

Chairman of the Board  
**JEFFREY J. ORAVITZ**  
CEO, Seal for Life Industries and  
Arsenal Capital Partners

President  
**RYAN AUGSBURGER**



December 21, 2023

The PJM Board of Managers  
c/o Mark Takahashi, Chairman  
c/o Manu Asthana, PJM President and CEO  
PJM Interconnection L.L.C.  
2750 Monroe Boulevard  
Audubon, Pennsylvania 19408

Cc: Evelyn Robinson

Dear Chairman Takahashi and PJM Board of Managers,

On behalf of The Ohio Manufacturers' Association (OMA) and our 1,300-member manufacturing plants, I write expressing concern with maintaining competitive electricity markets as the electric system undergoes rapid and unprecedented technological transformation.

The OMA supports competitive, multi-state electricity markets to achieve reliability aims while accommodating electric technology innovations at the least cost. We recognize that rapid technological changes can disrupt electric markets, recently with new sources of natural gas, and now with emerging technologies such as solar photovoltaics, wind turbines, electric vehicles, heat-pumps, and short- and long-duration energy storage. Ohio and PJM are also experiencing more frequent and extreme hot and cold weather events and associated storms. While Winter Storm Elliott is fresh in all our minds, OMA member manufacturers were severely affected by the June 2022 derecho, which resulted in intentional load electric shedding over several days in central Ohio. Ohio's manufacturers endured steep costs of lost production and ruined product, while our communities faced unacceptable life and safety threats from loss of power during extreme heat.

The OMA is interested in reforms to competitive market rules and technical standards where they are supported by transparent and comprehensive data, need, and are cost-effective. For example, we find the conclusions and recommendations of the North American Electric Reliability Corporations (NERC) 2023 Long-Term Reliability Assessment to be clear and compelling. Additionally, we are intrigued by the Frontier Practices suggested by Lawrence Berkely National Lab (LBNL) in its recent assessment of utility and Regional Transmission Operator (RTO) resource adequacy assessment practices.

OMA has been a long-time supporter of PJM's competitive wholesale markets. As PJM President Manu Asthana states, "The capacity auction continues to be our best tool to ensure reliability at competitive prices in PJM". However, we worry that PJM has delayed capacity auctions - its best tool - that could assuage concerns PJM itself raises regarding potential capacity shortfalls in future years.

Preservation of competitive markets and the cost-effectiveness of electric system infrastructure upgrades are a top concern of the OMA, and for good reason. PJM should be aware of recent history in Ohio that colors the electric policy conversation: Ohio is still roiled in the House Bill 6 scandal, a criminal conspiracy to defraud customers of billions of dollars in the name of base-load power; separately, Ohio regulators approved about a half billion dollars to a utility for "distribution

modernization,"<sup>1</sup> a reliability-tinged giveaway that created no reliability improvements at great cost to customers; and the intentional load-shedding of June 2022, of which our concerns remain unaddressed. These experiences have created distrust that is yet to be rebuilt between electric utilities and regulators and the customers they serve.

It is with this context in mind that I share with you the attached memorandum of our energy consultant, Runnerstone, critiquing PJM's Resource Retirements, Replacements and Risks report (the 4Rs report). The 4Rs report has created predictable worry amongst Ohio policymakers, regulators, and stakeholders. However, this concern is powering arguments against competitive markets, against the competency of PJM to manage reliability, and for support of wires-only, monopoly solutions without a transparent demonstration of need.

We take PJM's work seriously, which is why our consultant has put forward challenging questions about the assumptions and clarity of the 4Rs report. With this letter we hope to start a constructive dialogue with PJM and its technical experts, with the hope of jointly educating Ohio's policymakers on the benefits of competitive markets to address reliability and integrate new technologies at least cost. Specifically, we ask the PJM Board of Directors for the following:

- A formal meeting with technical staff to discuss questions and concerns OMA has raised on the June 2022 intentional load shed event, followed by a formal investigation in which OMA and other customers can participate. The OMA on several occasions requested meetings with PJM staff on this matter in 2022 and we have yet to receive this meeting or have our concerns addressed.
- A response to OMA's concerns with the 4Rs report set forth in the attached Runnerstone memorandum.
- A list of actions PJM takes or is planning to take itself to preserve resource adequacy and reliability.
- A clear statement from PJM on if it intends for states to take over resource adequacy planning, transmission planning or operation, or other bulk power system planning and operations currently conducted by PJM.
- If PJM is planning to adopt recommendations of the above-mentioned NERC and LBNL reports.
- To model resource adequacy scenarios suggested by OMA and other stakeholder groups.

Finally, OMA would appreciate an ongoing candid dialogue.

Sincerely,



Ryan Augsburger  
President  
The Ohio Manufacturers' Association

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<sup>1</sup> [Former PUCO chair texted he knew FirstEnergy charge was likely unlawful, but company would keep money anyway | Energy News Network](https://energynews.us/2022/05/20/former-puco-chair-texted-he-knew-firstenergy-charge-was-likely-unlawful-but-company-would-keep-money-anyway/), <https://energynews.us/2022/05/20/former-puco-chair-texted-he-knew-firstenergy-charge-was-likely-unlawful-but-company-would-keep-money-anyway/>