



## GOVERNOR JOSH SHAPIRO

February 10, 2026

Mr. David Mills  
Interim CEO and Chair, PJM Board of Managers  
2750 Monroe Blvd.  
Audubon, PA 19403

Dear Chairman Mills,

Thank you for taking the time to speak to me by telephone yesterday. I write to follow up on our conversation regarding PJM's forthcoming decision on whether to extend the current price collar and in turn save consumers billions of dollars, as called for by the White House and all 13 PJM Governors in our joint Statement of Principles. As I explained, if PJM fails to extend the price collar at the current level, it will subject consumers to unfair and unjust cost increases, forcing customers to pay more for no appreciable reliability benefit.

We know further increases in capacity prices in the forthcoming June auction above the record levels they have already reached will fail to produce sufficient supply for three reasons. First, PJM's own analysis of last December's auction found that without the price collar, consumers would have been charged an additional \$9.9 billion while making up only 12% of the current capacity shortfall. That would have been an unbelievably bad bargain for consumers, and the same will occur in June if the cap is not maintained at current levels. Second, hypothetical shifts in import/export trends do not justify a massive and guaranteed price spike for consumers — PJM continued to import over 1GW of capacity in the latest auction with the price cap in place and, as you know, real-world constraints limit the flow of substantial capacity in either direction. Third, and most importantly, the imminent availability of 15-year commitments through the emergency Reliability Backstop Auction means generators are exceedingly unlikely to offer new capacity in the next one-year Base Residual Auction regardless of where the price cap is set. This makes an increase to the price cap in the near-term futile and utterly wasteful of consumers' hard-earned dollars, and is why the Statement of Principles intentionally coupled the introduction of a backstop auction with an extension of the price collar at current levels as a necessary consumer protection mechanism.

PJM sought input from its stakeholders in a survey last week and the results were overwhelming: **95% of responses favor extending the price collar**, and 147 of the 170 responses favor doing so at the current or lower price levels. Respectfully, PJM must listen to that input, including the voices of members of the public, and act to preserve affordability for the 67 million people of our region.

I understand there are some who favor an extension of the price collar but at a higher level. To do this would be a mistake. It would saddle consumers with higher costs, it would violate the Statement of Principles and go against the clear voice of PJM stakeholders. Additionally, extending the price collar at a higher level will lock in excessive costs in the near term while failing to produce appreciable new entry. In the end, such a move to unilaterally raise prices in your vote this week at PJM would be an unfair transfer of billions of dollars from consumers to existing generators. As we discussed, more time is needed to both protect consumers from price spikes and give PJM and member states the chance to work on commonsense solutions to increase generation and make large scale users pay their fair share and not burden ordinary consumers. Keeping the price collar in place until after the 2029/30 delivery year is an appropriate step to ensure longer-term reliability. By the 2030/31 capacity auction, PJM expects to have returned to a normal auction schedule and a higher price signal in that auction, unlike in the near term, would have a reasonable likelihood of achieving its intended purpose: inducing new entry.

I appreciate PJM's initial work over the past three weeks to implement the Statement of Principles. It is essential that as you continue that work to ensure future reliability, you take this critical short-term step to preserve affordability by extending the price collar at current levels in accordance with the shared expectations of the White House and all 13 PJM Governors.

Again, thank you for your time and your consideration. With respect, to do anything other than adopting the statement of principles would be a grave mistake with lasting consequences on consumers and the market. The responsibility would be borne exclusively by PJM and its voting members. Please do not ignore the will of the people and spike energy costs. Please work with us to control costs and increase generation. I stand willing to continue working together to advance those shared priorities.

All the best,



Governor Josh Shapiro