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Via Electronic Delivery

PJM Interconnection
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August 8, 2024

David S. Lapp
People's Counsel of the State of Maryland
6 St. Paul Street, Suite 2102
Baltimore, MD 21202

Dear Mr. Lapp,

Thank you for your thoughtful correspondence of July 18, 2024, regarding the PJM long-term load forecast and large load additions. We appreciate the time you have taken to lay out your suggestions.

Specifically, you ask:

- That PJM issue guidance to the Electric Distribution Companies (EDCs) around support and documentation in reporting anticipated large load additions to PJM
- For PJM to provide specific guidance to the EDCs regarding how both the near-term (five-year) and longer-term (15-year) load adjustment requests should be prepared and documented
- For PJM to develop criteria to distinguish loads that are more likely to materialize from those that are much more uncertain
- For PJM to engage with an outside consultant in developing long-term growth scenarios

You note that you have concerns and suggestions about PJM's load forecasting generally but those can be the topic of future stakeholder discussions.

PJM shares your objective that the load forecast should account for load growth that is likely to materialize. To that end, PJM has provided additional guidance to its EDCs to improve the transparency of the process. For instance, PJM included a step for those EDCs requesting load adjustments to present to the Load Analysis Subcommittee in October. This allows for the opportunity for stakeholders to provide feedback prior to PJM making a decision on whether or not to consider a particular adjustment.

PJM anticipates that this will include a discussion of the firmness of the commitment and how the EDC developed its numbers. We have also introduced a template for stakeholders to submit their request. We recognize that you are asking PJM to make the EDC submissions of load forecast adjustment requests mandatory. The load forecast adjustment process has been voluntary, as it is meant to supplement information on drivers already included in the modeling.

At the same time, we acknowledge that there has been rapid change regarding data center proliferation. We will monitor how this growth materializes, and should we need to enhance our current framework, we will certainly consider your additional recommendations.

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Also, PJM is committed to enhancing its scenario-based planning, as evidenced by the stakeholder workshops and Planning Committee efforts over the last twelve months. These efforts are now transitioning to Order No. 1920 compliance discussions. We are commencing those stakeholder discussions in August, and they will carry through the next nine months. We take under advisement your suggestion to engage a consultant in this effort and look forward to stakeholder engagement on this issue.

Again, we appreciate your suggestions. These are all constructive ideas to consider as we determine how best to incorporate the new load growth dynamics into our forecasting. We also look forward to a future conversation about additional enhancements to load forecasting, as your correspondence suggests. Thank you for your continued engagement in these important issues.

Sincerely,

Manu Asthana

cc: PJM Board of Managers