

Congress of the United States

Washington, DC 20515

July 1, 2024

The Honorable Michael S. Regan
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20004

Dear Administrator Regan:

We write today as Members of Congress whose districts and states are part of the PJM Interconnection (PJM) service territory, to express our shared concerns with the finalization of the Environmental Protection Agency's (EPA) rules to regulate greenhouse gas emissions from fossil fuel-fired power plants (Clean Power Plan 2.0). The final rule targets coal and new natural gas-gas fired electric generation, exacerbating concerns with the reliability of the electric grid in PJM's service area. As such, we request answers as to how your agency will ensure that residents and our constituents served by PJM do not lose access to reliable, affordable electricity.

PJM is the nation's largest regional transmission organization (RTO), serving 65 million people across Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia, and the District of Columbia. This includes major metropolitan hubs, large swaths of agricultural farmland, and communities with growing demand from the manufacturing industry and new data centers. The economic diversity of the PJM Interconnection and its importance to growing the economy of the 21st and 22nd centuries illustrate how crucial it is that we ensure and maintain the reliability of the electric grid. More importantly, a failure to maintain grid reliability and ensure resource adequacy will have devastating impacts to the safety and security of our constituents and the American people.

In a May 8, 2024 statement, PJM criticized the EPA's Clean Power Plan 2.0, saying:

“The future demand for electricity cannot be met simply through renewables given their intermittent nature. Yet in the very years when we are projecting significant increases in the demand for electricity, the Final Rule may work to drive premature retirement of coal units that provide essential reliability services and dissuade new gas resources from coming online. The EPA has not sufficiently reconciled its compliance dates with the need for generation to meet dramatically increasing load demands on the system.”¹

¹ PJM Statement, “PJM Statement on the Newly Issued EPA Greenhouse Gas and Related Regulations,” May 8, 2024, <https://www.pjm.com/-/media/about-pjm/newsroom/2024-releases/20240508-pjm-statement-on-the-newly-issued-epa-greenhouse-gas-and-related-regulations.ashx>

Due to the growth of data centers, artificial intelligence, electric vehicles, and onshoring of domestic manufacturing, electric utilities are now expecting double the demand growth by 2028². The forced closure of existing electric generation, coupled with a rushed transition to renewable energy sources without having the solutions in place to guarantee a reliable stream of uninterrupted power onto a grid already suffering from an interconnection backlog, will lead to both the rationing of electric power and an increase in electric costs for consumers³. The North American Electric Reliability Corporation's (NERC) most recent Long-Term Reliability Assessment found that power demand in North America is growing at the fastest rate in 30 years.⁴ Over the next decade, summer peak demand will rise by over 79 Gigawatts, while peak demand for winter will increase by nearly 91 gigawatts. At the same time, NERC estimates that 83 gigawatts of fossil fuels and nuclear power plants are expected to retire. Before the Clean Power Plan 2.0 was even proposed by the EPA, PJM's own analysis from 2023 showed that 40 gigawatts of existing generation, mostly fossil fuel-fired generation, are at risk of retirement by 2030, accounting for over 20 percent of PJM's current installed capacity.⁵

These proposed rules will further jeopardize grid reliability across the Nation, but especially in the PJM Interconnection. The EPA's overreach and unworkable mandates will create havoc in electricity markets, unreliability for distribution utilities, and economic hardship for businesses and families.

We request that you provide detailed answers to the following questions by August 2, 2024:

1. Administrator Regan said at a May 8, 2024 hearing before the Senate Environment and Public Works Committee that he did not have a target date for EPA to begin rulemaking for emissions regulations on existing natural gas power plants, but committed to "move as quickly as possible"⁶. Will EPA commit to avoid finalizing any rulemaking for existing natural gas power plants until 2028, when demand for additional U.S. power generation has more than doubled from previous forecasts?
2. Did EPA or the White House consult with DOE, FERC, the North American Electric Reliability Corporation (NERC), PJM, or any of the RTOs or independent system operators (ISO) regarding how this final rule would impact grid reliability and stability? If so, can you provide responses on reliability concerns that the RTOs and ISOs expressed to the EPA during the rulemaking process and after it was finalized?

² The New York Times, "A New Surge in Power Use Is Threatening U.S. Climate Goals: A boom in data centers and factories is straining electric grids and propping up fossil fuels." March 14, 2024, <https://www.nytimes.com/interactive/2024/03/13/climate/electric-power-climate-change.html>

³ Wall Street Journal, "The Biden EPA's Plan to Ration Electricity," April 26, 2024, <https://www.wsj.com/articles/environmental-protection-agency-rules-power-plants-fossil-fuels-coal-natural-gas-b6d2ea72>

⁴ North American Electric Reliability Corporation, "2023 Long-Term Reliability Assessment" December 2023. https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_LTRA_2023.pdf

⁵ PJM Interconnection, Energy Transition in PJM: Resource Retirements, Replacements & Risks, February 24, 2023. <https://www.pjm.com/-/media/library/reports-notice/special-reports/2023/energy-transition-in-pjm-resource-retirements-replacements-and-risks.ashx>

⁶ Senate Environment and Public Works Committee, "EPW Committee Hearing on EPA's Proposed FY25 Budget," May 8, 2024, <https://youtu.be/YWexcjAzJL0?t=5505>

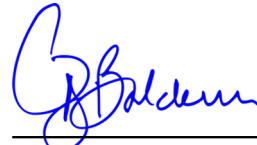
3. Did EPA or the White House consider stakeholder feedback from electric power generation on how this rule would impact their ability to generate enough electricity to meet current and projected demand?
4. Did EPA or the White House consider stakeholder feedback from investor-owned utilities, publicly owned utilities, or member-owned or cooperative utilities, on how this rule would impact their contractual ability to provide electricity to customers?
5. Did EPA or the White House consider stakeholder feedback from manufacturing, agricultural, technological, or consumer stakeholder groups on how this rule would impact electric power delivery for customers and potentially lead to economic losses in the event of electricity rationing or rolling blackouts?
6. Did EPA or the White House consult with USDA on how this rule could impact the Nation's food security and agricultural supply chains as electricity prices increase and reliability decreases?
7. Did EPA or the White House factor in the Administration's push to national electrification of the transportation and home heating sector with this rule, which forces reliable, baseload power generation offline?

These rules will hinder American economic and energy security by jeopardizing the grid reliability and security we have worked so hard to ensure over the last century. The 21st and 22nd centuries of American growth and the safety of our constituents are dependent on reliable, affordable, and American-made energy. We strongly urge you to reconsider these rules given their catastrophic impact on the PJM Interconnection service area.

Sincerely,



Lloyd Smucker
Member of Congress



Troy Balderson
Member of Congress



Guy Reschenthaler
Member of Congress



Dan Meuser
Member of Congress



Alex X. Mooney
Member of Congress



Carol D. Miller
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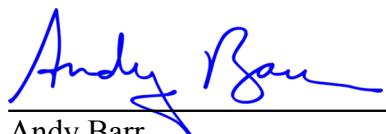
Mike Carey
Member of Congress



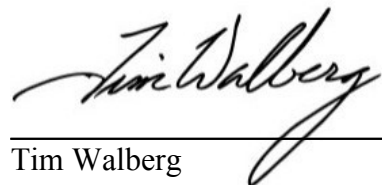
Greg Pence
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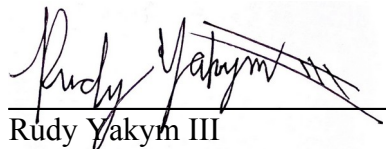
Lauren Boebert
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Andy Barr
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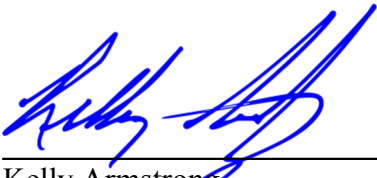
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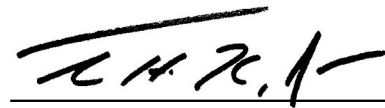
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