

PJM LEGISLATORS COLLABORATIVE

Representing legislators from DE, DC, IN, IL, MD, NC, NJ, PA, VA, WV

November 17, 2025

David E. Mills
Chair, PJM Board of Managers
PJM Interconnection, L.L.C.
2750 Monroe Boulevard
Audubon, PA 19043

Manu Asthana
President & CEO
PJM Interconnection, L.L.C.
2750 Monroe Boulevard
Audubon, PA 19043

Dear Mr. Mills, Mr. Asthana, and the PJM Board of Directors,

Our PJM State Legislators Collaborative includes state-level elected officials representing all 13 PJM states and the District of Columbia. We are deeply concerned about the unacceptable risks posed by the energy demand of new large loads, mainly data centers, outpacing available electricity supply across our states. We will not accept a policy that allows load growth from data centers proposed by some of the wealthiest companies in the world to burden our constituents with reliability risks and higher electricity bills.

PJM's proposed solution will jeopardize grid reliability, significantly increasing the chance of blackouts for residents, hospitals, businesses, and even data centers during times when the grid is stressed.¹ In addition, PJM's current proposal could force our constituents to pay an extra \$70 a month on average on their electricity bills through 2033, with virtually all of this going to existing power plants owners. A projection from the Natural Resources Defense Council (NRDC) estimates that data center-driven load growth will increase capacity costs to over \$163 billion dollars by 2033.² It is imperative that any final large load package includes a practical solution that encourages economic development in our states while fully protecting ratepayers.

We appreciate the leadership of the governors of Maryland, New Jersey, Pennsylvania, and Virginia in engaging in a bipartisan effort to provide an alternative proposal with creative incentives to attempt to reduce risks to the public ("DCC Proposal").³ We support the

¹ PJM Interconnection, *Estimated preliminary resource adequacy metrics for 2028/2029 under different shortage levels*, October 17, 2025,

<https://www.pjm.com/-/media/DotCom/committees-groups/cifp-lla/2025/20251021/20251021-item-03---estimated-preliminary-resource-adequacy-metrics-for-2028-2029-under-different-shortage-levels---pjm-presentation.pdf>

² NRDC, *Building Data Centers Without Breaking PJM*, September 30, 2025.

<https://www.nrdc.org/bio/tom-rutigliano/building-data-centers-without-breaking-pjm>

³ Governor's office of New Jersey, Pennsylvania, Virginia, and Maryland, and the Data Center Coalition. *Joint Proposal for CIFP LLA*, October 24, 2025.

<https://www.pjm.com/-/media/DotCom/committees-groups/cifp-lla/2025/20251024/20251024-item-04a---data-center-coalition-and-governors-proposed-package---updated.pdf>

improvements to load forecasting which will help reduce speculative data center requests, options for data centers to “bring your own” *new* power supply, state siting and permitting collaboration, and the extension of the capacity market price cap. These approaches may result in more responsible data center behavior and better protect families and businesses in PJM.

However, without a safety mechanism, this well-intentioned proposal is not guaranteed to achieve the governors’ intended laudable goal of delivering guaranteed protections to residents in their states from unacceptable risks of blackouts and higher electricity bills. **We support the Protecting Ratepayers proposal, which adds a common-sense Bring Your Own Capacity (BYOC) requirement as a safety backstop to the Four Governors and Data Center Coalition proposal.⁴ This is the only way to adequately protect our constituents if voluntary approaches do not work.**

The Protecting Ratepayers proposal balances reliability and affordability protections with data center speed to market. It allows data centers to join the PJM grid as fast as possible, while giving PJM the tools to ensure that reliability issues are contained to the states and utility areas in which there is not enough power to serve new data centers, instead of spreading risk to neighboring states. Data centers will be allowed to join PJM as fast as desired, but PJM will not procure capacity for them until they bring their own capacity. In other words, large loads will be “interruptible” at the wholesale level until they bring their own capacity. In the event that there is not enough power to go around, PJM will have precise clarity about which utility areas do not have enough capacity to serve new data centers, and should be curtailed first. This will happen less than one tenth of one percent of the time, but it could save billions of dollars and protect our constituents from unfair risk of blackouts.

The Protecting Ratepayers proposal formally adopts the creative incentives and policies that the Four Governors have developed with the Data Center Coalition, while ensuring PJM has adequate tools to protect the public. If the BYOC requirement were added to the governors’ incentives-based proposal, it would simply mean that data center companies that bring the full amount of capacity will be able to get firm service and can take advantage of the incentives of expedited interconnection. Data centers are given every possible path to bring on new capacity, including demand response programs that reduce energy during times when the grid is stressed, fast-to-construct distributed energy resources (DERs), such as rooftop solar and batteries located near end-users; and imported power from power lines from neighboring power grids.

There is virtually no downside to adding a BYOC safety mechanism as described in the Protecting Ratepayers proposal. If better load forecasting reveals that almost all data center load

⁴ Protecting Ratepayers Proposal Executive Summary, November 17, 2025, <https://www.pjm.com/-/media/DotCom/committees-groups/cifp-lla/2025/20251119/20251119-item-02e---pjm-legislators-and-nrdc-package---executive-summary.pdf>

growth was speculative, the BYOC requirement imposes few additional costs and ensures spending is funneled to new power sources. Similarly, if data centers pursue voluntary BYO approaches, the BYOC requirement simply allows PJM to easily recognize that capacity as deliverable to the new data center and reflect it in the capacity market. These pathways will remain, and state incentives will continue to move data centers in this positive direction.

There is an enormous downside risk to NOT including a BYOC requirement. If demand still outpaces supply even with voluntary BYO approaches or better load forecasting, the BYOC requirement will prevent unacceptable capacity and energy cost shifts to the public and isolate reliability problems to the appropriate utility areas. This BYOC requirement is essentially low-cost insurance, saving potentially billions of dollars.

PJM's decision in this CIFP process will arguably be the most consequential one they make this decade. Stakeholders must coalesce around a proposal that provides every possible pathway to incentivize good data center behavior, but we cannot accept one that leaves remaining risks to our constituents unresolved. Any solution must include a BYOC requirement for new capacity to ensure there is enough power to go around and protect ratepayers from high energy bills.

Thank you for your consideration of our comments.

Sincerely,

Delaware

Senator Stephanie Hansen
Representative Debra Heffernan
Representative Frank Burns

District of Columbia

Councilmember Charles Allen

Illinois

Senator Rachel Ventura
Senator Sue Rezin
Representative Joyce Mason

Indiana

Representative Sue Errington

Maryland

Senator Katie Fry Hester

New Jersey

Senator Bob Smith
Assemblyman David Bailey, Jr.
Senator Angela V. McKnight
Assemblyman Robert Karabinchak

North Carolina

Representative Julie von Haefen

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Representative Lisa Borowski
Representative Ben Waxman
Representative Elizabeth Fiedler
Representative Danilo Burgos
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Delegate Richard C. (Rip) Sullivan, Jr.

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Delegate Adrian Boafo
Senator Benjamin Brooks
Senator Brian J. Feldman
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Delegate Courtney Watson
Delegate Greg Wims
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Delegate Julie Palakovich Carr
Senator Karen Lewis Young
Delegate Lily Qi
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Senator Clarence Lam
Delegate Michele Guyton
Senator Chris West

Senator Saddam Azlan Salim
Delegate Michelle Lopes Maldonado

West Virginia

Delegate Evan Hansen

