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Dear Stakeholders,

Board Decisional Letter on Critical Issue Fast Path - Large Load Additions

At the outset, the PJM Board of Managers (Board) would like to thank you for your participation in the Critical Issue Fast Path (CIFP) accelerated stakeholder process for large load additions. Board members were able to listen in on each step of the CIFP, and the Board appreciated the opportunity to ask questions of presenters during the final stage. After significant deliberation, the Board is issuing this decisional letter that reflects components of the various presentations. Specific elements of presentations are credited in this letter, with the name of the presenter's organization highlighted in bold print.[1]

Executive Summary

The Board's decision consists of the following components, some of which will serve as transitional measures while the industry and government collectively work to bring more supply to the system to meet an unprecedented growth in demand. This is a dynamic period in the industry, and as such, the decisions made here can be revisited based on a series of factors, namely whether the region's supply/demand balance and reserve margin are restored to a level that comfortably ensures resource adequacy for existing consumers and large load aditions. The primary components of the Board's decision are as follows, with a deeper explanation of each found within the body of this letter.

- Significant Load Forecasting Improvements
- Voluntary Bring Your Own New Generation (BYONG) Paired With Expedited Interconnection Track
- Connect and Manage for New Large Load Additions That Do Not BYONG and Curtailment Prior to Emergency Demand Response in Circumstances Necessitating Load Shed
- Immediate Initiation of Reliability Backstop Procurement
- Holistic Review of Investment Incentives in PJM's Markets in 2026
- Feedback Request on Price Collar for 2028/2029 and 2029/2030 Capacity Auctions

Framing the Board's Review

The Board analyzed the various proposals through a particular frame that we thought would be helpful to explain. That frame begins with the organization's mandate to maintain grid **reliability**. As the results of the 2027/2028 Base Residual Auction (BRA) display, the RTO has cleared short of its reliability requirement for the first time in history. The 2027/2028 BRA cleared 5.6% short of our target reserve margin indicating that the system is at higher risk than

[1] This correspondence satisfies the requirements of Manual 34 Section 8.6.4, and also represents the Board's response to the many thoughtful letters it received during the pendency of the CIFP, a list of which is attached here as Appendix A.

previous years. The Board views this outcome as a clear signal that current trends are not acceptable and warrant corrective action.

Reliability is PJM's primary responsibility, and our Operating Agreement is clear that advancing **competitive markets** is also part of our charge. PJM continues to believe in the benefits of well-functioning competitive markets as these markets have saved consumers billions of dollars pursuant to our value proposition calculations. We will continue to leverage markets to pursue cost-efficient outcomes for consumers.

The Board recognizes the expressed interests at both the federal and state levels in facilitating the timely interconnection of large loads to support continued economic and digital-sector growth. At this time, the Board is not taking action to restrict the interconnection of new load through the creation of a dedicated load interconnection queue or through other limiting measures.

Where PJM can support regional growth while maintaining system reliability and ensuring rates remain just and reasonable, the Board believes it is appropriate to pursue those outcomes. The Board also notes, consistent with the Federal Energy Regulatory Commission's (FERC) recent colocation determination, the significant role of the states and their jurisdiction over the interconnection of retail load.

Further, as a mission-driven organization that fundamentally exists as part of a larger system serving consumers, PJM must be conscious of the **affordability** challenges facing the 67 million consumers in our footprint today. There is much that our states can be doing to contend with higher wholesale costs at the retail level.[2] At the same time, as the market administrator, PJM should seek to balance the design of its markets to simultaneously set transparent prices that incent the desired behavior from market participants while not being punitive to consumers.

It is with these critical elements in mind that the Board analyzed all proposals set forth during CIFP Stage 4 and hereby directs the staff to advance the following proposals or components of proposals along with other directives.

Board Decision

1. **Defining Large Load Additions**

   For purposes of the proposed Tariff and manual provisions being developed as a result of this CIFP process, the Board proposes to define large load additions as individual additions of load at or above 50 MW at a single Point of Interconnection.[3] The Board notes that this level was supported in the CIFP process and is consistent with PJM's definition of large load additions already being utilized in its large load adjustment process.

2. **Load Forecasting Improvements**

   It became clear to the Board during the CIFP that additional improvements should be made to the load forecasting process, building on the progress made by PJM staff and stakeholders through the Load Analysis Subcommittee (LAS). Reforms vetted through the LAS should be implemented. Further, the improvements proposed in the **PJM staff** proposal in the CIFP should also be implemented. These improvements relate to state review of large load additions, addressing duplicative requests, the use of additional third-party review and increased transparency. These represent strong improvements that will continue to both refine the process and

[2] Op-Ed from SVP Asim Z. Haque, State Frameworks Are Critical To Addressing PJM Affordability

[3] EDC or LSE may request large loads under 50 MW for consideration on a case-by-case basis.

resulting load projections. The Board directs the PJM staff to implement the load forecasting improvements[4] as set forth in Appendix B. PJM staff will review any specific language changes that are necessary or appropriate with stakeholders prior to their adoption. Load forecasting improvements that have not already been implemented for PJM's 2026 Load Forecast should be in place for PJM's 2027 Load Forecast.

3. Integrating Large Loads

Within the CIFP process, there was significant discussion concerning PJM's obligation to procure capacity to serve large load additions, the curtailment priority for such large load additions and whether capacity obligations should differ where large loads are accompanied by incremental generation to offset their large load additions. The Board appreciates the breadth of stakeholder proposals submitted on these issues and has adopted elements of several proposals with the following goals in mind:

- Provide the appropriate price signals to support the timely development of new capacity resources necessary to serve all load in PJM at the required level of reliability;
- Align curtailment priority and implementation with frameworks established by the relevant states and/or Transmission Owners (TOs) – while PJM will determine the quantity of load requiring curtailment to preserve grid reliability, the states and/or TOs retain responsibility for determining which loads are curtailed when necessary;
- Create incentives for Load Serving Entities (LSEs), large loads and/or states to bring new capacity resources to offset their load additions consistent with cost causation principles; and
- Establish an expedited interconnection pathway for incremental generation advanced by LSEs, large loads and/or states.

For these elements to be successful, the Board expects the data center community and other large loads, along with the LSEs that serve them, to play a constructive role in addressing the reliability and affordability challenges associated with the scale and pace of the forecasted large load additions in the PJM region. The Board is therefore directing management to pursue the following components in accordance with the timelines set forth below.

a. Voluntary Bring Your Own New Generation (BYONG) Commensurate With Large Load Additions and Expedited Interconnection Track

The Board is supportive of frameworks under which LSEs, large loads and states bring their own incremental generation to the system to offset, on an ELCC-measured basis, their load additions. The Board is mindful of the jurisdictional limits of PJM's authority, which apply to PJM's relationship with LSEs rather than individual retail customers. As a result, although the Board is proposing Tariff revisions that focus on aggregate new generation demonstrated by LSEs as available to offset their forecasted large load additions, the states within PJM's footprint retain the authority to determine how such frameworks are applied to individual retail customers, including large loads.

[4] The primary components of PJM's load forecast proposal and changes made via the LAS affixed here as Appendix B

As has been referenced by many stakeholders, including the Independent Market Monitor (IMM), data centers in particular (which account for a substantial share of forecasted large load additions in the PJM footprint) present characteristics not previously experienced at scale, both in terms of magnitude and speed of deployment. According to McKinsey & Company, PJM is the largest data center market today and is expected to remain so at least until 2030. The Board does not support approaches that seek to limit or eliminate this growth. Rather, the Board views engagement by the data center community as an important component to addressing the reliability and downstream affordability challenges associated with rapid load growth.

Accordingly, the Board encourages voluntary "Bring Your Own New Generation" (BYONG) and directs the **PJM staff** to implement its proposal and associated matrix components related to the **Expedited Interconnection Track**[5] that will serve as an alternate path for any entity seeking to mitigate curtailment risk by bringing their own new generation to the system on an accelerated basis. PJM staff will review any specific language changes necessary or appropriate with stakeholders prior to adoption or any requisite filing. The Expedited Interconnection Track should be in place by August 2026.

Finally, the Board notes ongoing efforts by several states within the PJM footprint, including initiatives proposed by the **Governors** of Pennsylvania, Virginia, New Jersey and Maryland to facilitate BYONG as reflected in their joint proposal with the Data Center Coalition, Exelon and PPL. While these efforts fall outside the jurisdiction of FERC and are not actions that PJM can implement directly, state-led initiatives to advance new supply – including reforms to support permitting and siting of generation and the transmission necessary to integrate it – will be important to accelerating the addition of needed generation to the system.

b. Connect and Manage

Where an LSE identifies a shortfall between forecasted load additions and the availability of new incremental generation to offset that growth, the Board is directing development of a similar framework articulated by the **PJM Legislators Collaborative/NRDC** and the **Joint Consumer Advocates**. Under this framework, the incremental demand associated with such load growth would be subject to curtailment prior to the deployment of pre-emergency Demand Response. This will help to preserve Demand Response as a valuable reliability tool by not disrupting its business model through a dramatic increase in its use and will provide an incentive for new load to secure capacity or provide flexibility.

Consistent with its operation of the system today, PJM will take all reasonable steps to maintain grid stability and avoid curtailment. However, should system conditions over a given period force PJM to invoke its emergency procedures, the Board finds it reasonable for certain large loads, including data centers, to move to their backup generators, or curtail their demand, for a limited number of hours during the year to prevent a larger scale outage for residential and other consumers. Such curtailment would be expected to occur infrequently, for limited durations, and only when necessary to prevent broader system impacts, consistent with PJM's longstanding operational practice of avoiding curtailment whenever possible.

[5] Details provided in Appendix C

Ultimately, the determination of which loads are curtailed during emergency conditions rests with TOs, and with LSEs that have direct relationships with their customers. PJM does not have authority to direct individual retail loads to curtail demand. However, PJM will establish an allocation framework whereby TOs and LSEs have advanced notification of the potential magnitude of load reductions that may be required under such conditions. PJM intends to explore how to design curtailment allocations based on the contributions of any shortfall to PJM's required reserve margin.

The Board does not propose that "connect and manage" new large load be removed from the capacity market. Based on current load projections, the system is expected to tighten to a degree that excluding this demand would be unlikely to reduce capacity prices below point "A" on the Variable Resource Requirement (VRR) curve. Removing such load from the market would instead result in large new loads avoiding capacity costs altogether, with those costs shifted to existing consumers.[6] The capacity market is designed to support system-wide resource adequacy, recognizing that PJM may be required to direct load curtailments to maintain system reliability, with TOs ultimately determining which customers to curtail.

As further detailed below, the Board believes a more comprehensive review of the mechanisms through which PJM's markets produce investment signals is warranted. However, the markets should retain structural integrity during the pendency of this review and beyond.

With respect to this issue and others addressed in this letter, the Board recognizes that a number of future developments will be relevant to the design of longer-term approaches to large load integration. These include, among other factors, the extent to which large loads contract for new generation to offset load additions, potential future actions by federal and state authorities, the resolution of supply chain constraints, success in siting and permitting, and other market and policy developments.

In light of these uncertainties, the Board views the capacity market-related actions outlined in this letter as **interim measures** intended to address near-term reliability risks. These measures may be refined or revisited as additional data becomes available and their impacts can be assessed.

The load shed prioritization and allocation should be completed as soon as practicable. This matter should initially be addressed via the Consensus Based Issue Resolution (CBIR) process, but the Board asks that the stakeholders proceed expeditiously such that changes are in place by the end of 2026 and will monitor the progress to determine whether an accelerated stakeholder process should be initiated.

4. Immediate Initiation of Reliability Backstop Procurement

PJM's primary responsibility is ensuring grid reliability, and an important component of this reliability mandate is resource adequacy. The results of the recent 2027/2028 capacity auction indicate that PJM will fall short of its FERC-required reliability requirement in that delivery year.

The PJM Tariff currently allows PJM to run a backstop capacity procurement if the system clears short of the reliability requirement for three consecutive capacity auctions. In light of the evolving risk profile, the Board

[6] The Board reserves the right to look at this issue again as part of the design of the reliability backstop procurement described in this letter.

directs PJM staff to develop a proposal to both accelerate and execute this procurement. Accelerating a backstop capacity procurement is especially necessary in light of FERC's recent decision on colocation and its request for more information on utilization of this backstop procurement framework.

During the CIFP process, the coalition comprised of **Constellation, Talen, CPower, Google, Amazon and Microsoft** proposed elements of a framework that the Board believes warrant further consideration by PJM staff and the stakeholders. Any backstop procurement should specify price, term and quantity as core award parameters and be consistent with the Board's direction to procure for the full reliability requirement for the footprint.

The Board directs PJM staff to address cost allocation for any such procurement, including consideration of mechanisms that assign costs to those LSEs that are short as a result of incremental load growth within their service areas. Those LSEs may, in turn, determine how such costs are allocated to incremental loads, consistent with state law.

Over the longer term, the Board does not view it as desirable for PJM to serve as the procuring authority to long-term commitments resulting from backstop procurement. Accordingly, any such procurement should be viewed as a **transitional measure** intended to facilitate the timely integration of new supply, while options for a more durable mechanism are evaluated as part of the broader market review directed below.

The Board recognizes that the existing backstop procurement rules are not sufficiently detailed, and that PJM and the stakeholders will need to discuss the design of the procurement. The Board is directing that immediate attention be provided to this matter with process and deadlines to be discussed at the upcoming January 22 Members Committee meeting.

5. Holistic Review of Investment Incentives in PJM's Markets in 2026

PJM has concluded that the investment environment for new generation has evolved materially in recent years, and in ways that differ significantly from conditions that prevailed at the inception of the Reliability Pricing Model (RPM) capacity market. As it is designed, the three-year forward capacity market was intended to produce a transparent price signal reflecting the value of capacity in a given delivery year and, among other purposes, to inform bilateral contracting between willing buyers and sellers.

The resulting single-year commitment three years forward, however, provides a comparatively short-term signal relative to the long-lived nature of the generation resources that underpin resource adequacy. On its own, this structure may not provide the stable revenue streams needed to justify new investment in today's volatile and uncertain investment environment, particularly when elevated costs are combined with external constraints or intervention.

In addition, a combination of recent factors including heightened price volatility, external headwinds and frequent rule changes has increased investment risk and reduced certainty around long-term procurement decisions. Recent examples of existing resources entering into longer-term bilateral arrangements provide evidence that such contracts are increasingly relied upon to support investment decisions within the independent power producer community.

To date, the current framework of a one-year capacity commitment procured three years forward has not produced a sufficient level of bilateral contracting or price certainty to support the scale of new resource

investment required to maintain resource adequacy. This is evidenced by the large quantity of prospective new resources with signed Generation Interconnection Agreements that are not rapidly moving to construction despite historically high-capacity prices. Accordingly, the Board believes it is appropriate to undertake a focused review of the capacity market to assess whether its design is appropriate for prevailing investment conditions and the incentives needed to attract timely new supply.

The Board also recognizes that PJM's markets must operate in a coordinated manner to deliver clear and transparent price signals regarding the resources needed to maintain grid reliability. In this regard, the Board views the work underway in the Reserve Certainty Senior Task Force as an important foundation and expects that those efforts be advanced in addition to any material changes to the capacity market, so that investment and performance incentives across markets remain cohesive, understandable and actionable.

Accordingly, the Board directs PJM to analyze how the energy, reserve and capacity markets can evolve in a coordinated manner to provide appropriate incentives for both investment and performance. Upon completion of this analysis, PJM should engage stakeholders to discuss a potential enhanced market framework.

The Board's objectives for this work are twofold: (1) to advance necessary changes to the energy and reserve markets that are already underway and that support system operators in managing an increasingly dynamic grid; and (2) to ensure that such changes are aligned with anticipated reforms to support resource adequacy, while continuing to provide a residual mechanism for states with vertically integrated structures.

The Board directs PJM staff to perform this analysis in the first half of 2026. Thereafter, the PJM staff should discuss this analysis with the stakeholders and work with them to formulate a work plan that would serve to implement recommendations made from the analysis. That work plan should be presented to the Board with a recommendation for accelerated stakeholder processes so as to more expeditiously implement the recommendations set forth in the analysis.

6. Price Collar for 2028/2029 and 2029/2030 Capacity Auctions – Feedback Requested

Given the Board and PJM management's acknowledgment of the challenges facing the current capacity market and need for further review, the Board seeks additional stakeholder input as to whether the price collar that was in place for the 2026/2027 and 2027/2028 auctions should be extended. The Board recognizes that there are both advantages and disadvantages associated with such an extension.

On the one hand, a price collar may obscure the market's underlying clearing price and, as a result, could dampen signals needed to support the entry of new supply. On the other hand, as discussed above, there are legitimate questions regarding whether the current capacity market construct, on its own, is sufficient to incentivize new resource development in the absence of the longer-term bilateral arrangements contemplated at the time of the market's design.

Accordingly, the Board seeks additional feedback from stakeholders on this issue and requests that responses address the questions set forth in Appendix D as soon as practicable, but before January 30, 2026. Please send responses to these questions via this link. All feedback will be posted publicly on the CIFP LLA webpage. After review of the feedback, the Board will issue an additional letter discussing its decision to make a Federal Power Act (FPA) Section 205 filing related to the price collar, or not, in time for the July auction (2028/2029 Delivery Year).

7. Summary of Actions, Associated Dates and Stakeholder Activity

Action Taken	Associated Dates	Stakeholder Activity
Load Forecasting Improvements	2027 Load Forecast (in place for)	Page Turn of Manuals
Expedited Interconnection Track	August 2026 (in place by)	Page Turn Prior to Requisite Filing
Connect and Manage (Load Shed Prioritization and Allocation)	End of 2026 (in place by)	Consensus Based Issue Resolution Stakeholder Process
Reliability Backstop Procurement	Begin Discussion Immediately	Initial Discussion at Members Committee on January 22, 2026
Market Investment Incentives Review	Analysis Performed in First Half of 2026	Work Plan to Implement Recommendations and Associated Stakeholder Processes Presented to Board
Capacity Auction Price Collar	Written Feedback by January 30, 2026.	Feedback to Board Link here.

The Board thanks the stakeholders for their engagement, and we look forward to continuing to address both the tremendous challenges and opportunities with which we have been presented.

Sincerely and on behalf of my colleagues,

David E. Mills
Chair, PJM Board of Managers
Interim President & CEO, PJM Interconnection, LLC

Appendix A

List of Board Correspondences Regarding CIFP

1. PJM Board Letter Regarding Implementation of Critical Issue Fast Path Process for Large Load Additions (PDF)
2. Senator Fetterman Letter Regarding the Large Load Addition Critical Issues Fast Path (CIFP) Process (PDF)
3. IL Legislative Letter Regarding Critical Issue Fast Path – Large Load Additions (PDF)
4. Congressional Letter Regarding Critical Issue Fast Path – Large Load Additions (PDF)
5. GEO*ESG Solutions Regarding Objection to the Use of CIFP Authority and Request for Clarification on Standby Generation Policy for Data Centers (PDF)
6. Several Environment America Research & Policy Centers Regarding Inclusion of the Expedited Interconnection Track (EIT) in PJM's Proposal in the CIFP Process for Large Load Additions (PDF)
7. NJBPU Staff Regarding Critical Issue Fast Path – Large Load Additions (PDF)
8. PJM Legislators' Collaborative Letter Regarding Critical Issue Fast Path – Large Load Additions (PDF)
9. Illinois Governor Pritzker Letter Regarding Critical Issue Fast Path – Large Load Additions (PDF)
10. Apex Letter Regarding Critical Issue Fast Path – Large Load Additions (PDF)
11. Several Governors' Letter Regarding Critical Issue Fast Path – Large Load Additions (PDF)
12. Sierra Club Letter Regarding Critical Issue Fast Path – Large Load Additions (PDF)
13. PJM Ratepayer Comments on the Large Load CIFP (PDF)
14. CAPS Letter Regarding Consumer Advocate Voting on the SMECO Proposal in CIFP-Large Load Addition (PDF)

Appendix B

Load Forecasting: PJM Proposal and Load Analysis Subcommittee Work

PJM Staff CIFP Proposal Features:

State Review:
PJM will add a step to the large load adjustment annual submission process that will allow for state commissions to review and provide feedback on the large load adjustments submitted by TOs prior to finalizing and issuing the PJM Load Forecast. The state review would occur, from a timeline perspective, in parallel with the large load addition submission to PJM. Though informal and within the discretion of each state, Electric Distribution Company (EDC)/LSEs would be required to indicate the date the EDC/LSEs shared the large load additions with the Relevant Electric Retail Regulatory authority (RERRA) and provide any feedback received.

Duplicative Requests:
As part of the large load adjustment annual submissions to PJM, TOs shall inquire with their subject customers, and indicate to PJM accordingly, whether any load interconnection requests they've received (that do not have either an Electric Service Obligation [ESO] or Construction Commitment [CC]) are duplicative with other such requests made to interconnect large load either within or outside of the PJM region such that only a subset of such requests are expected to achieve actual commercial operation. If so, the submitters are required to provide the number of sites and amount of megawatts that are duplicative that are included in their submission. If the submitter does not provide the number of sites and megawatts, or further sufficient justification and explanation, then all such requests will be removed from the forecast. This will be added to the annual submission template.

Additional Review:
Provide additional industry-specific review of the PJM load forecast (i.e., cross-check with national-level forecast and equipment projections), which may include a third-party review. This third-party review, initiated by PJM, would weigh both the national level trends as well as the inter-PJM trends that would help inform PJM's load forecast. This review would be presented to stakeholders for opportunity for feedback prior to finalizing for PJM consideration.

Transparency*:*
To be included in the PJM load forecast, EDC/LSE/TO must ensure customer NDAs include the ability to share all information with PJM related to large loads and such information must be shared.

Load Analysis Subcommittee Enhancements:

- Large load coming online during a delivery year covered by an RPM auction for that forecast cycle with CC or ESO contract of the load within the electric service provider's territory will be considered for inclusion in the PJM forecast plus a meaningful/verifiable financial commitment (such as credit/collateral support, financially significant infrastructure investment, or long-term supply commitment with new or existing resources).
- Large load coming online beyond a delivery year covered by an RMP auction but less than 8 years without construction commitments will be considered for inclusion in the PJM forecast if they have cleared demonstrable project milestones to be considered certain and may be de-rated to reflect its greater uncertainty.

- Requestors should provide a ramp rate with supporting documentation. Absent an EDC/LSE-provided ramp rate, PJM will initially use a default 3-year ramp rate subject to further adjustment based on a comparison of this default value with actual ramp rates of new large loads.
- Utilization factor: PJM uses default historical factor (typically 70%) unless EDC/LSE provides supporting data.

PJM will convene a series of meetings with EDCs and LSEs to improve large load modeling assumptions around ramp rate and utilization. These invite-only meetings would need to maintain strict confidentiality in order to ensure a robust conversation. Any information made public coming out of these meetings would need to be aggregated and anonymized and would be used to help with the formulation of large load additions as well as in PJM's evaluation of large load additions.

- Financial commitment: Document and quantify the customer's financial responsibility. This may align with the rates and agreement provided or be reflected in the capital project plan of the requested EDC/LSE.

Appendix C

Expedited Interconnection Track

PJM Staff CIFP Proposal Features:

New Expedited Interconnection Track (EIT) for sponsored generation with a contractual commitment. This proposal would be standalone outside of the PJM interconnection cycle process and operate in parallel. Expedited timing allows shovel-ready resources to execute Generation Interconnection Agreements (GIAs) sooner and allows an earlier path toward construction and network upgrade certainly.

Contract/No Contract Requirements:
Generation with a contractual agreement: Available to new generation or uprates to existing generation supported by evidence of state commitment to expedite consideration of permitting and siting and a financial commitment with a load that has an executed electric service agreement to interconnect with the TO. The new generation or uprate to existing generation must have an accredited capacity value equal to or greater than the load with which it is contracted.

Generation without a contractual agreement: Available to new generation or uprates to existing generation supported by evidence of state commitment to expedite consideration of permitting and siting. Requires additional financial commitments in the form of higher readiness deposits.

Time Frame:
10 months from application

Generation Eligibility:
All of the following criteria must be met –

- Capacity resource status must be requested with the application along with Capacity Interconnection Rights relevant to the fuel type being interconnected.
- Commercial operations must be achieved within three years of the application submission. Output to the grid may still be limited based on completion of any network upgrades required.
- Point of Interconnection (POI) – must be interconnecting to the transmission system in the relevant state supporting the project
- Megawatt requirements – requests must be for large scale generation greater than 250 MW (UCAP).
- Resource fuel type – all fuel types eligible, including storage

Generation Application:

- Can be submitted to PJM at any time – there are no defined EIT application windows.
- Are prioritized serially, in the order as each application is received by PJM
- Large nonrefundable study deposit ($500,000) and readiness deposit
  - $10k/MW for generation paired with load

  - $20k/MW for generation not paired with load

- Applications are capped annually at 10 projects.
- Must provide 3 full years of site control for 100% of generating site and interconnection facilities at time of application.

Generation Post-Application, Costs and Agreement Requirements:

- There are no site control changes or other project changes allowed such as fuel type, megawatt size, equipment type, etc. Changes post-GIA execution will follow the existing Necessary Study process.
- Cost allocation – EIT resources are responsible for 100% of all identified required network upgrades. No cost sharing with other EIT projects or Cycle projects.
- Cost estimates – for mitigations will be planning-level estimates only
- Commercial operation no more than 3 years from the date of EIT application. Milestone dates are eligible for extensions according to existing procedures.

Appendix D

Board Questions Regarding Capacity Auction Price Collar

1. The existing price collar includes a price cap of $325 and a price floor of $175 adjusted for ELCC changes before each auction. Do you support any extension of the existing price collar? If so, at what level and for what period?

2. If you support an extension of the price collar, please provide the justification that you believe should be presented to FERC that supports your proposed level and time period being just and reasonable.

3. If you do not support any extension of the price collar, please provide the justification that you believe should be presented to FERC to support the argument that a short-term extension of the price collar is not just and reasonable.

4. To the extent you support an extension of the price collar, please explain how you believe such an extension would not adversely impact reliability or investment and when you believe the price collar could be lifted.

5. To the extent you oppose an extension of the price collar as inhibiting needed investment in the short term, please indicate the type of projects you believe could come into service during the delivery years covered by these auctions and the potential impact of a collar extension on those project types.

6. The Quadrennial Review, cosponsored by the Pennsylvania Public Utility Commission, was overwhelmingly approved by the stakeholders. Should the Board consider a transition mechanism to move from the existing collar to Point A on the demand curve? Please provide your views on whether such a transition would be appropriate and the length and stages of such a transition and its consistency with the stakeholder support of the Quadrennial Review.