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Ake Almgren  
Chair, PJM Board of Managers

February 26, 2020

Dr. Talina R. Mathews  
President, Organization of PJM States, Inc.  
211 Sower Boulevard  
Frankfort, KY 40601

Re: Response to Correspondence Dated February 13, 2020  
"Scheduling the next Base Residual Auction"

Dear President Mathews,

Thanks to you and the Board members of the Organization of PJM States, Inc. (OPSI) for the very thoughtful correspondence referenced above. As our rehearing application to the Federal Energy Regulatory Commission (FERC) in docket nos. EL16-49-000 and EL18-178-000 makes clear, PJM is supportive of our states and their right to craft energy policy. Our rehearing application seeks reconsideration of PJM's various proposals to accommodate state resource preferences, and we are hopeful that the FERC rules favorably upon those requests.

As to auction timing, please note that the exact date of the next auction is heavily influenced by the timing of the FERC issuing an order on PJM's compliance filing. PJM's compliance filing is due on March 18<sup>th</sup>, however, the timing of FERC's response to that filing is unknown. PJM has stated that it will not run an auction until it has received an order from FERC on our compliance filing in the case. Further, PJM will need several months to prepare for the auction after receiving that order on our compliance filing. Thus, without the data point of knowing when the FERC will rule on our compliance filing, it is very difficult to affirmatively state when the next Base Residual Auction will occur. We are listening to a variety of perspectives on the issue, and your perspective as the body representing our state regulatory community is very valuable.

PJM pledges to keep you informed of its thinking surrounding auction timing, and again, I thank you for your correspondence.

Sincerely,

/s/ Dr. Ake Almgren

Dr. Ake Almgren  
Chair, PJM Board of Managers