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**Senate of Pennsylvania**

March 3, 2026

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CHAIRMAN

Laura V. Swett, Chairman  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

RE: PJM - Tariff Filing - Docket No. ER26-1556-000

Dear Chairman Swett and Commissioners of the Federal Energy Regulatory Commission:

I write to you today as Chair of the Pennsylvania Senate Environmental Resources & Energy Committee and a longtime advocate for reliable, affordable energy markets that reward innovation and accountability. Pennsylvania has long been a powerhouse in energy production, boasting a diverse generation fleet including nuclear, natural gas, and coal resources that not only meet our state's needs but also export reliable power to neighboring states within the PJM region. However, PJM's recent announcement of its intention to propose extending the flat, PJM-wide capacity price collar - without modifications to ensure fair cost allocation - threatens to undermine this strength and impose an unfair burden on Pennsylvania ratepayers.

As PJM has announced its intention to approve extending the price collar to the 2028/2029 and 2029/2030 Base Residual Auctions (BRAs), I strongly urge you to reject any uniform, flat cap that socializes costs across the region. This extension effectively subsidizes certain states' reckless decarbonization policies (including carbon pricing and stringent renewable mandates) that accelerate plant retirements and exacerbate grid constraints. States like Virginia and Maryland, which have seen explosive demand growth from data centers while pursuing policies that diminish reliable generation, should not be bailed out at the expense of generation-rich states like Pennsylvania. Virginia's recent enactment of legislation to rejoin Maryland in the Regional Greenhouse Gas Initiative (RGGI) will heighten Virginia's reliance on Pennsylvania generation.

Prior to the collar's implementation in the 2026/2027 and 2027/2028 BRAs, PJM's locational pricing through Locational Deliverability Areas (LDAs) appropriately reflected these disparities. In the 2025/2026 BRA, the RTO-wide price (paid by much of Pennsylvania) cleared at \$269.92/MW-day UCAP, while Maryland's BGE LDA hit \$466.35/MW-day and Virginia's Dominion LDA reached \$444.26/MW-day due to local constraints and demand surges. This deviation ensured that constrained regions bore higher costs, incentivizing targeted investments.

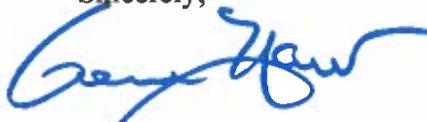
However, the flat collar - capping prices at approximately \$329.17/MW-day for 2026/2027 and \$333.44/MW-day for 2027/2028 - has suppressed these signals, resulting in Pennsylvania ratepayers paying more while Virginia and Maryland pay less relative to their contributions to regional instability.

Accordingly, as you consider PJM's forthcoming filing for approval of this extension without adjustments for constrained regions like BGE and Dominion, I urge you to require that it must, at a minimum, incorporate enhanced charges for constrained regions to ensure they pay their fair share. One feasible approach would be to maintain the cap (e.g., \$329/MW-day) across the RTO to protect consumers from unchecked spikes, while adding a surcharge to LDAs like Dominion (Virginia) and BGE (Maryland) that reflects historical or simulated ratios of locational pricing. For instance, using the 2025/2026 ratios (Maryland BGE: 1.73x RTO; Virginia Dominion: 1.65x RTO), PJM could apply the surcharge based upon this or another reasonable ratio. This would yield an additional ~\$237/MW-day for Maryland (total ~\$562/MW-day) and ~\$211/MW-day for Virginia (total ~\$536/MW-day), while Pennsylvania and other non-constrained states and regions pays the base \$325/MW-day.

This hybrid model preserves the collar's consumer protections for unconstrained areas like Pennsylvania, Ohio and West Virginia while restoring market signals to drive investments in high-demand zones. It aligns with Federal Power Act requirements for just and reasonable rates, avoiding undue discrimination by tying charges to objective transmission and demand factors, as affirmed in FERC precedents on locational pricing.

Pennsylvania cannot continue subsidizing policies that jeopardize grid reliability. I urge you to reject a flat extension of the PJM-wide cap and prioritize modifications that hold all states accountable. Please keep me informed of your deliberations of this filing, and I stand ready to collaborate on solutions that strengthen PJM's markets.

Sincerely,



GENE YAW  
SENATOR

cc:

Hon. John Fetterman  
Hon. Dave McCormick  
National Energy Dominance Council  
PJM Board of Managers  
Hon. Steve DeFrank, PA PUC, Chair