



Governors'  
**Wind &  
Solar Energy**  
Coalition

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August 29, 2018

The Honorable Kevin J. McIntyre, Chairman

The Honorable Cheryl A. LaFleur

The Honorable Neil Chatterjee

The Honorable Richard Glick

Federal Energy Regulatory Commission

888 First Street, NE

Washington, DC 20426

Subject: *PJM Interconnection, LLC, Docket Nos. EL18-178-000*

Dear Chairman and Commissioners:

On behalf of the Governors' Wind & Solar Energy Coalition, I write to express the governors' concern about the Commission's recent decision in PJM Interconnection.

Last month, the Commission decided that its current rules did not protect energy generators in the capacity market against "unreasonable price distortions and cost shifts" caused by state policies that are keeping plants in operation or subsidizing new energy technologies that are not yet competitive. If the Commission preempts or restricts the states' ability to regulate environmental effects from energy power production, it would constitute a dangerous shift in the balance between state and federal authority. Congress did not give the Commission this power. The Commission's requirement of minimum bids will lead to unjust and unreasonable rates, and the Commission should abandon this intrusion into state prerogatives.

The Commission must let states retain their historical right to choose their own mix of energy generating resources and policies with minimal federal interference. The Commission must discover ways to regulate markets in ways that complement state policy preferences and objectives rather than overriding or negating them.

The governors respectfully urge the Commissioners to refocus their policy decisions on reliability and efficient power markets — recognizing that utilities, consumers, and states will be making resource choices, which are fully within their authority and which has been the longstanding practice in the nation's electricity markets.

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**Executive Director**

Larry Pearce

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**Pennsylvania**

Gov. Tom Wolf

**South Dakota**

Gov. Dennis Daugaard

**Virginia**

Gov. Ralph Northam

**Washington**

Gov. Jay Inslee

Sincerely,

A handwritten signature in cursive script that reads "Larry Pearce". The signature is written in black ink and is positioned above the typed name.

Larry Pearce  
Executive Director

cc:

Hon. Lisa Murkowski, U.S. Senate Committee on Energy and Natural Resources  
Hon. Maria Cantwell, U.S. Senate Committee on Energy and Natural Resources  
Hon. Greg Walden, U.S. House Committee on Energy and Commerce  
Hon. Joe Barton, U.S. House Committee on Energy and Commerce  
Hon. Rick Perry, U.S. Department of Energy  
Hon. Francis Brooke, Special Assistant to the President