



Edison Electric
INSTITUTE

Drew Maloney
President and CEO

October 7, 2025

Manu Asthana, President & CEO
Frederick S. Bresler III, Executive Vice President - Market Services & Strategy
Aftab Khan, Executive Vice President - Operations, Planning & Security
Asim Z. Haque, Sr. Vice President - Governmental & Member Services
Christopher O'Hara, Sr. Vice President & General Counsel

PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403

Dear Members of the PJM Executive Team:

The Edison Electric Institute (EEI) represents all U.S. investor-owned electric companies, serving more than 250 million customers in 50 states and the District of Columbia. In the PJM footprint and across the nation, EEI member companies work every day to provide reliable energy to their customers at the lowest possible cost.

In the PJM states, EEI members own the transmission assets that form the backbone of reliable system operations. And EEI members have the obligation to serve all customers reliably and affordably. EEI is thus committed to working with you to pursue timely reforms to ensure the reliability and security of the bulk electric power system and to serve all load that is connected to the system.

PJM, in collaboration with states and stakeholders, has made a concerted effort to address market challenges in recent years. However, all parties recognize that the region is at elevated risk of future supply shortfalls due to converging trends, including increasing demand for electricity and retirements of dispatchable generation. PJM's capacity market has not risen to this resource adequacy challenge. Despite a clear need for new generation to meet growing demand—and recent sky-high clearing prices—supply offered into PJM's most recent capacity auction declined compared to the previous auction and prices for much of the region increased significantly.

202-508-5555 | dmaloney@eei.org

701 Pennsylvania Avenue, NW | Washington, DC 20004-2696 | www.eei.org

Today, EEI joins the call for innovative solutions to meet demand, improve accountability, and accelerate the pace of change in PJM. Continual market rule changes, and related litigation and auction delays, have failed to bring needed generation online to meet customer needs, exacerbating the risk of supply disruptions. Accountability is lacking because there is no single entity or stakeholder held responsible for generation planning and resource adequacy outcomes.

The time to act is now. Durable solutions in PJM are needed, guided by five principles:

- 1. State-based engagement.** PJM is the system operator and does not plan generation or direct its construction. States have primary authority over generation additions to ensure reliable service to customers over the long-term. PJM must engage with states in a meaningful way, considering all reasonable and appropriate options to meet reliability needs, including regulated generation.
- 2. End overreliance on the capacity market.** A more proactive role for states and load-serving entities in procurement decisions—like integrated resource planning approaches—and accelerated resource interconnections will ensure adequate, affordable supplies. Policy reforms should avoid overreliance on procurement through the capacity market, which can involve additional complexity for incremental gains. To date, narrowly focusing on design changes to PJM markets has left customers exposed to reliability risks and cost uncertainty.
- 3. Procurement flexibility.** All parties—states, PJM, and stakeholders—must consider reasonable and appropriate ways to get generation built to meet system challenges and serve customers, which can include regulated generation, robust bilateral contracting, and improved self-supply frameworks. Oversight by state regulators is central, and PJM processes must be flexible enough to accommodate different procurement options and outcomes without adverse effects on customers.
- 4. Critical role for electric transmission.** With sustained, rapid load growth and economic development across the region, the need to proactively plan and expand transmission infrastructure to reliably and cost effectively deliver power to customers has never been greater.
- 5. Functioning governance with a customer focus.** Stakeholders that own grid assets and serve customers must drive outcomes, and the pace of decision-making must accelerate. While robust stakeholder input is critical, reliability risks will not wait for consensus among an array of stakeholders whose objectives and goals often differ.

Rapid deployment of new energy infrastructure—including generation and transmission assets—is the lynchpin to providing more energy to our customers, meeting growing energy demand, and winning the AI race.

EEI and our members thank you for your important work and look forward to working cooperatively with states in the region, PJM leadership and staff, federal policymakers, and other stakeholders to provide reliable energy supply to customers at the lowest possible cost.

Sincerely,

A handwritten signature in blue ink that reads "Drew Maloney". The signature is fluid and cursive, with the first name "Drew" and last name "Maloney" clearly legible.

Drew Maloney

CC:

Gregory V. Carmean, Esq.
Chairman Emile C. Thompson
Commissioner Dennis P. Deters
Commissioner Zenon Christodoulou
Commissioner Kim Drexler
Commissioner Ann McCabe
Commissioner David Veleta
Chair Angie Hatton
Commissioner Kumar P. Barve
Commissioner Katherine Peretick
Commissioner Karen Kemerait
Chairman Stephen M. DeFrank
Chairman Herbert H. Hilliard
Chairman Jehmal T. Hudson
Chairman Charlotte R. Lane