



Manu Asthana  
President & CEO  
manu.asthana@pjm.com  
610.666.2232

PJM Interconnection  
2750 Monroe Blvd.  
Audubon, PA 19403

Via Electronic Delivery

February 25, 2021

William F. Fields, President  
Consumer Advocates of the PJM States

Dear President Fields,

Thank you for your letter dated February 10, 2021 concerning the Confidentiality and Common Interest Agreements (CCIAs) that the PJM Transmission Owners have established in connection with two working groups of the Transmission Owners Agreement-Administrative Committee (TOA-AC).

Joint defense and confidentiality agreements are common in litigation matters. The CCIAs referenced in your letter, one dated in 2011 and the other in 2017, were established for litigation purposes. PJM management recently conducted a review of these agreements and evaluated PJM's participation in both. PJM withdrew from the 2011 agreement, as the litigation matters associated with that agreement were determined to be dormant. PJM is still a party to the 2017 agreement that is associated with the TOA-AC Section 205 Working Group.

As you are aware, PJM's Transmission Owners have reserved certain filing rights pursuant to Section 205 of the Federal Power Act. Specifically, the PJM Transmission Owners reserved certain rights as set forth in the October 2, 2003 Settlement Agreement (accepted as modified in Docket No. OA97-261-006 et al.) and as set forth in the Consolidated Transmission Owners Agreement, including the right to make certain Section 205 filings to the PJM Tariff itself. PJM is often in the position of defending its Tariff in litigation matters relating to provisions that are within the Transmission Owners' scope of authority. An example of such proceedings is the recent complaint associated with cost allocation issues involving Neptune Power in Docket No. EL21-39. This case has the potential to cause significant cost shifts across the PJM system and impact consumers in all jurisdictions. PJM is the sole defendant (even though the case involves cost allocation matters reserved to the TOs).

As you noted in your correspondence, transparency and independence are of paramount importance to PJM. As such and as a result of its recent evaluation, PJM determined that additional process improvements around these CCIAs would be beneficial. Therefore, going forward, any expansion to an existing CCIA, or any new CCIA, will require written approval by PJM's General Counsel who will inform the Governance Committee of the PJM Board of Managers of the new matters or agreements. PJM will also continuously evaluate the necessity of any existing CCIA and the matters covered by any existing CCIA.

The 2011 and 2017 agreements referenced in your letter are posted to the TOA-AC webpage.

Sincerely,

A handwritten signature in black ink, appearing to read "Manu Asthana", written over a horizontal line.

Manu Asthana  
President & CEO

*Working to Perfect the Flow of Energy*

610.666.8980 | www.pjm.com