



State of New Jersey

DIVISION OF RATE COUNSEL

140 EAST FRONT STREET, 4TH FL.

P.O. BOX 003

TRENTON, NEW JERSEY 08625

PHIL MURPHY
Governor

TAHESHA L. WAY
Lt. Governor

BRIAN O. LIPMAN
Director

February 13, 2025

VIA ELECTRONIC DELIVERY

The PJM Board of Managers

C/O Mark Takahashi,

Chairman PJM Interconnection, L.L.C.

2750 Monroe Boulevard

Audobon, PA 19043

Dear Chairman Takahashi and Board Members:

I write to ask that the PJM Board consider affordability when making its decisions. Yesterday, the New Jersey Board of Public Utilities announced the results of this year's Basic Generation Service ("BGS") auction (New Jersey's default supply service). The results are staggering. Prices for an average customer using 650kWh rose between \$22.67 and \$28.02 per month. While this increase cannot be completely attributed to PJM, it is clear that a large portion of the increase is due to recent PJM capacity construct results. PJM's actions have real life implications with significant impacts on the lives of people living in the PJM region.

In New Jersey, nearly one out of every three families lives in functional poverty. This means that these families must make hard decisions every day, on whether to pay their rent, feed their families, pay for drugs or pay their utilities. They simply cannot afford these types of increases. Electricity is not a luxury; it is a basic need in today's society. Whether it is to run life-sustaining equipment or to cool a home during excessive heat waves, affordable electricity is in fact a matter of life and death. For this reason, it is imperative that PJM take into account affordability in every decision it makes.

I urge you to publically affirm affordability is an issue of concern to PJM. In the recent stakeholder meeting to discuss the PJM settlement with the Pennsylvania Governor's Office, there was much discussion about ensuring sufficient incentives for generation to participate in PJM markets. There was no discussion about affordability, or the impact these high clearing prices have on customer bills. Likewise, transmission costs have increased significantly, and there seems to be little, if any, oversight on proposed projects – certainly no review of costs and whether those costs are appropriate. PJM must focus on affordability.

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While this letter highlights issues in New Jersey, this is not a unique issue in PJM. Ratepayers throughout the PJM region are hurting financially. Bills are higher than ever before, and what PJM does, or does not do, has an impact on those bills. Throughout PJM, people are making tough decisions about what bills they can pay—food, medicine, rent, utilities or others. Higher bills are not simply an inconvenience, and increases in electric bills will have a direct impact on the health and safety of millions. If we do not focus on affordability and finding a way to ensure electricity remains affordable, people will suffer. PJM must shift its focus from ensuring that generators and transmission owners are earning their desired profits and focus on keeping costs down. We simply cannot afford to do otherwise.

Very truly yours,

/s/ Brian O. Lipman

Brian O. Lipman, Director
NJ Division of Rate Counsel

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Enclosures