



**House Public Utilities Committee**

*Representative Dick Stein, Chair*

**Senate Energy and Utility Committee**

*Senator Bill Reineke, Chair*

June 13, 2023

VIA ELECTRONIC DELIVERY

The PJM Board of Managers  
c/o Mark Takahashi, Chairman PJM Interconnection, L.L.C.  
2750 Monroe Boulevard  
Audubon, PA 19043

Dear Chairman Takahashi and Board Members:

On behalf of the undersigned members of the Ohio Public Utilities Committee, and the Senate Energy and Utility Committee we write this letter to apprise you of concerns the state of Ohio has regarding our ability to sustain our energy policies given recent actions by FERC, PJM, and other states in the PJM region. We intend to take a serious look at all the publicly available facts and data and to do so, we ask for your assistance so we can most effectively evaluate our options going forward.

Ohio is proud of what our energy policy has allowed us to deliver to the families and businesses of our state. Ohio consumers are paying electricity prices that are well below the national average and no state since 2005 has reduced carbon emissions from the power sector more than Ohio. Ohio has seen billions of dollars invested in new, state-of-the-art generation plants over the past 20 years. Importantly, because our state has long embraced fair, transparent and competitive retail and wholesale power markets, all the risks associated with those investments have been borne by investors, not ratepayers. Until recently, Ohio did not worry about reliability, as the wholesale market rules developed by PJM and approved by FERC were producing robust reserve margins while driving timely entry of new resources at competitive prices and the orderly exit of older, less efficient plants.

Clearly, we want that success to continue. However, we are becoming increasingly concerned that the actions of PJM, FERC and other PJM states may jeopardize the successful, competitive market model that Ohio has nurtured. We appreciate that PJM has brought concerns related to generation retirements and looming reliability challenges to our attention. Needless to say, we are quite concerned about reports that the PJM region is on the precipice of power shortages that could lead to blackouts for our consumers that need electricity. The efficiency

and growth of our economy depends on reliable electricity of which you are entrusted with ensuring.

We look forward to further conversations with you about changes to PJM's tariff and rules that could help stave off these reliability issues and support Ohio's desire for sustainably competitive markets. However, in the short term, we need to understand how the actions of other states are impacting our state. Specifically, we are concerned about the impact that Illinois' Climate and Equitable Jobs Act, or "CEJA" will have on Ohio consumers. PJM's looming reliability challenges are clearly exacerbated by provisions in the Illinois CEJA that mandate the closure of certain facilities in that state<sup>1</sup> and, to address these closures, PJM has identified upgrades to the transmission system that are located mostly in Ohio and will cost upwards of \$2 billion.<sup>2</sup> We expect that Ohio ratepayers will not be burdened with costs that are caused by the policy choices of other states.

Ohio will evaluate its options to address the Illinois law that is harming Ohio's reliability and has the potential to cost our consumers hundreds of millions of dollars in transmission upgrades and higher power prices, only to export power from Ohio to Illinois. In preparation for that discussion, we have two data requests of PJM:

1. We request that PJM rerun and publish the August 3, 2022, "Illinois Generation Retirement Study" with the assumption that **no transmission upgrades** will occur in Ohio in order to allow Illinois to remain reliable following the closure's mandated by CEJA. To do so, PJM may need to look to transmission upgrades in Illinois, other states, and potentially other RTOs. Like the August 3 study, we would like to see the costs and locations associated with these non-Ohio transmission alternatives. We understand that Illinois' future reliability problems may only be solved with transmission upgrades in Ohio. If that is the case, please inform us of such with a detailed description of why Ohio is the only state that can solve the reliability challenges being created by Illinois' laws and whether PJM can assure that those extra costs will be borne by Illinois and not Ohio.
2. We want to fully understand the extent to which Illinois is creating reliability challenges in PJM that will affect other states in the region. We greatly appreciate the PJM publication of the February 23, 2023, "Energy Transition in PJM: Resource Retirements, Replacements and Risks" study which is extraordinarily helpful and troubling at the same time. We note that the CEJA law plays a prominent role in driving retirements of resources in PJM that may otherwise be capable of preserving reliability. As such, we are interested in knowing the impact of CEJA on PJM's reliability challenges. Please explain to us in writing the impact that a repeal of CEJA's mandatory closure provisions would have on PJM's ability to meet system needs in 2030 and beyond. As part of that response, please provide a revised analysis of pages 26 and 27 of the following presentation to reflect a repeal of these provisions of CEJA: <https://pjm.com/-/media/committees-groups/committees/mrc/2023/20230328-special/item-03---energy-transition-in-pjm-workshop---presentation.ashx>.

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<sup>1</sup> <https://www.pjm.com/-/media/library/reports-notice/special-reports/2023/energy-transition-in-pjm-resource-retirements-replacements-and-risks.ashx> at 7.

<sup>2</sup> <https://www.pjm.com/-/media/library/reports-notice/special-reports/2022/2022-pjm-illinois-generation-retirement-study.ashx>

We request that PJM provide this information by July 1, 2023. Doing so will allow our respective state legislative committees sufficient time to digest the information in advance of consideration of legislative action in the fall, if necessary.

Thank you in advance for your assistance. We look forward to partnering with you as we develop a path forward for Ohio that preserves our successful energy policy and ensures system reliability without unduly burdening Ohio due to the policy choices of other states in the PJM footprint.

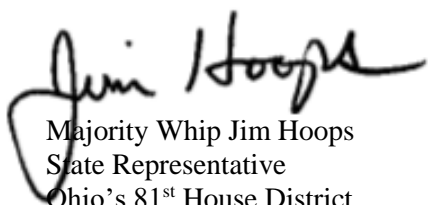
Regards,



Chairman Dick Stein  
State Representative  
Ohio's 54<sup>th</sup> House District



Chairman Bill Reineke  
State Senator  
Ohio's 26<sup>th</sup> Senate District



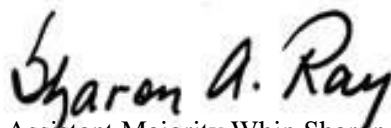
Majority Whip Jim Hoops  
State Representative  
Ohio's 81<sup>st</sup> House District



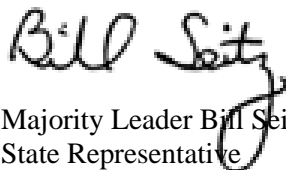
Vice Chair Monica Robb Blasdel  
State Representative  
Ohio's 79<sup>th</sup> House District



Bob Peterson  
State Representative  
Ohio's 91<sup>st</sup> House District



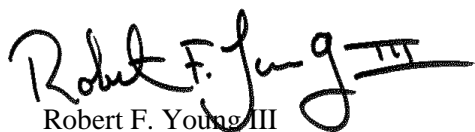
Assistant Majority Whip Sharon A. Ray  
State Representative  
Ohio's 66<sup>th</sup> House District




Majority Leader Bill Seitz  
State Representative  
Ohio's 30<sup>th</sup> House District



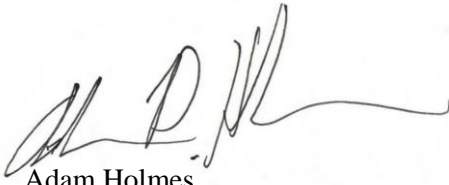
Sean P. Brennan  
State Representative  
Ohio's 14<sup>th</sup> House District



Robert F. Young III  
State Representative  
Ohio's 32<sup>nd</sup> House District



Scott Wiggam  
State Representative  
Ohio's 77<sup>th</sup> House District



Adam Holmes  
State Representative  
Ohio's 97<sup>th</sup> House District



Thomas F. Patton  
State Representative  
Ohio's 17<sup>th</sup> House District