Responses to Questions for the Record of
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Energy and Commerce Committee
Subcommittee on Energy's Hearing on March 5, 2025
"Scaling for Growth: Meeting the Demand for Reliable, Afford Electricity"

The Honorable Robert E. Latta

1. We all agree on the importance of modernizing our infrastructure to ensure we reliably get power to AI data centers. As the co-chair of the Grid Innovation Caucus, I am interested in grid enhancing technologies that improve the performance of the transmission system. An example is the use of advanced power conductors that can double capacity of the grid using the same right of way.

a. Can you please comment on this approach to ensure we get the most out of the current grid by deploying modern technology?

Response: *It is imperative that grid operators consider every tool in the toolbox to maximize the efficiency of the grid and PJM is doing so. As you may know, FERC's Order No. 1920 now requires transmission providers to consider using grid-enhancing technologies ("GETs") when planning the grid of the future, including the use advanced conductors. In fact, last year, PJM launched a new web page (link) that discusses various Grid Optimization Solutions, including GETs and Alternative Transmission Technologies (ATTs), designed to serve as a reference for the PJM region and the electric industry. For PJM, Grid Optimization Solutions include any novel technology, such as GETs or ATTs, or other transmission innovations that can enhance grid operations. To aid in the understanding of GETs on the PJM system, PJM developed the reference guides to highlight background information and technical considerations for certain technologies including:*

- *Advanced Conductors*
- *Advanced Power Flow Controllers*
- *Dynamic Line Ratings*
- *Topology Control & Optimization*

2. Within PJM, the ability to provide capacity to meet resource needs, including the needs of large load customers, appears to be dependent on generation owners participating in capacity auctions. If new power generators decide to enter into a contract with a single customer or group of customers, then the generation would not be available to meet the energy and capacity needs of individual customers, including residential and small business customers, and PJM has limited ability to ensure that new market entrants serve all customers.

a. Is this correct? If so, how do you ensure you have generation to meet energy and capacity needs? And if you disagree, please explain why.

Response: *PJM's voluntary capacity market (also known as the Reliability Pricing Model) is designed to ensure that sufficient generating capacity is available at a defined point in the future, historically, three years prior to the delivery date. At present, we are forecasting a material increase in demand for electricity, but we are also expecting the continued retirement of baseload resources. In such a situation, with decreasing supply and increasing demand, the price of the product (i.e., capacity) will certainly increase. This increased price has historically served as a price signal to encourage the development of new, needed generation.*

You are also correct that power generators may offer their output to a single customer or group of customer via a bilateral contract, subject to conditions, including review and approval by PJM. To be clear, there is no requirement a generator's output be offered into the capacity market. Currently, FERC has a number of proceedings underway to investigate the impacts of "large load additions" to the grid, including impacts to reliability and costs to customers. PJM is an active party to this proceeding and we are expecting this guidance to be released by FERC later this year.

3. Regarding planning for transmission, what specific impediments have you identified to current state and regional planning for the siting of transmission projects?

a. What are examples of impediments you have identified and what is necessary for system planners to overcome these impediments?

Response: *Building energy infrastructure is extremely challenging, particularly in urban and dense areas including the 13 state territory serviced by PJM. Specifically, transmission developers regularly encounter delays associated with obtaining the necessary permits to construct a transmission line. These delays, at all levels of government (i.e., local, state, federal), often takes years to navigate. PJM has supported efforts to advance permitting reform at the federal level and continually works with its states to advance projects through the state-level siting approval processes. Additionally, grassroots community opposition to transmission infrastructure can add years to the development of a project, or terminate a project entirely. While early input from the community is essential, there should also be a recognition of the immense public benefit that this infrastructure will provide to all utility customers.*

b. What reforms do you recommend to improve state and regional planning to overcome these impediments?

Response: *As you are aware, FERC issued Order No. 1920 last year – a landmark rule that reformed nearly aspect of regional transmission planning, from the time horizon (i.e., 20 years) to a requirement that transmission planners consider a broad set of benefits when planning new facilities. However, this rule did not address the impediments that you reference above. While Congress has attempted to address the challenges associated with permitting and siting delays, these legislative attempts have been unsuccessful.*

4. In the last Congress and the previous administration, there was a lot of talk about transmission policy reform.

a. How does PJM plan transmission in your region and with other regions? What should Members understand about the nature of transmission planning as it exists today?

Response: *Transmission planning is a complex assignment and considers many variables. PJM continually plans for transmission both within our footprint and with our neighboring grid operators using a process known as the Regional Transmission Expansion Plan (RTEP). Through the RTEP, PJM identifies emerging needs of the grid, potential reliability violations, areas for market efficiency improvement, and public policy requirements. This process occurs through an open and transparent stakeholder process subject to the oversight and approvals of FERC.*

b. Does a top-down approach, through FERC, serve the interests of utilities and grid operators that are already expending tremendous time and engineering resources on designing new transmission?

Response: *PJM supports the regulatory oversight of FERC, as our primary regulator and recognizes that FERC has the responsibility of overseeing the many different grid operators across the country. Each grid is different, so PJM regularly advocates for flexibility in regulations to accommodate regional variations rather*

than a "one size fits all" approach. PJM appreciates when FERC acknowledges the need for such flexibility to save time and resources.

The Honorable John James

1. Governor Whitmer signed Senate Bill 271 in November 2023 to require Michigan to achieve "net zero" emissions by 2040. Now the Democrats will say that this will create jobs and opportunities will be abundant. But the reality in my home state of Michigan tells a different story. These policies and laws strike fear and create hesitancy for manufacturers to consider setting up shop in Michigan before they consider states like North Carolina or Ohio.

Michigan remembers the Great Recession, where 50% of all the jobs lost in all of America were lost in OUR state alone. We lost jobs to Mexico and China. SB 271 and the Green New Scam agenda plan cannot meet demand for industry or to stand up data centers. What's worse, the Biden administration's harmful regulations limited the ability to build new natural gas plants needed to meet growing demands.

President Trump has a mandate to usher in innovation and reindustrialization, especially in Michigan where his message was accepted loud and clear. We need reliable energy to get this done. If we want to continue pursuing unreliable and unrealistic energy agendas then we can expect less manufacturing jobs and less innovation to come and stay in states like Michigan.

a. Michigan is under MISO, which is not under your purview with PJM, but could you shed light on how Michigan curtailment for large loads such as data centers and manufacturing would deter investment opportunities?

Response: *PJM notably serves the southwestern corner of Michigan (in the AEP service territory) and we operate several 345 kV transmission lines in the southern half of the state. In terms of curtailment of service to large load additions, the impacts would vary depending on the scope and specific details of the curtailment and the affected customers. FERC is presently reviewing this issue regarding the impact of "large load additions" in several open dockets and FERC has committed to issuing such guidance later this year.*

b. Ohio might not be able to defeat Michigan on the field, but they have beat us out on an amazing opportunity. Anduril, a leader in autonomous systems for the DoD, announced this year that Columbus, Ohio will be home to their new manufacturing facility. In your expert opinion, is there an ideal example of a state like Ohio in this case that is open for business and is attracting investments in production? What are they getting right?

Response: *As the former Chairman of the Ohio Public Utilities Commission, I can tell you that Ohio is always getting things right! Despite my bias, I believe that each state will attempt to secure new economic opportunities by making themselves more competitive than its neighbors. It should come as no surprise that states with business friendly policies should attract new investments and economic development.*