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**Senate of Pennsylvania**

June 14, 2024

**COMMITTEES**

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CHAIRMAN

Mr. Mark Takahashi  
Chair, PJM Board of Managers

Mr. Manu Asthana  
President & CEO

PJM Interconnection  
P.O. Box 1525  
Southeastern, PA 19399

Dear Mr. Takahashi and Mr. Asthana:

Recently you received a letter signed by the governors of Illinois, Maryland, New Jersey and Pennsylvania regarding efforts authorized by the Federal Energy Regulatory Commission (FERC) to establish regional transmission planning best practices (FERC Order No. 1920). I write to draw your attention to a key distinction regarding the intent of the Order and PJM's path forward.

The governors' letter asserts that FERC's Order is premised on supporting states in meeting their public policy goals. Respectfully, that is not the premise of the Order. Broadly speaking, the FERC Order is intended to ensure a long-term plan is in place to build out transmission infrastructure needed for future demand, ensuring customers that foot the bill for transmission costs directly benefit from the project, and expanding the role of states in site planning, selection and financing of the projects.

We must recognize that many of the challenges we face today which are accelerating very quickly – namely concerns over sufficient transmission capacity, loss of electric power generation and the inability to site and build new baseload-power generation – are tied directly to poorly-thought out state public policies which have prioritized political considerations above the needs of consumers. For example, while many states surrounding Pennsylvania have touted their climate goals and reductions, they have conveniently ignored that they have achieved many of these goals simply by shutting down their in-state generation. As a result, they rely on imports of electricity from states like Pennsylvania, which is the largest electricity exporting state in the nation, increasing transmission costs, line loss due to distant transport of electricity and increased risk of blackouts or brownouts.


Other state policies have upset the balance of competitive power generation by subsidizing preferred energy resources – many of these resources incapable of providing baseload power generation on demand – or threatening coal and natural gas generation with onerous carbon taxes. For example, just the prospect of Pennsylvania entering the Regional Greenhouse Gas Initiative (RGGI) has cost the commonwealth billions of dollars in private capital investment and thousands of jobs, and at the same time failed to demonstrate any commensurate environmental benefit to the public. Too often energy policy is being hijacked to serve politically expedient objectives rather than to meet the most fundamental objective that it should serve: ensuring the lights go on when we flip the switch.

Elected officials and policymakers must heed the advice bestowed upon our healthcare providers: First, do no harm. We must not on one hand petition our federal regulators and regional transmission partners for the tools we believe are necessary to meet the needs of our citizens, while on the other enacting or advocating for policies that run counter to these objectives. Efforts within Pennsylvania to impose costly carbon taxes and to micromanage our grid by mandating what and how much of each energy resource a utility must purchase are prime examples of harming our Pennsylvania consumers.

While I know that PJM respects the prerogative of states to enact their own policies, PJM must continue to serve as a critical sounding board to advise policymakers, including state legislatures, governors and federal officials, on the ramifications state policies may have on consumer prices, grid reliability and resiliency for them to make informed decisions. PJM has provided this guidance in the past, and just last week, the New York Independent System Operator cautioned New York elected officials on the impact that New York's push for so-called clean energy production is having on the ability to meet consumer demand.

My committee has held multiple fact-finding hearings on the topic of grid reliability and resiliency, and I intend to hold more. PJM has been a valued contributor to informing these discussions and my colleagues and I are grateful for your counsel. The question we all must answer continuously is—where does my electric power come from at 3 a.m. on a calm, cold winter night, or where does my electric power come from at 3 a.m. on a calm, hot summer night?

Sincerely,



GENE YAW  
SENATOR

GY/ew

pc: Hon. Josh Shapiro  
Hon. Kim Ward  
Hon. Joe Pittman  
Hon. Jay Costa  
Hon. Stephen DeFrank