



STATE OF MARYLAND

OFFICE OF THE GOVERNOR
Wes Moore

January 21, 2025

The PJM Board of Managers
Mr. Mark Takahashi
Chair, PJM Board of Managers
PJM Interconnection
2750 Monroe Blvd.
Audubon, PA 19403

Dear Mr. Takahashi and Board Members:

Thank you for delaying the 2026/27 capacity auction from December 2024 to June 2025 to explore needed market rules changes after the 2025/2026 auction cleared at record high prices. I write to urge you to make further adjustments to the capacity market rules to contain the escalation of capacity costs to the greatest extent possible. I remain deeply troubled by the affordability crisis Maryland residential and commercial energy customers face following PJM's recent capacity auction, a crisis that may worsen in the next capacity auction if further action is not taken.

In a complaint filed with the Federal Energy Regulatory Commission (FERC), Governor Josh Shapiro and the Commonwealth of Pennsylvania asked FERC to impose a further modification to the price cap until PJM completes its quadrennial review of the parameters underlying its Reliability Price Model. Governor Shapiro rightly points out that a temporary modification is warranted given the large number of emergency reforms PJM has proposed.¹ Otherwise, Pennsylvania estimates a \$20.4 billion difference over the next two years between the projected outcome of auctions conducted with the price cap changes sought and those conducted under the

¹ Complaint of Governor Josh Shapiro and the Commonwealth of Pennsylvania, FERC Docket No. EL25-46 (Dec. 30, 2024)

[https://pa.gov/content/dam/copapwp-pagov/en/governor/documents/pjm-lawsuit/gov.%20shapiro%20and%20commonwealth%20of%20pa%20complaint\(119760108\).pdf](https://pa.gov/content/dam/copapwp-pagov/en/governor/documents/pjm-lawsuit/gov.%20shapiro%20and%20commonwealth%20of%20pa%20complaint(119760108).pdf)

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parameters PJM has proposed. I strongly urge you to make the requested adjustments to help contain costs to Maryland households, as well as households throughout PJM, particularly in light of the fact that the previous suite of changes to risk modeling and capacity accreditation developed under PJM's Critical Issue Fast Path contributed to the results of the last auction.²

As a founding member of PJM, Maryland has long worked in partnership with PJM to ensure the reliability and resilience of the electric grid needed to deliver affordable power to Marylanders. I join the leadership of similarly affected states in the region in calling on you to take actions consistent with our energy laws and policies, in the best interest of our constituents.

Sincerely,

A handwritten signature in black ink, appearing to read 'Wes Moore', with a stylized flourish at the end.

Governor Wes Moore
The State of Maryland

² 2025/2026 Base Residual Auction Results, PJM Markets & Reliability Committee (Aug. 21, 2024)
<https://www.pjm.com/-/media/DotCom/committees-groups/committees/mrc/2024/20240821/20240821-item-08---2025-2026-base-residual-auction---presentation.pdf>