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March 19, 2026

The Honorable Laura V. Swett
Chairman
Federal Energy Regulatory Commission
888 First Street NE
Washington, DC 20426

RE: *PJM Interconnection, L.L.C.*, Docket No. ER26-1556

Dear Chairman Swett:

I urge you to approve PJM Interconnection's proposal to extend its price cap for the upcoming capacity auctions and prevent New Jersey residents from absorbing yet another sharp increase in their electricity costs. When PJM fell behind in connecting new sources of energy generation to the grid, electricity ratepayers in New Jersey and throughout PJM's territory were punished for that incompetence. The Federal Energy Regulatory Commission (FERC) must act to extend the price cap because New Jersey residents and businesses cannot shoulder additional energy price increases.

New Jersey families are facing an electricity cost crisis and they deserve immediate relief. As you know, the increase in PJM's capacity price starting with the 2025/2026 Base Residual Auction (BRA) has caused retail electricity prices to spike across the PJM footprint, including in New Jersey where the average residential rates are now 18 percent higher than they were a year ago.¹ That means the typical New Jersey household saw their annual electricity bill *increase* by more than \$300 per year.² PJM's existing price cap was absolutely vital to ensuring that residential rates in New Jersey will see relatively limited increases this year.³ But without action from FERC, that limited reprieve will disappear.

There is only one solution to PJM's problems: ensuring there is a sufficient supply of electricity to meet demand, but PJM's antiquated processes for interconnecting new sources of power to the grid will prevent significant amounts of electricity from coming online by the end of the decade. Making matters worse is the chaos in energy supply chains resulting from President Trump's illegal tariffs and the foolish repeal of energy tax credits last year in

¹ U.S. Energy Information Administration, *Electric Power Monthly: Average Price of Electricity to Ultimate Customers by End-Use Sector* (Feb. 24, 2026)

(https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=epmt_5_06_a)

² New Jersey Board of Public Utilities, *NJBPU Announces Conclusion of New Jersey's Annual Electricity Supply Auction* (March 18, 2026) (<https://www.nj.gov/bpu/newsroom/2025/approved/20250212.html>)

³ New Jersey Board of Public Utilities, *New Jersey Board of Public Utilities Certifies 2026 Electricity Auction Results* (Feb. 12, 2026) (<https://www.nj.gov/bpu/newsroom/2026/approved/20260212.html>)

The Honorable Laura Swett

March 19, 2025

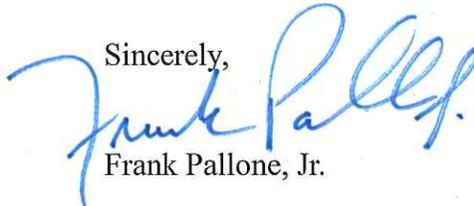
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Republicans' Big Ugly Bill.^{4,5} Combined, these factors erode any ability for power plant developers to build new power plants in PJM's territory in time to serve the region's needs in 2029 or 2030. That is why FERC must grant relief for PJM's ratepayers by extending the price cap for two more auction cycles.

As PJM noted in its transmittal letter, this filing is just one in a suite of filings that PJM plans to make over the course of this year to reform its markets. However, those filings and incremental auctions will not come until *after* the 2028/2029 BRA – leaving ratepayers who will pay for the costs of that auction in limbo, unless FERC acts.⁶ If FERC acts expeditiously, it will give PJM, its states, and Congress time to debate and enact other vital reforms to safeguard ratepayers from increasing electricity prices driven by data centers fueling artificial intelligence tools. You must allow time for this process and allow energy system operators and regulators the opportunity to chart a more stable path.

I appreciated the commitment you made to prioritize affordability at an Energy Subcommittee hearing last month. While the price cap is not a silver bullet for the problems facing the PJM region, extending it is a critical first step toward prioritizing affordability. Without it, I am concerned that other reforms and changes to our region's electricity system will not be able to protect New Jersey families and small businesses from higher energy bills. I appreciate your consideration and, as always, stand ready to work with you and your colleagues to make electricity more affordable.

Sincerely,



Frank Pallone, Jr.

cc: The Honorable David Rosner, Commissioner
The Honorable Lindsay S. See, Commissioner
The Honorable Judy W. Chang, Commissioner
The Honorable David A. LaCerte, Commissioner

⁴ David Yellen and Sagatom Saha, *Policy Brief: How Tariffs are Undermining U.S. Energy and Economic Security*, Clean Air Task Force (June 4, 2025) (<https://www.catf.us/resource/policy-brief-how-tariffs-undermining-us-energy-economic-security/>)

⁵ Marina Domingues, Matthew Bernstein, and Katie Keenan, *Trump's 'Big Beautiful Bill' Transforms Supply Chains, Undercuts Renewables and Recalibrates Energy Finance*, Rystad Energy (Sep. 3, 2025) (<https://www.rystadenergy.com/insights/trump-s-big-beautiful-bill-transforms-supply-chains-undercuts-renewables-and-reca>)

⁶ Letter from Craig Glazer, Vice President–Federal Government Policy, PJM Interconnection, L.L.C. and Chenchao Lu, Associate General Counsel, PJM Interconnection, L.L.C., to Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission (February 27, 2026).