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September 12, 2019

Mr. Nicholas K. Akins
Chairman, President & CEO
American Electric Power
1 Riverside Plaza
Columbus, OH 43215

Mr. Ralph Izzo
Chairman, President & CEO
Public Service Enterprise Group, Inc.
80 Park Plaza, T4
Newark, NJ 07102

Mr. Christopher M. Crane
President & CEO
Exelon Corporation
10 S. Dearborn Street
Chicago, IL 60603

Mr. Charles E. Jones
President and CEO
FirstEnergy Corp.
76 South Main Street
Akron, Ohio 44308

Mr. Thomas F. Farrell, II
Chairman, President and CEO
Dominion Energy
600 East Canal Street
Richmond, VA 23219

RE: Response to your letter dated September 4, 2019

Dear Messrs. Akins, Crane, Farrell, Izzo and Jones:

Thank you for your letter in which you request that upon issuance of a FERC order in the pending Capacity Market proceeding, PJM convene a meeting with certain state commissions and impacted stakeholders to establish a schedule that would ensure the orderly management of the capacity procurement processes in light of the legislative and regulatory steps that will need to be taken by states.

The timing of PJM's capacity auction raises important considerations for virtually all stakeholders. The auction is an important component of the markets administered by PJM and a prolonged delay creates uncertainty for those relying on the auction to support existing and planned resources. It also plays the important role of committing resources necessary to meet capacity and reserve requirements across the PJM system. At the same time, we agree that the auction must be both practical in its implementation and offer a meaningful opportunity for states to consider and pursue alternatives depending on the substance of the FERC order and their policy objectives. As your letter notes, this question of timing is well-briefed and clearly before FERC such that it may be addressed in its decision.

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Mr. Thomas F. Farrell, II

Mr. Charles E. Jones

Accordingly, as requested, PJM will consult with the stakeholder community which will include a concerted outreach to commissions within our region to determine the appropriate actions following the issuance of an order from FERC. PJM remains optimistic that any forthcoming FERC order will provide clear direction on these questions.

Sincerely,

/s/ Susan J. Riley

Susan J. Riley
Interim President & CEO