

Attorneys General of the District of Columbia, Delaware, and Maryland

July 5, 2019

Via Email

PJM Search Committee
c/o Neil H. Smith
2750 Monroe Blvd
Audubon, PA 19403-2497
neil.smith@pjm.com

Re: PJM President and Chief Executive Officer Search

Dear Search Committee:

The undersigned Attorneys General of the District of Columbia, Delaware, and Maryland appreciate the opportunity to comment on the skills and background the next President and Chief Executive Officer of PJM (“President”) should bring to the office. We write to urge the Search Committee for the new President to select a President who will be an enthusiastic partner in states and localities’ efforts to address climate change, protect consumers, and promote green economic development. Our states have adopted ambitious clean energy goals and programs including renewable portfolio standards. It is essential that PJM’s President embraces the changes to the energy sector needed to make these programs successful.

Climate change is already harming our states, localities, and residents. Flooding, extreme heat, and severe storms damage property and infrastructure, and threaten human health. The Fourth National Climate Assessment concludes that the: “evidence of human-caused climate change is overwhelming and continues to strengthen, that the impacts of climate change are intensifying across the country, and that climate-related threats to Americans’ physical, social, and economic well-being are rising.”¹ Our most vulnerable residents—particularly in low-income communities and communities of color—bear a disproportionate share of these threats including increased asthma attacks and dislocation associated with climate change.

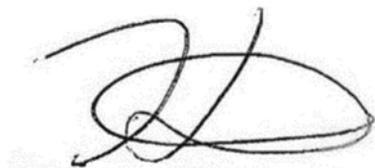
Our states are leading the way to avoid the worst effects of climate change by transforming the energy sector to promote clean energy and shift away from fossil fuel. The Fourth National Climate Assessment finds that by shifting from our current high-emissions scenario to a low-emissions scenario, “[b]y the end of this century, thousands of American lives could be saved and hundreds of billions of dollars in health-related economic benefits gained each year.” For this reason, our states have adopted ambitious, but achievable, clean energy goals and programs. For

¹ U.S. Global Change Research Program, Impacts, Risks, and Adaptation in the United States: Fourth National Climate Assessment, Volume II, at 36 (D.R. Reidmiller et al. eds., 2018) *available at* <https://nca2018.globalchange.gov/>.

example, the District of Columbia’s renewable portfolio standard requires 100 percent tier one² renewable energy by 2032 and the District has committed to reducing District carbon emissions 50 percent below 2006 levels by 2032 and 100 percent by 2050.³ Delaware’s renewable portfolio standard requires 25 percent renewable energy by 2025, with at least 3.5 percent from solar by 2025, and Delaware’s Cabinet Committee on Climate and Resiliency set a goal of reducing Delaware’s greenhouse gas emissions 30 percent below 2008 levels by 2030.⁴ Just this past term, the General Assembly of Maryland recommitted to a clean energy economy by increasing the state’s renewable energy portfolio standard to require 50 percent of all retail electricity sold within the state to come from renewable sources by 2030.⁵

PJM’s new President should purposely engage with states, localities, and stakeholders to achieve this transformational change. The President should have the leadership skills and creativity to drive innovations in PJM’s markets, operations, and planning functions to support the necessary shift to clean energy. PJM’s President should also have the economic and policy background to understand that state clean energy preferences are not out-of-market distortions to PJM interstate markets, but instead are important market corrections. These policies address pressing environmental externalities and will modernize our state economies, creating jobs as well as environmental benefits. The President should understand and respect states’ essential role and authority under the Federal Power Act in shaping the mix of generation resources offered to their consumers. An innovative leader of PJM could ensure that our region benefits from clean energy, mitigates the worst of climate change, and modernizes our energy economy. We look forward to collaborating with this leader and PJM in achieving these benefits.

Sincerely,



Karl A. Racine
Attorney General for the District of Columbia

² District of Columbia Code § 34–1431(15).

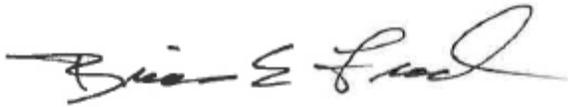
³ District of Columbia Code § 34–1432(c)(25); Sustainable DC, at 7, <http://www.sustainabledc.org/wp-content/uploads/2017/02/Web-Ready-File-2.6.17.pdf>.

⁴ 26 *Del. C.* § 354(a); [Climate Framework for Delaware](http://www.dnrec.delaware.gov/energy/Documents/The%20Climate%20Framework%20for%20Delaware%20PDF.pdf), at 12, available at <http://www.dnrec.delaware.gov/energy/Documents/The%20Climate%20Framework%20for%20Delaware%20PDF.pdf>.

⁵ Clean Energy Jobs Act, 2019 Md. Laws Ch. 757 (S.B. 516) (to be codified at Md. Code Pub. Util. §7-703).



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