



David E. Mills
Chair, PJM Board of Managers

PJM Interconnection
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Via Electronic Delivery

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Dear PJM Stakeholders,

The PJM Board of Managers (PJM Board) places the utmost importance on PJM's responsibility to ensure the reliability and security of the bulk electric power system and to serve all load that is connected to the system. Recent increases in large load additions, mainly from data centers, present both opportunities and challenges for the regional grid. PJM's location, size, market opportunities and system reliability make it an attractive area for large load customers to locate, and we continue to see significant load interconnection activity at several of our utilities. Indeed, PJM's 2025 long-term load forecast shows a peak load growth of 32 GW from 2024 to 2030. Of this, approximately 30 GW is projected to be from data centers.

This onrush of demand has created significant upward pricing pressure and has raised future resource adequacy concerns. To further complicate matters, while demand expansion is clearly evident in recent system behavior, there exists a large cone of uncertainty around the trajectory and amplitude of future growth. PJM's 2022 interconnection queue reform has resulted in the processing of over 140,000 MW of queued generation projects. A total of 46,000 MW of new generation have signed interconnection agreements and are ready to construct. The remaining interconnection transition queue is expected to be completely cleared over the next six to eighteen months. Through PJM's recent Reliability Resource Initiative, PJM will process 11,000 MW of additional generation, which helps the situation, but it is likely even more will be needed over the balance of this decade and beyond. However, many of these projects are being hampered by factors outside PJM's control, such as siting and permitting challenges and supply chain backlogs. In the latest Reliability Pricing Model (RPM) auction for Delivery Year 2026/2027, PJM committed nearly 100% of the supply that was offered to meet the projected needs of customers. The updated load forecast reflects even tighter conditions, mainly because of the projected integration of large loads.

A recent survey of PJM members and stakeholders reflected growing consensus that finding solutions to the potential resource adequacy challenges posed by rapidly interconnecting large loads should be one of PJM's highest priorities. The PJM Board agrees and has therefore decided to implement the Critical Issue Fast Path (CIFP) accelerated stakeholder process mechanism to pursue stakeholder consensus that would inform a PJM Board decision on a potential FERC filing on this subject targeted for December 2025.

As part of the initiation of the CIFP, the Board is required to identify the scope of the initiative. The Board's primary focus in this effort is as follows, which builds on the concepts introduced at the large load addition workshop conducted on May 9, 2025.

1. **Resource Adequacy:** The Board desires development of reliability-focused solutions to ensure large loads can continue to be integrated rapidly and reliably, without causing resource inadequacy. Potential solutions could be transitional in nature, permanent or a combination of the two. These solutions may include adjustments to the load utilized and/or cleared through RPM auctions, if such load is not capacity backed. In addition, the Board wishes stakeholders to consider prioritizing existing resource adequacy tools, including demand response and options for customers to bring new generation to address their load requirements. The Board also encourages stakeholders to prioritize competitive, market-based solutions.
2. **Reliability Criteria:** If applicable to the selected solution, the Board believes criteria should be established for when this reliability-focused solution is triggered and for when it is no longer necessary.
3. **Interconnection Rules:** The Board encourages stakeholders to consider whether further changes to interconnection rules targeting resource adequacy challenges should be advanced.
4. **Coordination:** The Board believes that proper coordination between PJM and the parties who establish contracts/agreements with large loads, PJM states and impacted customers must be considered. This includes recognition of jurisdictional boundaries and data center relationships with existing Load Serving Entities and/or Electric Distribution Companies.
5. **Timing:** The Board believes that any solution should be effective in time to be implemented in the RPM Base Residual Auction that will be conducted for the 2028/2029 Delivery Year:
 - Initial, pre-CIFP workshop: August 18, 2025
 - Target for FERC filing: December, 2025
 - Implementation: 2028/2029 BRA

Before commencing the formal CIFP process, PJM will schedule the above-referenced workshop that will serve as a forum for PJM to receive feedback on the proposed scope of the CIFP and to present its initial proposal.

The Board looks forward to engaging with stakeholders on this important initiative and thanks you for your continued participation in our robust stakeholder process.

Sincerely,

David E. Mills
Chair, PJM Board of Managers