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Audubon, PA 19403

Andrew Ott
President and CEO
610-666-8980

October 12, 2018

Glen Thomas
President PJM Power Providers Group (P3)
101 Lindenwood Drive, Suite 225
Malvern, PA 19355

RE: P3 ReCo Ex Parte Letter to PJM Board

Dear Mr. Thomas,

Thank you for your correspondence to the PJM Board of Managers dated September 26, 2018 regarding THE P3 group interests and perspectives on PJM's capacity reform proposal (FERC Docket No. EL18-178) responding to FERC's July 29th order establishing a paper proceeding to address FERC's guidance on PJM's proposals and disposition of the Calpine Complaint.

PJM understands and agrees with your general concern of the price suppressive effects of subsidized resources in the capacity auction. We believe our October 2nd filing is consistent with the direction provided by the Commission and includes appropriate evidence of the impact of price suppression on market competitiveness. You can continue to expect PJM's ongoing support for rules that respect diverse regulatory constructs while maintaining the integrity of competition in the wholesale capacity market.

PJM appreciates THE P3 group continuous support in the Capacity Reform discussion. Protecting the integrity of competition in the wholesale capacity market is a matter we take seriously and we concur harnessing the value of markets to achieve resource adequacy is the proper method to secure sufficient economic resources to meet our reliability needs.

Sincerely,

A handwritten signature in black ink that reads "Andrew L Ott".

Andrew Ott
President & CEO