THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE RESOLUTION

No. 295

Session of 2024

INTRODUCED BY COLEMAN, PENNYCUICK, ARGALL, FLYNN, VOGEL, PHILLIPS-HILL, BROWN AND CULVER, MAY 29, 2024

REFERRED TO ENVIRONMENTAL RESOURCES AND ENERGY, MAY 29, 2024

A RESOLUTION

Directing the Joint State Government Commission, along with the Pennsylvania Public Utility Commission, the Department of 2 Community and Economic Development and the Department of 3 Environmental Protection, to conduct an assessment and 4 develop recommendations with the intention of establishing a 5 comprehensive State energy strategy for this Commonwealth. 6 7 WHEREAS, Electricity is a basic need, essential to every resident, business and community in Pennsylvania; and 8 9 WHEREAS, Pennsylvania's economy and ability to sustain a 10 competitive business environment and build strong communities relies on affordable, reliable and resilient production, 11 12 transmission and delivery of electricity; and 13 WHEREAS, Businesses, communities and homeowners benefit from and demand energy supply availability from a diverse portfolio 14 of resources to support the delivery of reliable electricity 24 15 16 hours per day, 7 days per week and 365 days per year; and 17 WHEREAS, Federal and State policies to integrate renewable 18 resources have spurred the rapid evolution of scalable nonthermal energy resources regionally, in PJM Interconnection, 19 LLC (PJM), the regional transmission organization of which 20

- 1 Pennsylvania electric utilities are founding members; and
- WHEREAS, As the PJM markets continue to integrate an
- 3 accelerated new resource mix, resource adequacy, generator
- 4 performance and supply reliability have been called into
- 5 question as a total of 40 gigawatts of reliable, dispatchable
- 6 generation are anticipated to be retired by 2030; and
- 7 WHEREAS, Pennsylvania is the largest net exporter of
- 8 generation in PJM, and regional generation retirements, whether
- 9 driven by State policies within PJM, Federal policies or
- 10 economic factors, could result in a gap between the available
- 11 generation resources in PJM and the number of megawatts required
- 12 to meet regional system load; and
- 13 WHEREAS, The ability of PJM to maintain a robust, transparent
- 14 and nondiscriminatory wholesale market is essential to the
- 15 success of Pennsylvania's competitive electricity market; and
- 16 WHEREAS, PJM and its market rules are regulated by the
- 17 Federal Energy Regulatory Commission (FERC); and
- 18 WHEREAS, Certain recent actions by FERC and PJM could lead to
- 19 higher costs to Pennsylvania consumers, jeopardize reliability
- 20 in the region and erode the benefits Pennsylvania has achieved
- 21 since the passage of the Electricity Generation Customer Choice
- 22 and Competition Act in 1996; and
- 23 WHEREAS, PJM and other electric grid operators, serving more
- 24 than 40% of the United States population in 35 states and the
- 25 District of Columbia, are calling on regulators to strengthen
- 26 natural gas networks and market rules to help prevent energy
- 27 emergencies related to weather conditions such as winter storms;
- 28 and
- 29 WHEREAS, National trade associations representing natural gas
- 30 suppliers and marketers, interstate natural gas pipelines and

- 1 competitive natural-gas-fired generators have proposed changes
- 2 in gas markets to mitigate the threat to continued supplies in
- 3 extreme weather; and
- 4 WHEREAS, PJM, like all regional transmission organizations,
- 5 is a voluntary organization and Pennsylvania's utilities can
- 6 leave PJM's markets if those markets are no longer supportive of
- 7 Pennsylvania's energy policies; and
- 8 WHEREAS, It is in the interest of this Commonwealth to
- 9 proactively evaluate the changing generation mix, both in
- 10 Pennsylvania and in PJM, and develop recommendations for a State
- 11 energy plan that ensures resource adequacy while also driving
- 12 economic development in this Commonwealth; therefore be it
- 13 RESOLVED, That the Senate direct the Joint State Government
- 14 Commission, in consultation with the Pennsylvania Public Utility
- 15 Commission, along with the Department of Community and Economic
- 16 Development and the Department of Environmental Protection, to
- 17 conduct an assessment and issue recommendations that can serve
- 18 as the basis for a comprehensive State energy strategy, which
- 19 shall include:
- 20 (1) An evaluation of Pennsylvania's electric utility
- 21 participation in PJM, including benefits, risks and costs to
- the energy security of this Commonwealth.
- 23 (2) An evaluation of the options available to
- 24 Pennsylvania under current Federal law and PJM tariffs that
- 25 would allow Pennsylvania to remain in PJM without
- compromising the Commonwealth's energy policy.
- 27 (3) An evaluation of the options available to
- Pennsylvania if its utilities left PJM and the possible
- 29 benefits and consequences associated with such an action.
- 30 (4) An evaluation of Pennsylvania's advocacy efforts

- before PJM and FERC to determine if they are sufficiently
 advancing the Commonwealth's interests.
- 3 (5) An evaluation of Pennsylvania's options under State
 4 law to secure a reliable supply of power for the
 5 Commonwealth's consumers in the face of other states'
 6 policies that reduce the available supply of power in the PJM
 7 region.
 - (6) Identification of the need for new and existing energy generation resources to serve current and expected load growth in this Commonwealth, including future economic development and growth in high-energy use sectors, such as advanced manufacturing, health care and data centers.
 - (7) A review of Pennsylvania's current generation capacity, the actual portfolio mixes from 5, 10 and 15 years ago, and the forecasted change to the portfolio for 5, 10 and 15 years in the future.
 - (8) A review of the need for additional electrical transmission and natural gas pipeline infrastructure, as well as increased coordination between electric and natural gas markets, to ensure adequate electric generation capacity in this Commonwealth.
 - (9) A review of current State energy programs and mandates in light of Federal energy policies, including the act of October 15, 2008 (P.L.1592, No.129) (Act 129), and recommendations of what should be created, eliminated or modified to advance electricity resource adequacy, reliability and affordability in this Commonwealth.
 - (10) Proposed actions that may be taken to enable the commercialization and deployment of new generation technologies to sustain and promote the availability of

- 1 generation resources required to meet customer demand in this
- 2 Commonwealth today and in the future, including carbon
- 3 capture and sequestration technologies, small modular nuclear
- 4 reactors, long duration energy storage solutions and
- 5 hydrogen.
- 6 (11) A review of alternative energy portfolio standards
- 7 mandates from Act 129, how they compare to our neighboring
- 8 states, and the impact that those mandates have had on
- 9 generation capacity in this Commonwealth and our neighbors to
- include an analysis of baseload generation capacity.
- 11 (12) Consultation with Federal and other State agencies
- 12 as necessary, as well as PJM, academic institutions, business
- and energy sector representatives and other relevant
- 14 stakeholders deemed by the Joint State Government Commission
- as necessary to represent the diverse energy and economic
- 16 interests of this Commonwealth;
- 17 and be it further
- 18 RESOLVED, That the Joint State Government Commission, on
- 19 behalf of itself, the Pennsylvania Public Utility Commission,
- 20 the Department of Community and Economic Development and the
- 21 Department of Environmental Protection, submit its final report
- 22 no later than 12 months after the adoption of this resolution to
- 23 the following:
- 24 (1) The Governor.
- 25 (2) The chairperson of the Pennsylvania Public Utility
- 26 Commission.
- 27 (3) The Secretary of Community and Economic Development.
- 28 (4) The Secretary of Environmental Protection.
- 29 (5) The chairperson and minority chairperson of the
- 30 Consumer Protection and Professional Licensure Committee of

1 the Senate.

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- 2 (6) The chairperson and minority chairperson of the 3 Environmental Resources and Energy Committee of the Senate.
 - (7) The chairperson and minority chairperson of the Consumer Protection, Technology and Utilities Committee of the House of Representatives.
- 7 (8) The chairperson and minority chairperson of the 8 Environmental Resources and Energy Committee of the House of 9 Representatives.