



Manu Asthana  
President & CEO  
manu.asthana@pjm.com  
610.666.2232

VIA Electronic Delivery

February 15, 2022

Michelle Bloodworth  
President & CEO  
America's Power  
4601 N. Fairfax Drive, Suite 1200  
Arlington, VA 22203

PJM Interconnection  
2750 Monroe Blvd.  
Audubon, PA 19403

Dear Ms. Bloodworth,

Thank you for your correspondence dated January 21, 2022 concerning PJM's analysis of renewable integration and our white paper entitled "Energy Transition in PJM: Frameworks for Analysis", December 15, 2021" (Analysis). We are pleased that America's Power is engaged in these issues and our analysis.

We value the suggestions you raised in your letter as helpful to inform our future work in this area. As we have expressed in sharing this work with our stakeholder community, PJM views the Analysis as a "living" body of work. We will continue to monitor relevant developments at the federal and state levels as well as intake suggestions, like those you offered, to consider as additional scenarios. Given the number and range of requests we have received, we are currently working to determine what studies will be most impactful and when they can be completed by. We will share our thinking on that in Q2 of this year.

As to your comments related to estimating the need for balancing resources, your intuition that some balancing resources are likely needed is correct (until a different technology can provide a reliable substitute at scale). Indeed, this is conceptually noted in the Analysis. However, the figure referenced in your letter – *78% of nameplate capacity on top of the forecasted peak load* – is relevant only in the context of the particular renewable integration scenario. In the study, the resource adequacy analysis was performed using the Effective Load Carrying Capability (ELCC) methodology, which is extremely sensitive to the entire generation portfolio. A scenario with "greater-than-50-percent penetration of renewables" could require a greater or a smaller amount of nameplate capacity, depending on the exact composition of such generation portfolio. As PJM continues to consider different scenarios, we will see different values of capacity to support the reserve margin based on such scenarios.

We would like to thank America's Power for its thoughtful correspondence. We look forward to a continued dialogue with all of our stakeholders, including America's Power, on this living body of work with our shared goal of ensuring a reliable and resilient grid.

Sincerely,

/s/ Manu asthana

Manu Asthana  
President and CEO, PJM Interconnection

cc: PJM Board of Managers