

ONE HUNDRED FIFTEENTH CONGRESS
Congress of the United States
House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

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August 29, 2017

Mr. Craig Glazer
Vice President, Federal Government Policy
PJM Interconnection, LLC
Suite 600
1200 G Street, N.W.
Washington, DC 20005

Dear Mr. Glazer:

Thank you for appearing before the Subcommittee on Energy on Wednesday, July 26, 2017, to testify at the hearing entitled "Powering America: A Review of the Operation and Effectiveness of the Nation's Wholesale Electricity Markets."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions with a transmittal letter by the close of business on Wednesday, September 13, 2017. Your responses should be mailed to Elena Brennan, Legislative Clerk, Committee on Energy and Commerce, 2125 Rayburn House Office Building, Washington, DC 20515 and e-mailed in Word format to Elena.Brennan@mail.house.gov.

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,



Fred Upton
Chairman
Subcommittee on Energy

cc: The Honorable Bobby L. Rush, Ranking Member, Subcommittee on Energy

Attachment

Attachment—Additional Questions for the Record

The Honorable Fred Upton

1. It has been more than 7 years since FERC embarked on its efforts to promulgate new transmission planning reforms which resulted in Order No. 1000. Your RTO is designated as “Order 1000 transmission planning regions.” Now that you have had real-world experience with these reforms, do you think FERC’s efforts at reforming transmission planning and cost allocation have succeeded, failed, or landed somewhere in between?
2. Your RTOs and ISOs play a central role in operating the wholesale electricity markets and (with the exception of ERCOT) your primary regulator is the Federal Energy Regulatory Commission. Do you believe that FERC is appropriately engaged in overseeing wholesale electricity markets?
 - a. Are there additional areas of regulatory oversight that requires the attention of this Subcommittee?

The Honorable John Shimkus

1. If, as we learned at the hearing, markets were structured to build only the least expensive generation, we would build nothing but natural gas plants right now.
 - a. Is that correct? Is that what’s happening?
 - b. If not, how do you explain other generation sources entering the market?

The Honorable Billy Long

1. RTO development began in late 1999 with ISO development soon to follow. Both organizations help to monitor our electric power system. There are still a number of gaps in our electric system where problems could occur. What are your thoughts about the creation of another RTO that could include the states of Nevada, Arizona, Colorado, and other western states? Should it be an RTO or an ISO?
2. How are you planning to manage the growing surplus of generation in your respective regions?

The Honorable Frank Pallone, Jr.

1. Consumer advocates have identified the resource imbalance between the stakeholder members of the RTO/ISO Boards and the small consumer community as a major barrier to having meaningful representation of consumer viewpoints included in decisions about grid

operation and capital project evaluation and approvals. What mechanisms, reductions in costs of stakeholder participation, or other support does your RTO/ISO provide to the small consumer community to facilitate their participation in RTO/ISO governance?

2. You indicated at the hearing that PJM had a formal structure (e.g. committee or liaison position) for obtaining input on consumer views and concerns on grid management. Please provide detail about how consumer views are incorporated into decision-making at your RTO/ISO.
 - a. Do consumer advocates have voting representation on the Board?
 - b. Do consumer advocates participate actively in the development and approval of grid planning?
 - c. Are there funds available to support full-time staff that serve the interests of consumer advocates? If so, what is the source of those funds?
3. What quality control measures does PJM have in place to ensure that cost estimates for proposed transmission projects are reasonably accurate and inclusive of all expenses that a project is likely to incur?
4. When PJM approves a project with its associated cost estimate, is the project re-evaluated if the cost increases significantly? Does the approval include cost containment measures or a cap on cost increases?
5. The Consumer Advocates of the PJM States have raised questions about PJM's process for planning transmission projects relative to the cost estimates and consumer impacts of proposed projects. A specific project in my district, Jersey Central Power and Light's proposed Monmouth County Reliability Project, has been questioned by members of the community that would be directly impacted by the project's construction and also by the Rate Counsel because of the high cost of the project and its projected impact on consumers. Intervenors in this case presented a non-transmission option at a cost estimated to be 70 percent less than the cost of the transmission project. Transmission operators, voting members of the Board of PJM, are likely to favor new transmission as a solution to reliability issues. How does PJM account for this bias within its membership when evaluating alternative approaches for addressing reliability issues?
 - a. Do consumers or consumer advocates have representation on the Board?
 - b. Do they vote or have other formal input to decisions on transmission projects?