



Save these Dates!

PMEA Spring Superintendents/ Foremen Meeting
April 10 & 11, 2025 @ The Nittany Lion Inn, State College
Registration closing soon

PMEA Reception – June 2, 2025
@ PSAB Conference, Cocoa 4&5, Hershey Lodge
Details coming soon – Reception begins @ 5:00 pm

PMEA 2025 Annual Conference – September 3 – 5, 2025
Omni Bedford Springs, Bedford

PMEA Business Workshop
– September 3, 2025 @ Omni Bedford Springs, Bedford

2025 Training for Line Crews –
Registration will open prior to each course

URD/ Splicing
March 20 & 21 - Grove City
March 24 & 25 - Chambersburg
March 26 & 27 - Lansdale

Job Briefings & Analysis
August 7 & 8 - Grove City
August 11 & 12 - Chambersburg
August 13 & 14 - Lansdale

Metering
May 12 & 13 - Grove City
May 19 & 20 - Chambersburg
May 21 & 22 - Lansdale

Team Building
October 16 & 17 - Grove City
October 20 & 21 - Chambersburg
October 22 & 23 - Lansdale

PJM Agrees to Lower Price Cap for Capacity Auctions

The 1,700-MW coal-fired Keystone power plant near Shelocta, Pa. The PJM Interconnection will set a price cap and price floor for its next two capacity auctions under an agreement reached on Jan. 28, 2025, with Pennsylvania Gov. Josh Shapiro.

The PJM Interconnection will move to set a price cap and price floor for its next two capacity auctions under an agreement reached with Pennsylvania Gov. Josh Shapiro.

PJM plans to set a \$325/MW-day price cap and a \$175/MW-day floor for its 2026/27 and 2027/28 delivery year capacity auctions, according to a notice PJM sent to its members. The next base capacity auction is set to be held in July.

“The governor worked with PJM to significantly lower the capacity auction price cap — from over \$500/Megawatt-day to \$325/MW-day — averting a runaway auction price that would

have unnecessarily increased energy bills,” Shapiro said in a press release. The price cap could save PJM consumers \$21 billion over two years, according to Shapiro.



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PJM Price Cap (continued)

If approved, the planned price cap/floor would settle a complaint Shapiro filed in December at the Federal Energy Regulatory Commission on behalf of Pennsylvania. In part, Shapiro argued there is not enough time for generators to respond to high-capacity prices, so consumers would not benefit from the high prices.

The complaint was supported by governors from Delaware, Illinois, Maryland, and New Jersey, nine state utility commissions, ratepayer advocates and others, according to filings at FERC. Constellation Energy Generation, the Electric Power Supply Association and the PJM Power Providers Group opposed it.

PJM's last capacity auction, held in July, produced record high-capacity prices that will cost ratepayers across the grid operator's footprint \$14.7 billion for the delivery year that begins in June, up from \$2.2 billion in the previous auction.

Capacity prices for most of PJM soared to \$269.92/MW-day, up from \$28.92/MW-day in the previous auction. Prices hit zonal caps of \$466.35/MW-day for the Baltimore Gas and Electric zone in Maryland, and \$444.26/MW-day for the Dominion zone in Virginia and North Carolina.

Those results triggered a series of actions, including a complaint by ratepayer advocates and proposals from PJM to change elements of its capacity auction and measures to help bring power supplies online.

The price cap/floor agreement is subject to review by PJM stakeholders and its board. PJM plans to hold a Special Members Committee meeting on Feb. 7**, where the grid operator's staff can give guidance on how the proposed cap/floor mechanism could be implemented, according to the notice.

PJM said that in order to keep its "approximate" capacity auction schedule, the grid operator would propose the cap and floor mechanism through a Federal Power Act section 205 filing at FERC.

Evergreen Action, an advocacy group focused on climate policy, said the price cap/floor agreement was a boon for consumers, but PJM needs to do more. "PJM needs to undertake major reforms to address its current interconnection crisis and get on with the important business of rapidly connecting cheaper, affordable clean energy to the grid so we actively address the energy cost and demand crisis," Evergreen Action Deputy State Policy Director Julia Kortrey said in a press release.

**Note: The Members Committee of PJM was presented with the cap/ floor plan and were divided during the discussion. But this is a decision that rests with the PJM board and would be part of the Section 205 filing (that has not been completed yet).

Reprinted, in part, from Utility Dive, January 29, 2025. By: Ethan Howland, Senior Reporter.

Governor Shapiro's Energy Plan

On January 30, just days before his budget address, the Governor announced "The Lightning Plan: A Bold, All-of-the-Above Energy Plan". Below are excerpts from the Governor's announcement followed by a look at its prospects for action in the state legislature.

Governor Shapiro's plan will supercharge energy development in the Commonwealth and help energy projects get built and approved faster than ever before through several strategic initiatives:

- **RESET Board:** Pennsylvania needs to streamline the process for building energy projects. Currently, Pennsylvania is one of only 12 states without a state entity to handle siting decisions for key energy projects. The Governor is proposing the Pennsylvania Reliable Energy Siting and Electric Transition (RESET) Board to speed up permitting, reduce red tape, and support the next generation of energy projects in the state.
- **EDGE Tax Credit:** The Pennsylvania Economic Development for a Growing Economy (PA EDGE) Tax Credit Program, established in 2022, has not been used, leaving billions in potential economic development untapped. The Governor's proposed 2025-26 budget will include key tax credit modifications to revamp the program, including:
 - **Reliable Energy Investment Credit:** Up to \$100 million per facility for three years, focused on adding reliable energy sources to the grid.
 - **Regional Clean Hydrogen Tax Credit:** Up to \$49 million annually for regional hydrogen projects, with lower thresholds to qualify.



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Governor's Energy Plan (continued)

- **Sustainable Aviation Fuel:** Up to \$15 million per year for a taxpayer who makes a \$250 million capital investment and creates four hundred jobs at a facility to produce sustainable aviation fuel (SAF), like the CNX and KeyState Energy collaboration at Pittsburgh International Airport.
- **PACER (Pennsylvania Climate Emissions Reduction Act):** PACER would establish a cap-and-invest program to set Pennsylvania's carbon limit and invest in reducing electricity costs. Under PACER, 70 percent of the revenue generated would be returned to Pennsylvanians as rebates on their electric bills.
- **PRESS (Pennsylvania Reliable Energy Sustainability Standard):** PRESS would modernize Pennsylvania's outdated energy standards, incentivizing innovation in nuclear and renewable energy, including battery storage, to remain competitive with other states.
- **Lowering Energy Costs for Rural Communities:** The Governor's proposed 2025-26 budget introduces "Community Energy," a proposal that helps rural communities, farmers, and low-income Pennsylvanians jointly share energy resources to lower costs. For example, farmers could use methane digesters to produce energy for their farms, reducing reliance on utility companies and lowering their energy prices.
- **Rebates to Reduce Household Energy Costs:** In addition to these initiatives and reimagining the PA EDGE tax credit programs, Pennsylvania must reform Act 129, the law that provides rebates and incentives to buy new energy efficient appliances and other ways to reduce electricity needs over time — which in turn, leads to lower electricity prices. The Governor's proposal will update these energy efficiency standards for the first time in two decades.

But the Governor's proposal is likely to face opposition in the state legislature. According to news reports, while there is a desire to lower energy costs among many in the legislature there is not a clear agreement on solutions. The Governor's PACER and PRESS proposals were introduced last session in the General Assembly but saw no movement. Republican Senator Gene Yaw unveiled his own proposal meant to stabilize the power grid as the transition from fossil fuels to wind and solar power leaves it vulnerable to failure. "Since 2019, there have been no new investments in baseload electric generation in Pennsylvania," he said. "To maintain our position as the energy powerhouse of the mid-Atlantic and meet growing energy demands, we need to be investing in new generation capacity now."

Yaw, chairman of the Senate Environmental Resources and Energy Committee, has also led efforts to invalidate the regulations – currently mired in the governor's lawsuit – that would allow Pennsylvania to join the regional carbon tax program, as well as create hydrogen hubs and a framework for carbon capture and sequestration. "The questionable agreements and feel-good programs being considered as part of the governor's energy plan are nothing but a Band-Aid for a broken bone," he said on social media. "Until he abandons RGGI, it is difficult to take seriously any statement claiming he wants to ease the power deficit PA is facing."

Sources: Governor's press release on *The Lightning Plan* and various local and national news articles.

PMEA Visits Capitol Hill & Meet with PA Congressional Members



PMEA members visited Capitol Hill in Washington, DC to meet with members and staff of the PA Congressional delegation. The meetings were in conjunction with the APPA (American Public Power Association) Legislative Rally. Participating in the meetings were: Jeffrey Stonehill, Chambersburg; Andy Krauss, Lansdale; Jaime Snyder, Hatfield; Robert O'Donnell, Quakertown and Bruce Haws, Ephrata. Joining the board were

Allen Coffman, Council President in Chambersburg and PMEA Executive Director Diane Bosak.

The group met with six House members and both Senators and focused much of the discussion of priority issues on PJM and the failings of the current process. Other topics included preservation of tax-exempt bonds, training for line crew, and retaining local control over pole attachments. Some Congressional offices were well aware of the PJM issues and others were appreciative of the information and interested in assisting with pursuing viable solutions.



FERC Orders Action on Co-Location Issues Related to Data Centers

FERC voted unanimously on February 20 to launch a review of issues associated with the co-location of large loads such as AI-enabled data centers at generating facilities in PJM, including whether the PJM tariff needs to establish rules to create clarity while ensuring grid reliability and fair costs to consumers. The Commission's inquiry is initially focused on PJM, the nation's largest grid operator, because of the number of proceedings arising in PJM from co-location of generators with large load customers such as data centers.

"Co-location arrangements are a fairly new phenomenon that entail huge ramifications for grid reliability and consumer costs," Chairman Christie said. "Given these ramifications, the Commission truly needs to 'get it right' when it comes to evaluating co-location issues."

The Commission finds that PJM's tariff does not appear to sufficiently address the rates, terms and conditions of service that apply to co-location arrangements. The absence of this information may leave generators and load unable to determine what steps they can take to set up co-location arrangements of various configurations, and how to do so in an acceptable way.

The show cause order directs PJM and the PJM Transmission Owners to, within 30 days, tell the Commission why the PJM tariff remains just and reasonable or, alternatively, what changes to the PJM tariff would remedy the Commission's identified concerns.

Source: FERC website, www.ferc.gov.

Fallen Lineman Golf Tournament

The Fourth Annual PA/NJ Fallen Linemen Golf Tournament is scheduled for Thursday, May 15. The shotgun start is set for 8:00 am or 1:30 pm at the Golden Oaks Golf Course, 10 Stonehedge Drive, Fleetwood, PA.



FALLEN LINEMEN
FOUNDATION

Net proceeds from the tournament will be used to support linemen and their families in the event of injury while working on the job. For more information and to register, go to the registration site at <https://fallenlinemenfoundation.com/pa-nj-fallen-linemen-foundation-golf-tournament/>

Associate Member Spotlight



Altec Industries: Altec is a family-owned US-based company founded almost one hundred years ago. They are the premier supplier of electrical utility equipment, offering digger derricks, bucket trucks, service bodies, as well as overhead and underground pulling equipment for both sale, lease, and rental. Altec also supports their customers with a vast service network consisting

of both shop and mobile service across the entire country. For more information, please visit www.altec.com or contact Stephen at Stephen.Bytof@Altec.com.

Power Course Available

PMEA's Public Power Governance 101 educational video is available to all member municipalities. The course is designed for elected officials and staff in Pennsylvania's 35 public power communities. This comprehensive module offers invaluable insights into the management and operation of municipal electric systems.

PUBLIC POWER
GOVERNANCE 101



Individuals completing the course may request a certificate of completion from PMEA. If you are interested in viewing the course, please contact Diane Bosak (bosak@papublicpower.org) at the PMEA office, for a private link to the video.

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