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**CONTACT:** Jim Chilsen 312-263-4282 (w), 312-513-1784 (c)

## CUB STATEMENT ON FERC ORDERING PJM TO MAKE INTERCONNECTION IMPROVEMENTS

We thank the Federal Energy Regulatory Commission (FERC) for ordering PJM to take specific steps to finally update its interconnection queue rules to meet national standards. PJM is now required to plan for battery storage and Grid Enhancing Technologies (GETs) in commonsense ways. In light of two straight years of record-high prices in PJM's capacity auction—and demands from multiple states to clean up its act and better protect customers from price spikes—it is high time for the power grid operator to get back on track. Sixty-seven million customers in the nation's largest power grid have been subjected to unreasonably high power bills because of PJM's inaction. We hope that these changes, combined with PJM's recent plans to use AI to more quickly complete studies, will speed up the woefully beleaguered interconnection queue. We urge the grid operator to make the ordered changes and work with PJM states and environmental and consumer advocates to process the interconnection queue faster and reduce prices.

-Clara Summers, Manager of the Citizens Utility Board's Consumers for a Better Grid Campaign

## **Background:**

- On Thursday, July 24, the Federal Energy Regulatory Commission (FERC) issued a ruling on PJM Interconnection's request (<u>filed in May of 2024</u>) for exceptions to comply with Order 2023. FERC...
  - For the third time sent the issue back to PJM to come up with a new plan for compliance around how it studies battery storage and Grid Enhancing Technologies (GETs). PJM will finally be required to make realistic assumptions and plan for the grid of the future.
  - However, FERC also approved PJM's longer interconnection queue study timeline.
- FERC Order 2023 is a set of reforms the Commission issued in July of 2023. It is designed to help power grid operators across the nation modernize their grids and streamline the interconnection process to reduce the wait time for new power plants to come online.
- PJM has the nation's longest wait times in its "interconnection queue," the line of new energy
  resources waiting to connect to the grid and come online. The wait time for those resources—
  mostly wind, solar and battery projects—is more than five years. The resources stuck in PJM's
  queue could provide abundant and low-cost energy for the region and bring down the record-high
  prices in PJM's capacity market, but the wait times are so long that some of them don't even get
  built
- In June of 2024, seven organizations including CUB, the Sierra Club, the Natural Resources Defense Council, and the Union of Concerned Scientists, represented by Earthjustice filed a protest to PJM's request for exceptions. Among other things, CUB argues...

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- o If PJM has publicly stated that the grid is in a crisis caused by supply constraints and rising demand, then why is it slow-walking interconnection reforms? PJM, for example, requested that FERC allow it 540 days to complete two studies required for the interconnection process—significantly longer than the time called for in the federal reforms.
- PJM takes an illogical and problematic stance on batteries, assuming that energy storage will sap electricity from the grid during peak-demand times, when it actually will make the grid more affordable and reliable.
- PJM is ignoring the potential of Grid Enhancing Technologies (GETs), cutting edge technology updates that could make the power grid more reliable and cost-effective.
   FERC ordered that GETs always be considered as part of the interconnection process, but PJM did not want that required for all projects.

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For more than 40 years the Citizens Utility Board (CUB) has been Illinois' leading nonprofit utility watchdog group. Created by the Illinois Legislature, CUB opened its doors in 1984 to represent the interests of residential and small-business utility customers. Since then, CUB has saved consumers more than \$20 billion by helping to block rate hikes and secure refunds. For more information, call CUB's Consumer Hotline at 1-800-669-5556 or visit CUB's website, www.CitizensUtilityBoard.org.