



PJM Interconnection, LLC  
2750 Monroe Blvd.  
Audubon, PA 19403-2497

Christopher C. O'Hara  
SVP, General Counsel  
[Christopher.ohara@pjm.com](mailto:Christopher.ohara@pjm.com)

December 19, 2022

Re: Transmission Owners Sector Meeting

Dear Members,

As you may be aware, the PJM Board has agreed to conduct closed session meetings between representatives of the PJM Board and each membership sector in an effort to foster elevated and strategic communications. To this end, at 3 p.m. on December 9, 2022, independent PJM Board members Terry Blackwell, Dean Oskvig, Mark Takahashi, and President & CEO Manu Asthana met, utilizing video conferencing with executive leadership and other representatives from the Transmission Owners Sector. See Attachment A (the "Participants").

At the outset of the meeting, the undersigned, PJM's General Counsel, reminded attendees of the following principles governing the meeting:

1. The meeting is conducted in accordance with PJM's Antitrust Policy and Codes of Conduct, including specifically the Addendum to the Board Code of Conduct;
2. The purpose of the meeting is for the Board representatives to listen to comments from the sector;
3. Discussions will be confined to the agenda and remain at a strategic and educational level, and are not to address matters pending before the Board; and
4. The meeting is ex parte, and PJM will disclose briefly, by public posting on its website, the agenda and topics discussed promptly following the meeting.

Meeting Agenda Topics and Summary of Discussion:

1. Governance

PJM-Transmission Owner Relationship (PJM's View on Emerging Reliability Risks) – The Participants discussed the shared responsibility for reliable grid operations and system planning. The Participants addressed the Consolidated Transmission Owners Agreement (CTOA) and concerns regarding challenges to that agreement and attempts to undermine the unique relationship between PJM and the Transmission Owners. The Participants explained how the Tariff M-3 process provides the best-in-country transparency on local transmission planning matters and provides the necessary responsiveness to grid reliability challenges at the local level, including asset management, aging infrastructure, load growth and economic development. The Participants requested that PJM take a greater leadership role in policing improper incursions into the CTOA scope, take a more proactive approach in looking forward to identify reliability needs and further continue to demonstrate the value proposition of the transmission system. The Participants expressed concerns regarding: (i) impediments to innovation; (ii) the level of strife regarding the planning processes; (iii) the regulatory burden of participating in complex and litigious processes; and (iv) decreased collaboration between PJM and stakeholders, all of which increase the costs of RTO participation.

RTO Adder – The Participants expressed concerns with the assault on the RTO participation adder to the return on equity as materially challenging the regulatory bargain that was established at the time of RTO formation. The Participants discussed the burdens of RTO participation, including the challenge of the multitude of governing documents. The Participants requested that PJM continue to articulate the benefits and burdens of RTO participation and continue to support the RTO Adder.

Improvements – The Participants discussed the concerns in system reliability that are starting to emerge due to divergent jurisdictional approaches to energy policy, including with respect to transmission planning and construction. The Participants offered that such jurisdictional differences are resulting in a concerning reliability picture going forward. The Participants encouraged PJM to provide continued transparent reports regarding anticipated system changes and to focus on the critical function of planning the transmission system for the future.

Independent Transmission Monitor (ITM) and Oversight – The Participants discussed the oversight of transmission planning that rests with PJM. The Participants noted that planning is already highly transparent, including the local planning and the M-3 processes, and that the planning processes provide significant opportunities for stakeholder input. The Participants expressed concerns regarding defining the scope, authorities and transparencies of the ITM, and further that an ITM could create an additional level of bureaucracy interfering with the existing obligations of PJM and Transmission Owners to timely plan the transmission system to enable safe and reliable operation.

The meeting concluded approximately 1.5 hours after its start.

Sincerely,

/s/ Christopher C. O'Hara

Christopher C. O'Hara  
SVP, General Counsel

**Attachment A**

Organization	Attendee
American Electric Power	Antonio Smyth, Senior Vice President, Grid Solutions
	Josh Burkholder, Director, Transmission Asset Strategy
Applied Energy Services Ohio	Kristina Lund, President and CEO, AES US Utilities
	John Horstmann, Sr. Dir., RTO Affairs
Dominion Energy	Ed Baine, President, Virginia Power
	Kevin Curtis, Vice President, Electric Transmission
Duke Energy	Alex Glenn, SVP and CEO, Duke Energy Florida and Midwest
	Will Sauer, Managing Dir., Federal Government Affairs
Duquesne Light Co.	Jamie Davis, Dir., Rates, Tariff Services and FERC/RTO Affairs
	Christian Domian, Manager, FERC/RTO Affairs
East Kentucky Power Cooperative	Denver York, SVP, Power Delivery & System Operations
	Denise Foster Cronin, Vice President, Federal & RTO Regulatory Affairs
Exelon	Calvin Butler, President & CEO-Elect
	Jane Park, SVP, Federal Governmental & Regulatory Affairs
FirstEnergy	Sam Belcher, SVP & President, FirstEnergy Utilities
	Ollie Pannell, Vice President, Compliance & Regulated Services
Pennsylvania Power & Light	David Quier, Vice President of Transmission and Substations
	Steve Nadel, Senior Counsel
Public Service Electric and Gas	Ralph LaRossa, President & CEO
	Jodi Moskowitz, Deputy General Counsel and RTO Strategy Officer
Rockland Utilities	Bob Sanchez, President & CEO
	Amber Dorner, Project Specialist, Energy Markets Policy Group
Sector Whip	Sharon Midgley, Director RTO Relations and Transmission Strategy, Exelon