the two cited orders. PJM did file a request for rehearing and/or clarification of FERC Order No. 1920 where we sought some flexibility to implement the rule’s requirements in a less prescriptive way such that PJM could tailor its approach to reflect its unique circumstances and regional needs. While FERC will ultimately determine whether Order No. 1920 should be adjusted based upon the rehearing requests received, it should be made clear that PJM will comply with all directives by FERC, which is PJM’s regulator, including compliance with any modifications that FERC may make to Order No.

1920 on rehearing. As to Order No. 2023, PJM had protested certain elements of the order, but they are tangential to the primary justification for advancing Order No. 2023, which is to evolve how resources are processed through regional generation interconnection queues. Again, PJM was advancing FERC-approved, PJM-specific queue reform even before FERC adopted Order No. 2023, and as a result of both FERC directives, PJM is well on its way to processing over 200,000 MW of mostly renewable resources through its queue over the next few years. In response to your specific questions:

1. How can PJM ensure that the flexibility it sought in its June 2024 request for a rehearing on Order No. 1920 will not result in delays to PJM developing comprehensive and cost effective long-term transmission planning scenarios?

As noted above, like dozens of other affected parties, PJM sought rehearing and/or clarification of certain requirements contained in Order No. 1920. However, PJM's decision to seek rehearing and/or clarification of the FERC rule is not anticipated to result in any delay in compliance, and again were designed to simplify the compliance requirements and advance meaningful long-term planning. PJM has been working with all interested stakeholders on compliance matters since last August, and we will comply with the requirements of Order No. 1920 in accordance with the deadlines set forth in the *Federal Register* (as such may be modified by any order on rehearing and/or clarification.)¹

2. How can PJM ensure that entrenched incumbent special interests will not undermine PJM's efforts to comply with Order No. 1920 and plan cost-effective transmission?

PJM is using an open and transparent stakeholder process to aid in the development of our Order No. 1920 compliance filing due to FERC in June 2025. While stakeholders representing various sectors and constituencies will understandably advocate their interests, PJM is bound by its compliance directives from FERC.

3. What steps is PJM taking to establish a process for engaging with state policymakers and regulators on Order No. 1920, including on cost allocation and on developing scenario inputs?

PJM has already established both a discussion mechanism and cadence with what Order No. 1920 deems to be Relevant State Entities (RSEs). This includes both state public utility commissions and siting authorities. This is the primary framework outlined by FERC for PJM and state engagement in Order 1920. Recently, PJM and the state regulatory community jointly completed a task to incorporate all requested state policies into a workbook that can be utilized for long-term planning scenarios. Outside of that formal framework, PJM engages frequently with all branches of government on a myriad of topics, including Order No. 1920. The process for discussing cost allocation is being led by the transmission owners in PJM who have legal authority over cost allocation. They are diligently working with state regulators as well, in compliance with the requirements of Order No. 1920.

4. What is PJM's plan to comply with Order No. 2023? Specifically, what steps is PJM taking to accelerate the pace of new entry?

PJM's compliance with Order No. 2023 and 2023-A is currently pending at FERC in Docket No. ER24-2045. PJM's initial compliance filing was made on May 16, 2024, and an additional compliance filing was made at FERC on Oct. 29, 2024. As detailed in these filings, PJM already substantially complies with the requirements of this rule, as it parallels many of the interconnection reforms that PJM has already implemented through its recent interconnection reform effort, which gained overwhelming stakeholder support and received FERC approval on Nov. 29, 2022, only a few months before the issuance of Order No. 2023. With the implementation of PJM's reformed interconnection process in July 2023, improvements have already been shown with respect to streamlining the interconnection process and improving processing efficiency, and by providing more information

to project developers to facilitate the interconnection of viable generation projects. As of today, these reforms have resulted in the approval of 34,000 MW of resources that have successfully exited the interconnection queue, with another 24,000 MW expected to clear the queue by the end of this year. By the middle of next year, we anticipated that the reformed queue will clear yet another 26,000 MW of generating capacity, followed by an additional 96,000 MW toward the end of 2026.

5. Please outline PJM's plans for meeting the new entry and interregional coordination needs identified in its recent Energy Transition study. In the interest of increasing transparency and ensuring those plans are on track, how will PJM keep the public and policymakers apprised on its progress?

The new entry issue is multifaceted, as discussed above. For states that are restructured, ensuring that the markets are sending accurate price signals to incent new entry is the goal. For all states, including those that are vertically integrated, PJM is consistently advocating about its concerns regarding the supply/demand imbalance. For instance, PJM advises all of its states, whether those states have aggressive decarbonization policies or policies that are meant to support existing fossil economies, that resources should not be pushed to deactivate until replacements are constructed and shown to be operational.

As to interregional coordination, PJM announced a new effort with the Midcontinent Independent System Operator (MISO) to enhance its current interregional planning efforts. Updates on our progress are provided on our website and at various stakeholder meetings. Additional information on that effort can be found [here](#). In addition, PJM is one of the founding members of the Eastern Interconnection Planning Collaborative (EIPC). Through the EIPC, PJM is working with all of its neighbors in the Eastern Interconnection to consider a consistent approach to this issue across the larger Eastern Interconnection. Furthermore, Order No. 1920 has certain interregional requirements that PJM and other grid operators must adhere to. Again, PJM intends to comply with both Order No. 1920 and Order No. 2023.

6. How will PJM help minimize adverse impacts on local communities from transmission deployment, such as by increasing usage of grid-enhancing and advanced transmission technologies?

PJM embraces innovation and fosters collaboration on emerging technologies, including the four grid-enhancing technologies that are specifically referenced in Order No. 1920. As you know, these grid-enhancing technologies are required by FERC to be considered when developing long-term transmission planning *in the future*. PJM is [actively evaluating](#) the wider deployment of such technologies *today*. That said, there are situations where such technologies would be an inadequate substitute for the need to develop new high-voltage transmission lines. What's more, as part of PJM's envisioned Order No. 1920 process, PJM is soliciting different siting considerations from government and stakeholders. To assist in minimizing siting impacts, considerations will include information from government-recognized environmental justice regions and environmentally sensitive zones.

In closing, we wish to assure you that PJM is working hard to address these challenges and to comply in a timely manner with the requirements of Order Nos. 1920 and 2023. We hope you find this information to be helpful. If you have additional questions, please let us know.

Sincerely,

Manu Asthana
President and CEO

Mark Takahashi
Chair, Board of Managers