



Save these Dates!

**PMEA Reception – June 2, 2025
5:00 – 7:00 pm**

@ PSAB Conference, Cocoa 4&5, Hershey Lodge

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

****Registration Now Open****

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

****Registration Now Open****

2025 Training for Line Crews –

****Registration will open prior to each course****

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

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



**PMEA Spring Superintendents/ Foremen Meeting
March 26 & 27, 2026 @ The Nittany Lion Inn, State College**

PJM Testifies Before PA House & Senate Committees on Energy Grid Challenges

PJM Interconnection, the regional transmission organization serving thirteen states including Pennsylvania, recently presented before both the state House Consumer Protection, Technology and Utilities Committee and the joint Senate Consumer Protection & Professional Licensure and Senate Environmental Resources & Energy Committees. The presentation addressed growing concerns about electricity reliability, costs, and resource adequacy.

Key Issues Highlighted

- **Supply-Demand Imbalance:** PJM faces unprecedented demand growth primarily driven by data centers and AI infrastructure, while simultaneously experiencing a reduction in available thermal generation resources.
- **Price Increases:** Following capacity auction price spikes, Governor Shapiro filed a complaint against PJM. A settlement established price floors of \$175 MW/day and caps of \$325 MW/day for future auctions.
- **Project Backlog:** PJM selected 51 projects from 91 applicants for fast-tracking through its Reliability Resource Initiative (RRI), aiming to add 10 gigawatts of capacity by 2030, with 90% expected online by that date.
- **Generation Mix Changing:** While thermal resources (primarily natural gas) dominate the fast-tracked projects, renewable resources and battery storage represent the majority of projects in the overall development queue.

(continued on next page)

PJM Hearing (continued)

House Committee Questions

Generation Selection Concerns:

- Rep. Carl Metzgar (R-Somerset) questioned PJM's claim of being "generation agnostic" while advocating for baseload thermal generation. He criticized the denial of five natural gas projects in Pennsylvania despite the state's significant role in the PJM system.

Solar and Renewable Projects:

- Rep. Napoleon Nelson (D-Montgomery) challenged PJM's prioritization process, suggesting bias against solar projects. He questioned whether 36 gigawatts of solar projects queued would ever be implemented, expressing concern about PJM's commitment to renewable energy.

Cost Impact on Consumers:

- Rep. Alec Ryncavage (R-Luzerne) highlighted a "crisis" with a projected 29% increase in electricity costs. He pressed PJM on taking responsibility for market outcomes and demanded structural changes to mitigate consumer impacts.

Forecasting Failures:

- Rep. Jim Haddock (D-Luzerne) questioned how PJM missed projections regarding grid demand, particularly given known incentives to establish data centers and AI facilities in Pennsylvania. Stanek admitted that power consumption of new data centers far exceeded initial projections.

Senate Committee Questions

Market Interference Concerns:

- Sen. Gene Yaw (R-Lycoming) asked if the price cap agreement would discourage businesses from building energy projects in Pennsylvania, expressing concern about market intervention.

Solar Reliability Issues:

- Sen. Yaw questioned the predominance of solar energy projects in the queue, noting their intermittent nature against increasing demand for continuous power from data centers and AI, which require reliable baseload power.

Supply Chain Challenges:

- Sen. Yaw raised concerns about a five-year backlog on equipment needed for energy infrastructure expansions, which Stanek confirmed affects gas turbine acquisition with waits ranging from three to five years.

Grid Connection Planning:

- Sen. Patrick Stefano (R-Fayette) inquired if PJM's regional transmission planning could be applied statewide to address challenges connecting numerous generator projects to the grid.

Data Center Energy Impact:

- Sen. Katie Muth (D-Montgomery) questioned the fairness of residential ratepayers bearing increased costs due to heightened energy use by data center companies, asking about safeguards to protect taxpayers.

Energy Efficiency Programs:

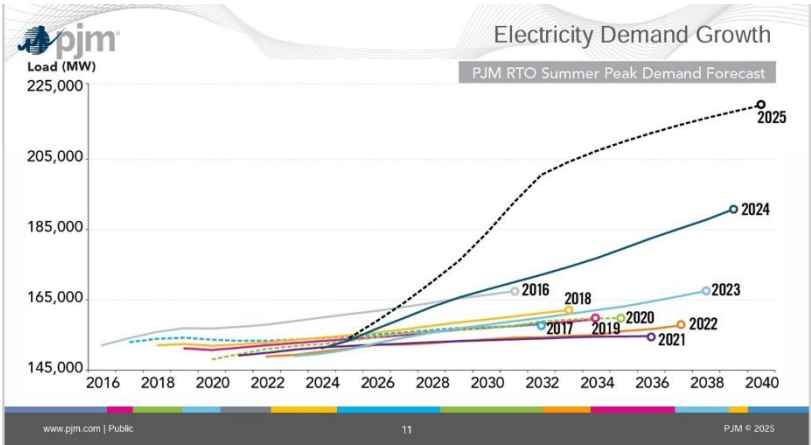
- Sen. Lisa Boscola (D-Northampton) asked how state energy efficiency programs help relieve pressure from increasing demand and whether legislative updates rather than regulatory processes would be more efficient.

Long-term Forecasting:

- Sen. Rosemary Brown (R-Lackawanna) questioned the process of forecasting energy demand through 20-year plans, asking how utility companies predict future demand and what improvements could be made.

PUC Comments

Steve DeFrank, chairman, Pennsylvania Public Utility Commission (PUC), testified on PUC's efforts to ensure the electricity sector remains reliable and affordable, while at the same time keeping pace with market trends. He mentioned their engagement in assessing resource accuracy and supporting the state's competitive electricity market. He highlighted challenges, initiatives, and PUC's advocacy efforts, including support for RRI and aligning with Federal Energy Regulatory Commission (FERC) standards.



Industry Perspectives

Following PJM and PUC testimony, three major energy stakeholders presented their viewpoints to the Senate committees:

- Homer City Redevelopment (HCR):** CEO Corey Hessen presented plans to transform the decommissioned Homer City Generating Station coal plant into what he described as "the largest natural gas-powered data center campus" in the country. The project would generate 4.4 GW of power, with approximately 75% used on-site "behind the meter" for data centers, and 25% potentially available to the grid.

PJM Hearing (continued)

- **Talen Energy:** Dale Lebsack, Chief Fossil Officer, represented Talen as Pennsylvania's largest generation owner with a diverse energy portfolio. Lebsack detailed significant financial and regulatory challenges of building new natural gas-fired capacity in the current environment. He emphasized that the capacity market needs redesigning for long-term stability, noting the current system fails to account for cost dislocations caused by new generation technology. Lebsack advocated for legislative and regulatory support to prevent further generation retirements and suggested that power purchase agreements could serve as a hedge for utilities against sudden rate increases.
- **Constellation Energy:** Adrien Ford highlighted Constellation's position as a major clean energy producer and detailed their efforts to restart Three Mile Island (TMI) Unit One. This project is supported by a power purchase agreement with Microsoft, though Ford noted the specific financial arrangements are confidential. She confirmed that the energy generated would feed into the grid, with Microsoft's data centers using this energy in a financial transaction. Ford strongly advocated for market-driven approaches, arguing that recent higher prices in PJM's capacity auction reflect necessary market adjustments to encourage investment. She emphasized the importance of long-term certainty for both energy producers and consumers, noting that the TMI restart required a customer willing to commit beyond just one year's capacity price.

Legislative Recommendations

PJM Executive Director Jason Stanek urged lawmakers to:

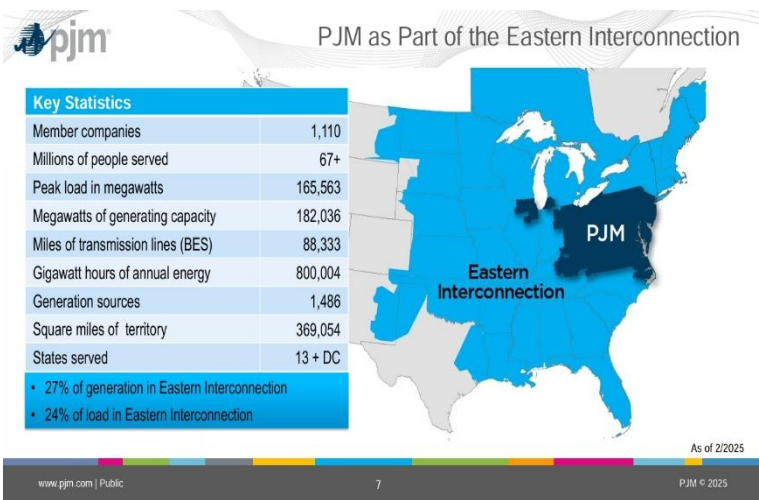
- Avoid policies pushing existing generation off the system.
- Expedite approval for new generation resources.
- Support infrastructure development.
- Consider consumer cost increases as a natural byproduct of policies.

Conclusion: Pennsylvania at an Energy Crossroads

The joint hearings highlighted Pennsylvania's position at a critical energy crossroads. As Chairman Yaw reflected, the state's power mix has undergone dramatic transformation over the past decade, creating what he called a "complicated scenario" that requires careful navigation.

Several themes emerged from the testimonies and questioning:

1. **Balancing Reliability and Transition:** The hearings revealed tensions between maintaining grid reliability with traditional thermal resources while supporting the ongoing energy transition. PJM's "elevated risk" ranking from NERC underscores the urgency of addressing resource adequacy.
2. **Data Centers Driving Demand:** The unprecedented growth in energy demand from data centers and AI facilities is reshaping Pennsylvania's energy landscape faster than projections anticipated. This raises important questions about who bears these costs.
3. **Market Design vs. Intervention:** Legislators expressed concern about the proper balance between letting markets work and regulatory intervention, as evidenced by discussions about capacity auction price caps and the agreement between PJM and the Shapiro administration.
4. **Infrastructure Timing Mismatch:** A critical timing problem exists between rapid demand growth and the multi-year timeline required to develop new generation resources, complicated by supply chain challenges affecting equipment availability.



Chairman Stefano's closing comments captured the legislative challenge ahead: avoiding past mistakes where ratepayers were burdened with costs for unfulfilled industrial growth plans. Meanwhile, Chairman Boscola emphasized the importance of making "intelligent investments" in the energy sector as these issues continue to evolve.

As Pennsylvania works to maintain its position as a key energy producer while adapting to changing technologies and market forces, these hearings represent just the beginning of what will likely be ongoing legislative engagement with PJM, regulators, and industry stakeholders.

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.

APPA's RP3 Application Process Open

The application window for APPA's **Reliable Public Power Provider (RP₃)** designation is now open—and all members are encouraged to **Apply!**

APPA's RP3 program is based on industry-recognized leading practices in four important disciplines: Reliability, Safety, Workforce Development, and System Improvement. An RP3 designation is a sign of a utility's dedication to operating an efficient, safe, and reliable distribution system. Being recognized by the RP3 program demonstrates to community leaders, governing board members, suppliers, and service providers, a utility's commitment to its employees, customers, and community. Currently, 251 of the nation's more than 2,000 public power utilities hold an RP3 designation.

State Supreme Court Hears RGGI Arguments

Pennsylvania's membership in the Regional Greenhouse Gas Initiative (RGGI), requiring fossil fuel power plants to pay for carbon emissions, is finally making its way to the state Supreme Court. The legal dispute centers around whether the requirement to purchase carbon credits constitutes a tax, as argued by GOP leaders, and whether the state's Department of Environmental Protection has the authority to impose such fees. Arguments before the Court began on May 13th. Whatever final decision the court renders, there will be more legislative debate to come.

Nominations for PMEA Board

Nominations for the PMEA Board of Directors are currently being accepted. The election for board members and officers will be held at the business meeting during the annual conference in September. Please remember nominations are not for an individual but to nominate the municipal member. To submit a nomination, please contact Diane Bosak, bosak@papublicpower.org.

Nominations are also Open for Public Power Award

PMEA is pleased to announce that nominations for the James J. Havrilla Public Power Service Award will be accepted beginning April 28. Named after James J. Havrilla, a professional engineer who worked with many of the PMEA members, the award is presented to an individual who, throughout his/her career, has consistently demonstrated a commitment to public power.

An individual elected, appointed, or employed by a PMEA member municipality or a related agency may be nominated by a PMEA member. The winner will be announced at the Annual Conference in September. To learn more about the award, the criteria, and to access the nomination form, please visit <https://www.papublicpower.org/awards>.

Associate Member Spotlight

Osmose®

Resilient Grids. Strong Networks. Safe Energy.

Osmose provides inspection, life extension and rehabilitation services designed to build resiliency into T&D infrastructure. Osmose also provides corrosion mitigation and engineered repairs for steel structures, structural load analysis and a variety of turnkey infrastructure enhancement and upgrade solutions. As an industry leader, Osmose leverages decades of inspection data by

using analytics to help customers understand their asset health and optimize their approach to structure maintenance.

Please visit osmose.com for more information or contact Shane Heartsill, Senior Director Business Development, sheartsill@osmose.com.

Share Your News....

Please share with us your exciting new projects, photos, personnel updates, and any other news! Your submissions should be sent to bosak@papublicpower.org at any time and we will use them in upcoming editions. We also welcome your suggestions for topics of interest for our newsletters.