

# Intersection of Markets and State Policies

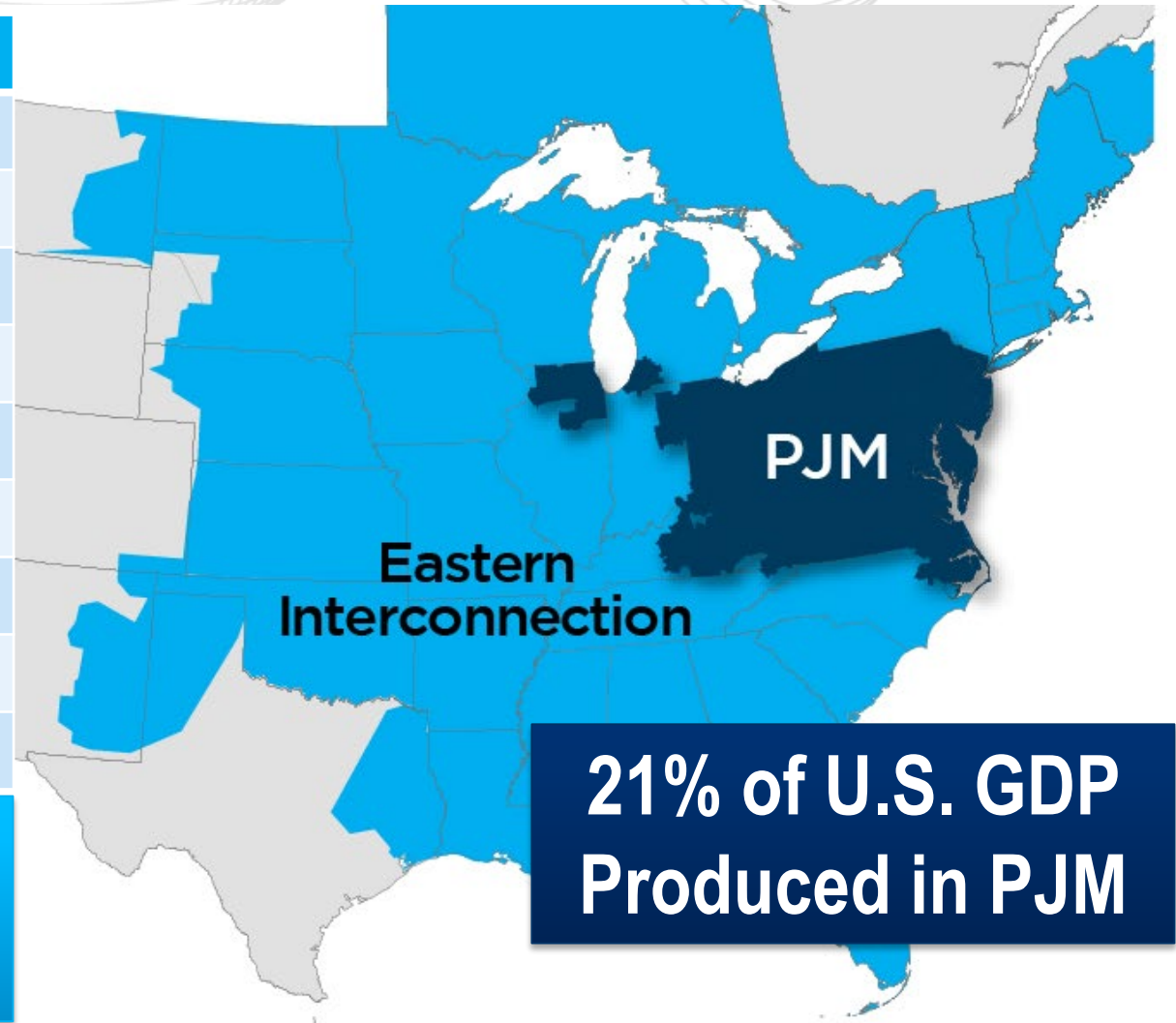
Asim Haque  
Vice President – State & Member Services  
PJM Interconnection

National Council on Electricity Policy Annual Meeting  
Dec. 8, 2020

## Key Statistics

Member companies	1,040+
Millions of people served	65
Peak load in megawatts	165,563
Megawatts of generating capacity	186,788
Miles of transmission lines	84,236
2019 gigawatt hours of annual energy	787,307
Generation sources	1,446
Square miles of territory	369,089
States served	13 + DC

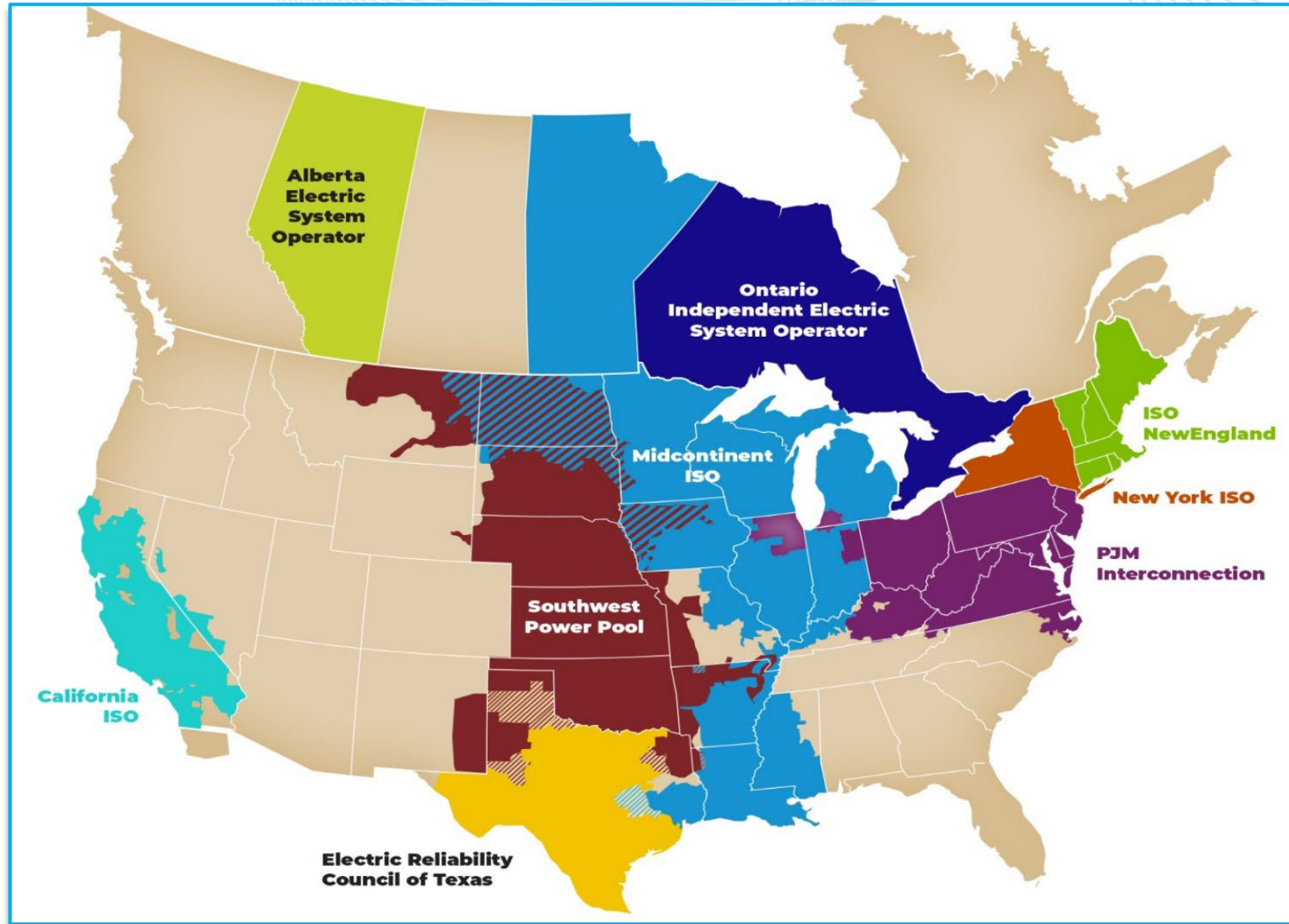
- 27% of generation in Eastern Interconnection
- 26% of load in Eastern Interconnection
- 20% of transmission assets in Eastern Interconnection

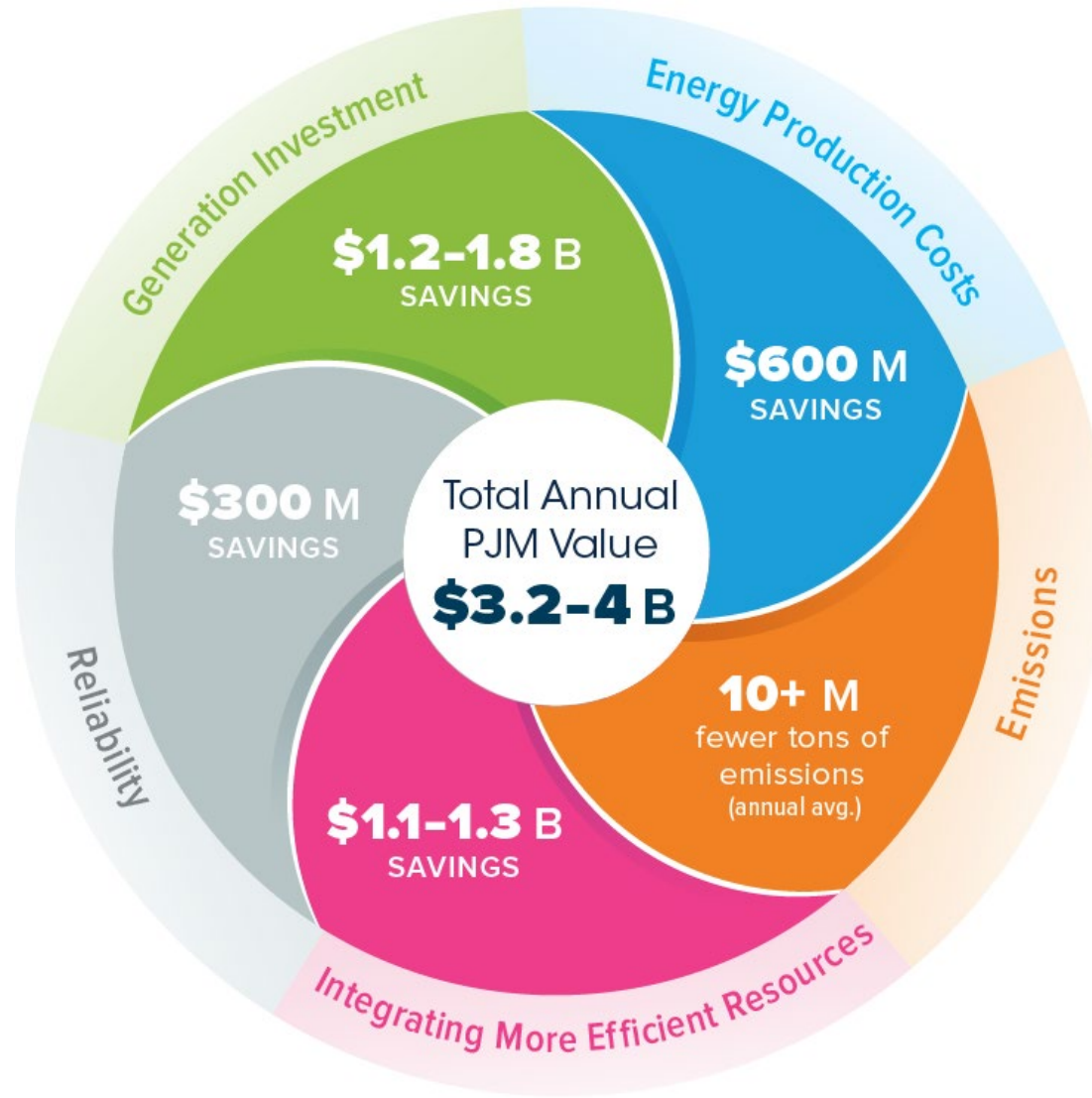


**21% of U.S. GDP  
Produced in PJM**

As of 2/2020

# Nine Major North American RTOs/ISOs

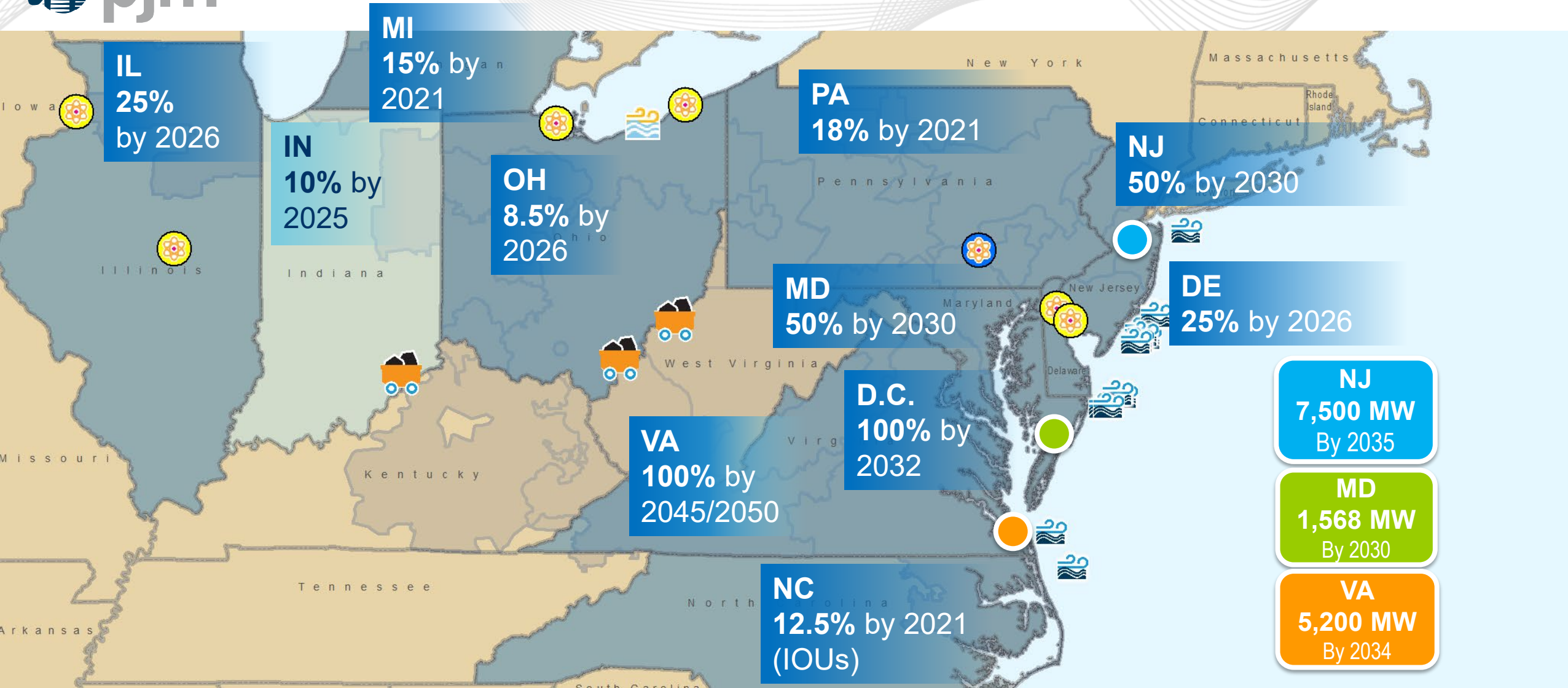




— All numbers are estimates. —



# State Activity in PJM Footprint



As our states evolve, we must evolve with them.

## State Policy Solutions

The group is a technical arm at PJM that exists purely to assist states in the advancement of their energy policy initiatives.

## *State Policy Solutions*

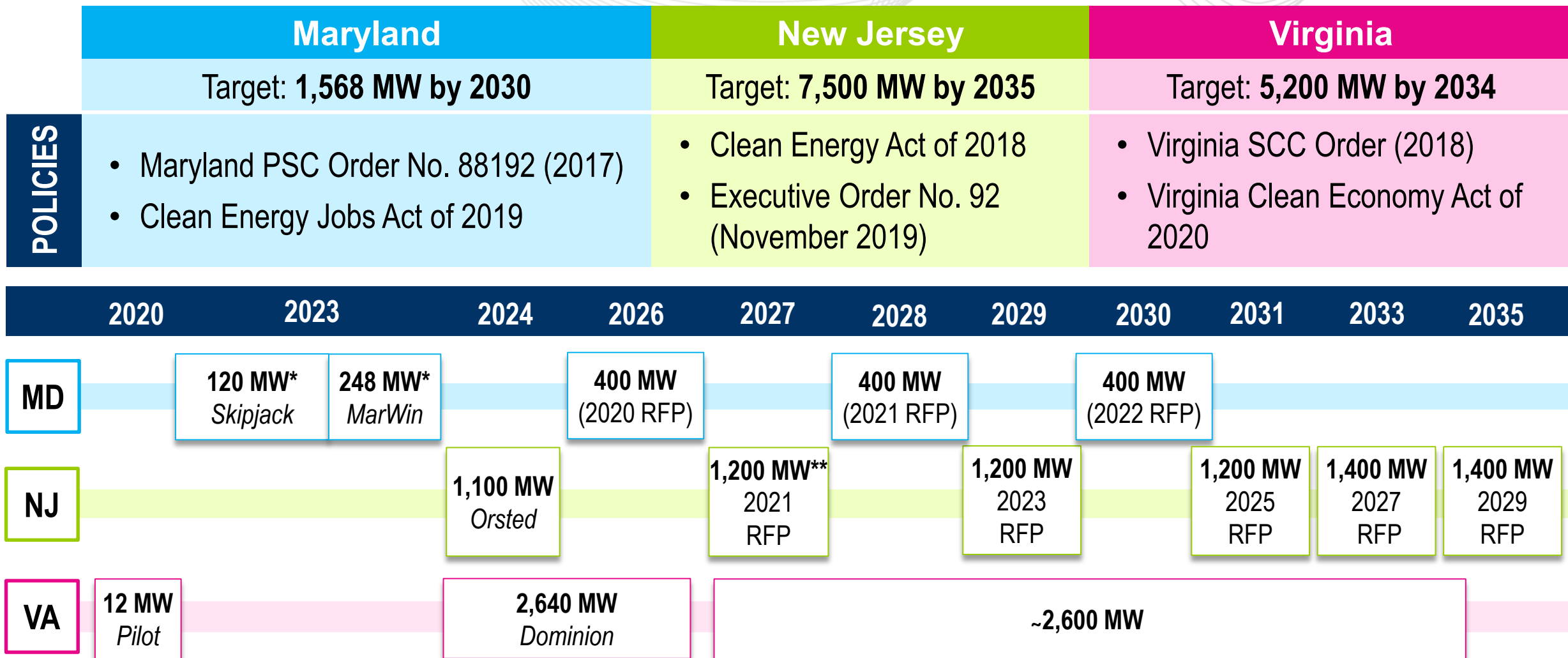


- FERC ruled that state default service auctions that meet certain requirements (including fuel/resource/location neutral) and are certified by an independent third-party to be competitive and non-discriminatory would not constitute a State Subsidy, and would not subject participating resources of such auctions to the MOPR.

*This does not, in itself, mean all state default service auctions are exempt from the MOPR, particularly if there are future changes to the state default service auctions.*

- As constructed today and based on PJM's current understanding of the various state default service auction rules, it *does not* appear any state default service auction in the PJM footprint should be deemed a State Subsidy, other than D.C.'s 5 percent RPS carve-out.
- *Footnote 134* – PJM views this as a cautionary tale for states going forward if using default service auctions to advance policy objectives.

# Offshore Wind Targets in PJM States



\*Subject to delay; \*\*NJ solicitation #2 may result in the procurement of up to 2,400 MW.



BUSINESS AND INDUSTRY & 6 OTHERS



## New Jersey looks to PJM to help plan offshore wind transmission



BY SAMANTHA MALDONADO | 11/18/2020 04:59 PM EST



## State, regional grid operator hook up to brainstorm bringing wind power ashore

TOM JOHNSON, ENERGY/ENVIRONMENT WRITER | NOVEMBER 19, 2020 | [ENERGY & ENVIRONMENT](#)

Proposal could lead to significant savings if it points the way to offshore-wind transmission backbone



Credit: Wolfgang W. via Creative Commons CC BY 2.0

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## New Jersey starts first policy planning process in PJM for offshore wind

November 19, 2020

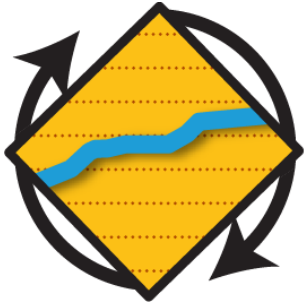
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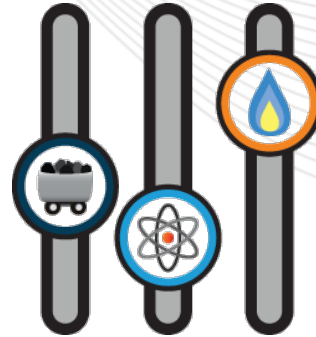
## New Jersey regulators partner with PJM in offshore wind transmission planning



American Wind Energy Association



**Changing  
Load Profiles**



**Changing  
Fuel Mix**



**Regulatory  
Uncertainty**



**Fuel  
Security**

**Renewable and  
Distributed Energy  
Resource Integration**



**Cybersecurity  
and System  
Resiliency**

- FERC Order 2222 is expected to have broad impacts on market participation by distributed energy resources (DER).
- PJM has a robust demand response (DR) model allowing DER participation through aggregations.
- The PJM DR model provides a strong starting point for full compliance with the order.
- PJM is prepared to assist stakeholders and members with fulfillment of the order.
- A new collaboration paradigm between PJM and states.