PJM Interconnection
An Overview

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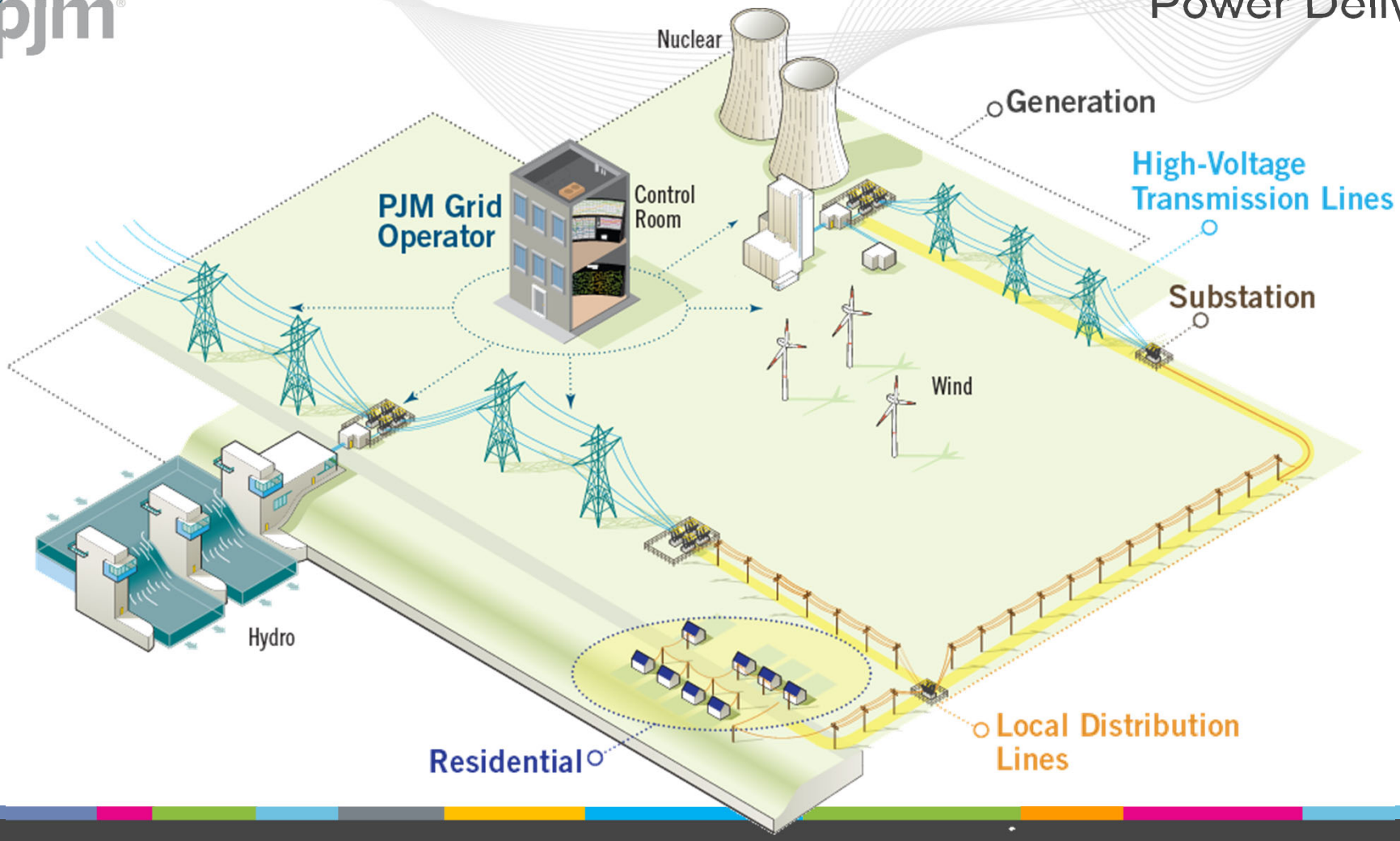
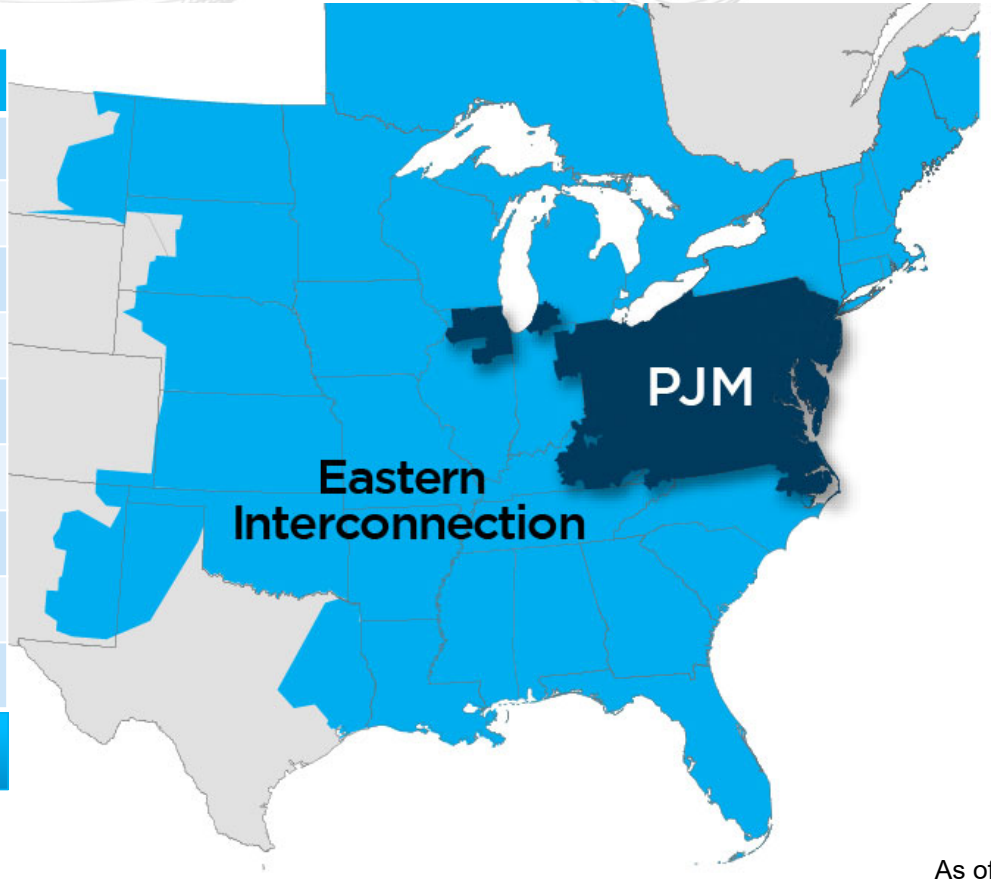
Power Delivery



PJM as Part of the Eastern Interconnection

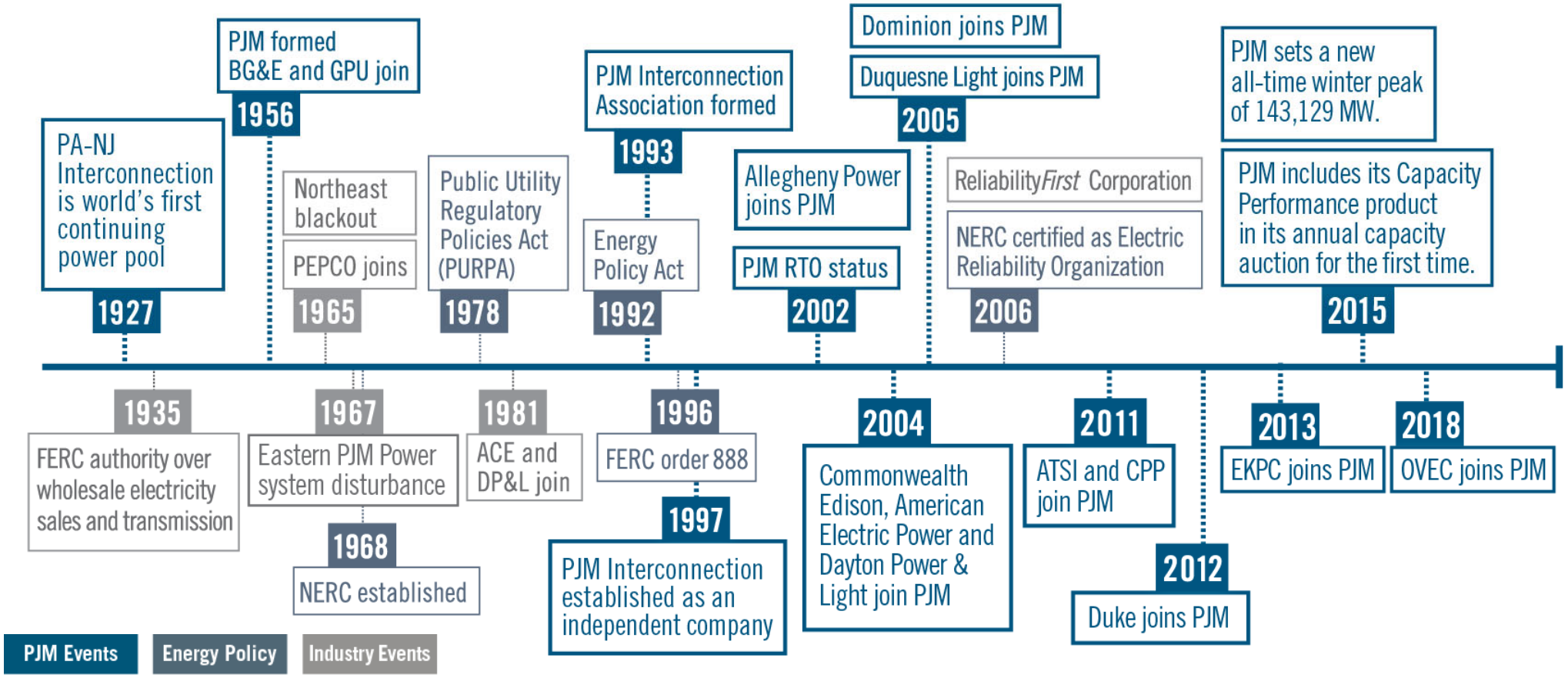
Key Statistics	
Member companies	1,110+
Millions of people served	65+
Peak load in megawatts	165,563
Megawatts of generating capacity	183,254
Miles of transmission lines	88,115
2020 gigawatt hours of annual energy	795
Generation sources	1,419
Square miles of territory	368,906
States served	13 + DC

21% of U.S. GDP produced in PJM



As of 2/2023

The History of PJM



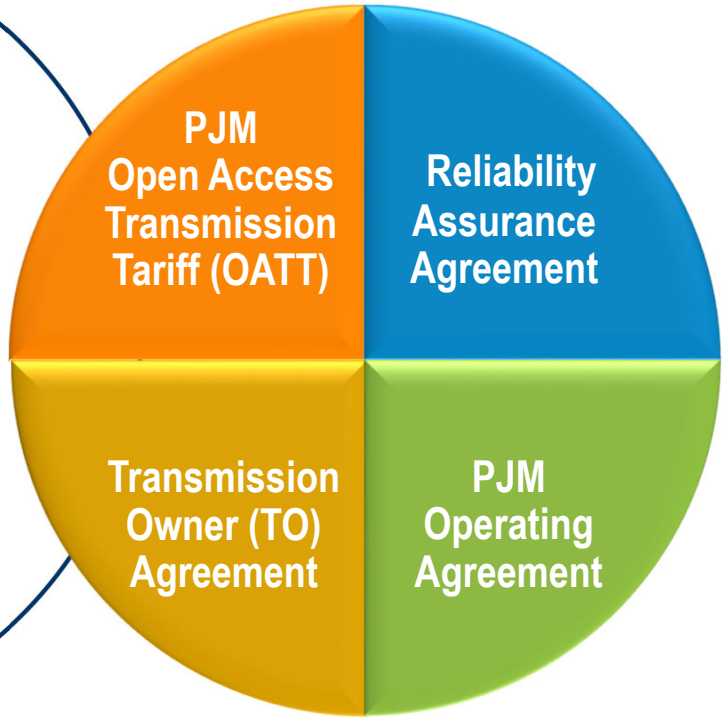
How Is PJM Different from Other Utility Companies?

PJM Does:

- Direct operation of the transmission system
- Remain profit-neutral
- Maintain independence from PJM members
- Coordinate maintenance of grid facilities

PJM Does *NOT:*

- Own any transmission or generation assets
- Function as a publicly traded company with shareholders and concerns around "earnings"
- Perform maintenance on generators or transmission systems (e.g., repair power lines)
- Serve or direct any end-use customers (retail)



PJM – Primary Focus

PJM's Role as a Regional Transmission Organization

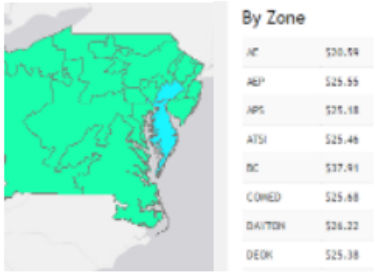
PLANNING

Planning for the future like...

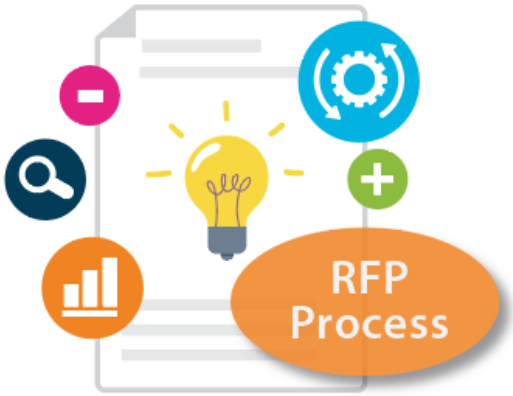
OPERATIONS

Matches supply with demand like...

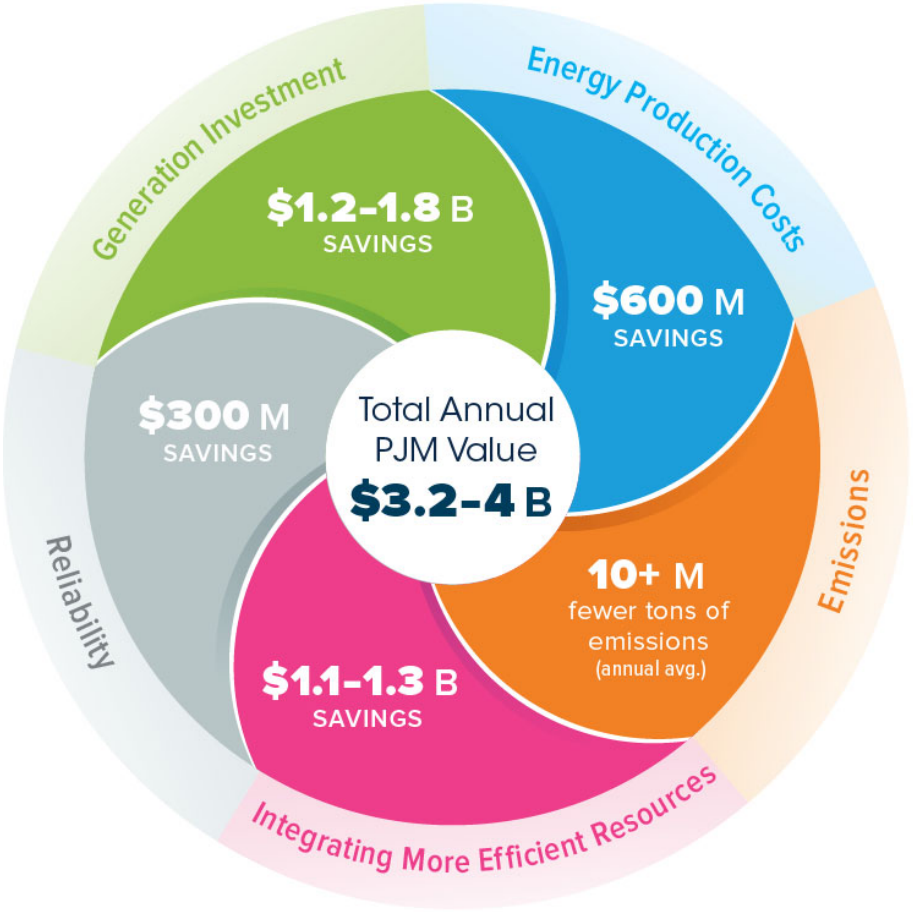
MARKETS



Energy Market Pricing like...



Value Proposition



All numbers are estimates.

Reliability Concerns

1. **Near-Term Reliability: Ensuring Generator Performance**
   We have enough resources and essential reliability services today, but they need to perform (Winter Storm Elliott).
2. **Mid-Term Reliability: Having Enough Resources**
   Resource retirements and load growth could potentially outpace new entry (at the current pace of new entry, resource adequacy risks could emerge by 2028-2030) (PJM Paper: Resource Retirements, Replacements and Risks (4R)).
3. **Long-Term Reliability: Having Enough Resources and Essential Reliability Services**
   Thermal Generators Provide Essential Reliability Services & an Adequate Supply will be Need Until a Substitute is Deployed at Scale (PJM Paper: Energy Transition in PJM 1.0).

Building Blocks of Reliability

Adequate Supply

Resources to reliably power the system and meet customer demand

Accurate Forecasting

Projection of future customer demand and system needs

Robust Transmission

Reliable delivery of power across the grid and to customers via local distribution companies

Reliable Operations

Monitoring and dispatch of the system by trained operators