Overview: PJM Five-Year Strategy

Our Mandate

PJM is a mission-driven organization that serves the public interest as a FERC-authorized regional transmission organization. Electric reliability is our North Star. Our priority is to execute our mandate with focus, excellence and active leadership.

With this strategy, we renew our commitment to this mandate for the future:

Reliability must remain PJM's top priority.

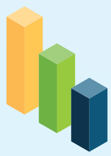
Reliability of the electric grid is PJM's core responsibility – especially in today's changing landscape.

Reliability requires resource adequacy.

PJM will take a more proactive role as an "orchestrator" of resource adequacy – meaning our system has enough generation capacity to serve the demand for electricity, and the ability to deliver it. We will do this by shaping the pace of resourcing through markets, planning and stakeholder engagement.

Efficient, competitive markets help deliver reliable service cost-efficiently.

Durable, consistent market incentives create confidence for investors and other stakeholders who participate in our markets.



PJM will aspire to be a "source of truth" for system intelligence.

We will be transparent about our own operations and provide regional insight and data on factors that shape reliability, resource adequacy and regional costs.

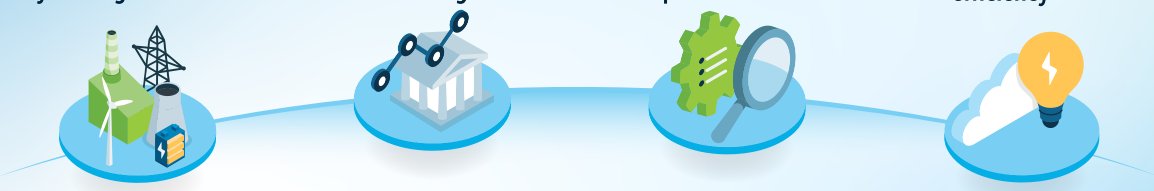
Our Blueprint for the Next Five Years

Who We Are

Ensure reliability | Orchestrate resource adequacy | Operate competitive markets | Provide trusted expertise & leadership

What We Will Do

- Reliably operate an increasingly dynamic grid
- Enhance durable market incentives & state alignment
- Proactively adapt planning processes
- Improve decision-making efficiency



How We Deliver

Evolve & enable the workforce | *Harness technology & innovation*

Provide value by ensuring reliable service cost-effectively

Find more details on the Corporate Strategy and Value page.

Our Objectives

PJM's grid faces a more complex operating environment driven by more resources whose output fluctuates with weather and time of day, fuel supply shifts, tightening operating reserve margins and more challenging outage coordination.

1 *PJM will modernize operations to deliver reliability in a changing system:*

- Create a Control Room with AI-decisional support to augment human judgment.
- Develop critical new capabilities to maintain reliability with Large Load growth, including greater controllability and visibility/transparency.
- Improve market coordination for operational needs, including gas-electric market alignment and decisions to commit units in advance to preserve reliability under stressed conditions.
- Improve cybersecurity resilience capabilities, including prevention, detection, response and recovery for emerging risks.

2 *PJM will play a proactive role orchestrating resource adequacy:*

- Develop clear alignment on resource adequacy responsibilities with states, members and other stakeholders.
- Establish clear future pathways and execution plan for capacity and energy market reforms introduced in the Powering Reliability Through Market Design paper.
- Advance reserve and ancillary service reforms to better reflect real-time operations uncertainty, ramping and reliability needs.

3 *We will operate best-in-class planning processes that deliver both speed and value:*

- Achieve significant improvements in the new services request process through technology and process changes (e.g., one-year generation interconnection).
- Initiate improvements in regional transmission planning, including Large Load forecasting and modeling, long-term scenario planning, and construction risks and contingencies.
- Evaluate planning process improvements to determine interim solutions for near-term reliability needs.
- Create more synchronized regional transmission planning and interconnection processes.

4 *PJM will collaborate with members and stakeholders to drive greater agility:*

- Create efficiencies in the existing stakeholder processes by strengthening guardrails, reinforcing process discipline and supporting data/analysis, including prioritizing an annual stakeholder work plan.
- Implement new accelerated stakeholder decision-making processes.
- Evaluate and implement targeted governance reforms that support PJM independence for timely response to critical issues while considering stakeholder input.