

PJM:  
*What is it and what does it do?*



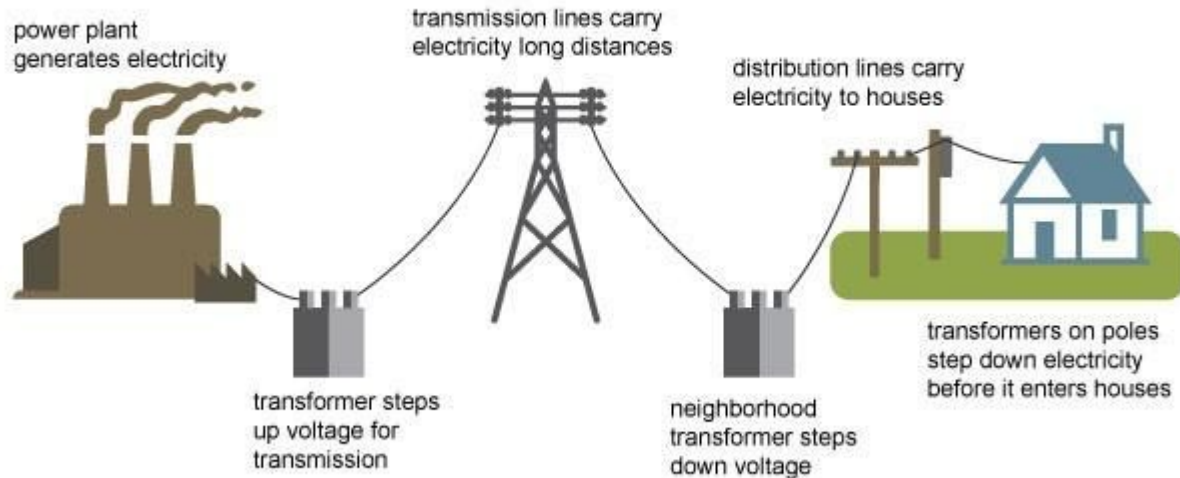
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# “The Grid”

An interconnected network of power stations, substations, transmission lines, and distribution lines that deliver electricity

## Electricity generation, transmission, and distribution



Source: Adapted from National Energy Education Development Project (public domain)

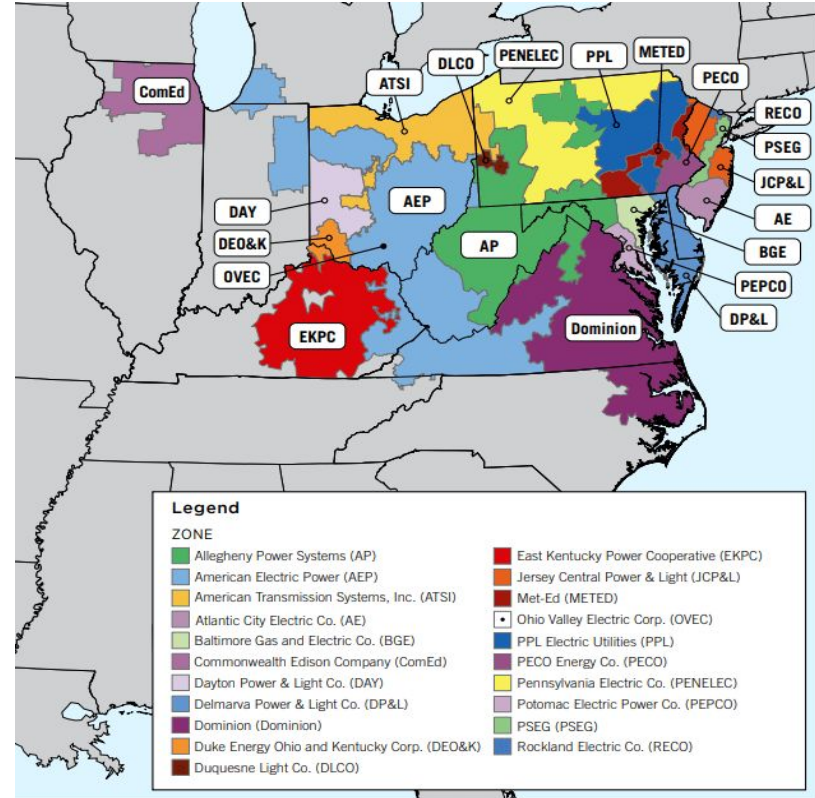
# PJM: Brief History

- **1927** - Three electric utilities formed the Pennsylvania-New Jersey Interconnection
- **1956** - Two Maryland utilities join, renaming the pool to “PJM”
- **1965 - 2013**: System expansion. Eastern KY Power Coop latest utility to join.
- **2001** - PJM designated an RTO by FERC



# PJM Today

- Independent, nonprofit, Regional Transmission Organization (RTO), headquartered in Valley Forge, PA
- Governed by its membership
- Regulated by the Federal Energy Regulatory Commission (FERC)
- Largest RTO in the country - service territory covers all of PA, plus all or parts of 12 other states + DC. 65 million people.



# Energy Auctions



## Two Important Design Features

- **Interconnection queue**

- Line of requests from new power generating facilities to connect to the grid and supply power

- **Capacity auctions**

- Intended to ensure there is enough electricity to meet demand on the hottest and coldest days of the year. Power plants are paid for their commitment to be available.

# Capacity Price “Collar” Proposal

- July 2024 clearing price = **\$269.92 / MW-day** (2025-26 delivery year)
- Proposed for July and December 2025 auctions (2026-27 and 2027-28):
  - Cap **\$325 / MW-day**
  - Floor **\$175 / MW-day**



Thank you!

Questions?

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