

FOR IMMEDIATE RELEASE

PJM Summer Outlook: Sufficient Supply To Serve Electric Demand Under Anticipated Conditions
Extreme Scenarios Could Bring Tight Reserve Levels

(Valley Forge, PA – May 11, 2023) – PJM Interconnection, the nation’s largest electric grid operator, has released its annual summer assessment and predicts sufficient supply to meet summer electricity needs for the 65 million people it serves across 13 states and the District of Columbia under anticipated conditions.

PJM projects a non-diversified peak demand for electricity this summer at approximately 156,000 MW and has performed reliability studies at loads nearing 163,000 MW. PJM has more than 186,000 MW of installed generating capacity available to meet customer needs, with resources available in reserve to cover historically observed summer generation outage scenarios.

While its assessment shows that PJM is prepared to maintain reliability this summer, modeling of extreme scenarios indicates tightening reserve margins and the potential need to reduce load by deploying demand response in certain conditions. PJM can deploy demand response by instructing customers who have agreed in advance to be temporarily interrupted in exchange for a capacity payment to reduce their load. This scenario could occur in the event of extraordinary electricity demand and high generator outages – an unlikely but possible set of circumstances.

“PJM works diligently throughout the year to coordinate and plan for peak load operations, with reliability as our top priority,” said PJM President and CEO Manu Asthana. “We’re not saying these extreme conditions will happen, but the last few years have taught us to prepare for events we have never seen.”

Following the lessons of Winter Storm Uri in early 2021, PJM models now incorporate more extreme scenarios that have no historical precedent, including the combination of multiple unlikely conditions occurring at the same time.

“We have learned through experience to expand the set of possibilities we prepare for,” said Mike Bryson, Sr. Vice President – Operations. “We will continue to work with our utility partners and stakeholders to refine our planning, analysis and communications of the risks presented by new and challenging weather patterns and other variables.”

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The risk to reserve margins this year is a result of higher expected generator outage rates based on recent trends, particularly during Winter Storm Elliott, coupled with hot summer weather that drives up demand for electricity. The National Weather Service predicts higher-than-normal temperatures this summer for most of the U.S., and particularly the East Coast and Gulf Coast.

PJM's all-time, one-day highest power use was recorded in the summer of 2006 at 165,563 MW. One megawatt can power about 800 homes.

Predicting the demand for electricity helps ensure that consumers have a reliable supply of power today and in the years ahead. Making these predictions – called load forecasting – is a job PJM does routinely, for both short- and long-term periods, to help ensure an adequate supply of power for reliable service at the most reasonable cost.

A dedicated team of operators uses sophisticated technology to balance supply and demand and direct the power grid 24/7 from PJM's control rooms. They prepare multiple potential scenarios that could be impacted by weather, emergency conditions or equipment failure. They adjust resource output with changes in demand and ensure that no transmission lines or facilities are overloaded. The team also watches for unusual conditions and reacts to them to protect the electricity supply.

[PJM Interconnection](#), founded in 1927, ensures the reliability of the high-voltage electric power system serving 65 million people in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia. PJM coordinates and directs the operation of the region's transmission grid, which includes 88,115 miles of transmission lines; administers a competitive wholesale electricity market; and plans regional transmission expansion improvements to maintain grid reliability and relieve congestion. PJM's regional grid and market operations produce annual savings of \$3.2 billion to \$4 billion. For the latest news about PJM, visit PJM Inside Lines at insidelines.pjm.com.

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