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October 21, 2022

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: *PJM Interconnection, L.L.C.*, Docket No. ER22-2984
Periodic Review of Variable Resource Requirement Curve Shape and Key Parameters

Dear Secretary Bose:

On September 30, 2022, PJM Interconnection, LLC (“PJM”) filed with the Federal Energy Regulatory Commission (“FERC”), pursuant to section 205 of the Federal Power Act, proposed revisions to the Open Access Transmission Tariff to modify certain Reliability Pricing Model (“RPM”) auction parameters that PJM is required to review every four years through an analysis and stakeholder process. Specifically, the quadrennial review addresses the shape of the Variable Resource Requirement (“VRR”) Curve used to clear the RPM auctions and key inputs to that curve (i.e., the Cost of New Entry (“CONE”) by a representative new power plant and the Net Energy and Ancillary Services (“EAS”) Revenues that plant would be expected to earn in the PJM markets).

Based on recommendations from its independent consultants and stakeholder input, PJM proposes, beginning with the November 2023 Base Residual Auction associated with the 2026/2027 Delivery Year, to implement the following changes:

- Update the definition of the Reference Resource to be a combined cycle power plant;
- Update the estimate of the Gross CONE;
- Revise the escalation rate used to annually adjust the Gross CONE estimate in the years between quadrennial reviews;
- Steepen the downward-sloping VRR Curve, which is expected to result in continued satisfaction of resource adequacy standards, but at a lower cost compared to the current VRR Curve; and
- Update the methodology for determining the EAS revenue offset for the Reference Resource from a historical to a forward-looking approach.

The Office of the Federal Energy Advocate within the Public Utilities Commission of Ohio supports PJM's proposed tariff revisions and requests that FERC approve PJM's filing sufficiently in advance of all pre-auction deadlines for the Base Residual Auction associated with the 2026/2027 Delivery Year.

Respectfully Submitted,

/s/ Thomas G. Lindgren

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On Behalf of the Federal Energy Advocate
The Public Utilities Commission of Ohio

cc: Parties of record

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Summary: Correspondence Regarding Quad Review, Periodic Review of Variable Resource Requirement Curve Shape and Key Parameters, Report / Form of Ohio Federal Energy Advocate under ER22-2984-000. electronically filed by Mrs. Kimberly M. Naeder on behalf of Ohio's Office of the Federal Energy Advocate