

PJM LEGISLATORS' COLLABORATIVE

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

June 9, 2026

Dear Mr. Mills and the PJM Board of Managers,

The PJM Legislators Collaborative represents state lawmakers from 13 PJM states and the District of Columbia. The Collaborative was founded in 2025 as lawmakers came together to call for PJM to do everything possible to control skyrocketing electricity costs and reliability risks driven by data center load growth.

This challenge requires unprecedented coordination between PJM and the states. The members of the Legislators Collaborative are working to do our part, including passing new legislation to protect our constituents. However, we are gravely concerned that PJM's design of the Reliability Backstop Procurement (RBP) and Connect-and-Manage (CAM) conflicts with our efforts to protect consumers. The RBP, like the standard capacity auction, will buy capacity based on data center forecasts and leave the obligation to pay on ratepayers. This is a fundamental issue that the Legislators Collaborative has raised since the CIFP-LLA in 2025 and in subsequent [letters](#) and meetings with the PJM Board of Managers, yet it still remains unaddressed.

Protecting consumers – our constituents – is our fundamental goal. This goal is shared in the [Principles](#) outlined by all thirteen PJM governors and the White House Energy Dominance Council and subsequent [recommendations](#) by eight governors on the RBP, and was echoed by [state regulators](#). United, we call on PJM to immediately remedy the design of the RBP to achieve the following principles:

- 1. Fully Protect Ratepayers and Require Data Centers to Pay RBP Costs.** We appreciate PJM's efforts to help states account for the contribution of large loads to the overall quantity and price of procured power in the RBP. As state lawmakers, we will do everything we can to ensure that large loads pay their fair share of costs passed down from PJM's markets. However, PJM's choice to set the quantity that it needs to procure based on large load forecasts and bill load serving entities puts undue risk on the public. Errors in the load forecasts or defaults by large loads will leave load-serving entities with high stranded costs, with the general public as the payer of last resort.

We reiterate what should be a basic point: no procurement on behalf of large loads can have financial recourse to other ratepayers, either directly or through assignment to an LSE with basic service obligations. PJM must design the RBP to only buy capacity on behalf of willing buyers like utilities and data center customers themselves, who take on all the risk, rather than the entire PJM pool.

- 2. Protect Consumers from Hidden Costs by Considering Location.** PJM's current design of the RBP will procure capacity without considering the location of supply and demand, based on the premise that any new supply is fully deliverable across PJM's system. This assumption is flawed: building a power plant in Ohio to serve a data center

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in Virginia will require significant interstate transmission infrastructure, which could lead to large transmission costs and cross-state subsidization. Worse, reliability and cost benefits may be delayed by lengthy construction timelines.

PJM has not provided clarity on whether this transmission will be paid for as part of RBP suppliers' interconnection costs or socialized through a future Regional Transmission Expansion Plan (RTEP). If any significant share of transmission costs related to RBP is allocated through RTEP, the result will be public subsidies of infrastructure built to serve large loads and an uneconomic choice of new supply. PJM must fully consider and properly allocate any transmission costs needed to support new supply.

- 3. Protect Consumers from Inflated Capacity Market Prices by Removing Large Load from the BRA.** All demand remains in the capacity auction, and thus drives the quantity that PJM sets for the RBP, so prices are virtually guaranteed to stay high. Large loads must be removed from the capacity auction until they've brought their own new supply.

If PJM cannot implement this reform now, which was first introduced over one year ago and discussed extensively in the CIFP-LLA process, PJM must commit to addressing it in the longer-term Powering Reliability through Market Design effort. PJM must act quickly; our constituents cannot afford to wait as auctions for delivery years through the 2030s proceed without adequate protection.

- 4. Create a Connect-and-Manage Program for Reliability that Recognizes State Policies.** The CAM framework will help triage the worst reliability emergencies, and states are committed to making sure we do what we can to keep the lights on for families and businesses. While this is an important first step, the Legislators Collaborative fundamentally views CAM as an affordability tool, not just an emergency reliability management tool.

Many states are going further to protect the public: passing policies to incentivize – or require – large load flexibility, requiring new large loads to bring their own capacity before receiving full retail service, and ensuring that during emergencies, essential services are preserved. PJM must not undermine those policies through its capacity market design, and must respect state authority to choose what loads are not guaranteed firm service. PJM should allow states to designate MW quantities of CAM load, pursuant to state policies. PJM should not procure capacity on behalf of large loads that are required to operate flexibly due to state law, and thus, these large load MWs should be removed from the capacity auction. This way, CAM will work as an effective tool to manage reliability risks, respect state authority, and encourage large loads to BYOC.

- 5. Allow Maximum Resource Eligibility by Delaying the Auction.** Holding the auction in September means only energy projects already underway are likely to participate – a small subset of what could potentially participate if the auction were held only a few months later. Instead, PJM should hold the RBP (only for willing buyers) in December to match the current queue cycle, allow maximum participation from supply resources, and

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ensure that bids are developed with the most accurate interconnection costs and network upgrade timelines.

Looking further into the future, states are examining ways to procure new supply for data centers in a way consistent with their clean energy policies. It is unreasonable to expect those efforts to have reached the point of offers into an RBP held in 2026. PJM should be under no illusions that a single RBP will meet the region's capacity needs, and must consider future designs that allow states more say in what resources will be procured. Designs that separate procurements from new large loads from general resource adequacy are critical for this to proceed without unacceptably raising costs on the general public.

In our last letter to the PJM board, we reflected that the Reliability Backstop Procurement could be one of the most consequential multi-billion-dollar actions in PJM's history. That remains true today, but the risks are even more acute and the costs more painful for our constituents. We call on PJM to design the RBP and its capacity structure as a whole, to prevent any risk that the costs of private data center expansion are imposed on the public.

Thank you for your attention during this critical time.

Sincerely,

Maryland

Senator Katie Fry Hester
Delegate Dylan Behler
Senator Brian J. Feldman
Senator Karen Lewis Young
Delegate Linda Foley
Delegate Lorig Charkoudian
Delegate Andre Johnson
Delegate Teresa Woorman
Senator Shelly Hettleman
Delegate Julie Palakovich Carr
Delegate Sheila Ruth
Delegate Jennifer White Holland
Senator Clarence Lam
Delegate Courtney Watson
Delegate Adrian Bofo
Delegate Natalie Ziegler
Delegate David Fraser-Hidalgo
Delegate Heather Bagnall
Senator Charles Sydnor III
Senator Benjamin Brooks

Delaware

Representative Debra Heffernan
Senator Stephanie Hansen
Representative Frank Burns
Senator Russell Huxtable

District of Columbia

Councilmember Charles Allen

Virginia

Delegate Richard C. "Rip" Sullivan

Illinois

Senator Rachel Ventura
Representative Maura Hirschauer
Senator Cristina Castro

Indiana

Representative Carolyn Jackson

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Delegate Gary Simmons
Senator Jim Rosapepe
Delegate Mark Chang

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Representative Melissa L. Shusterman
Representative Lisa Borowski
Representative Joe Webster
Representative MaryLouise Isaacson
Representative Ben Waxman
Representative Chris Rabb

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Assemblyman Robert J. Karabinchak
Senator Angela V. McKnight
Assemblyman Dave Bailey, Jr.

Kentucky

Senator Robert M. "Robby" Mills

North Carolina

Representative Pricey Harrison

Ohio

Representative Tristan Rader
Representative Sean Patrick Brennan
Representative Elgin Rogers, Jr.

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Senator Joey Garcia
Delegate Anitra Hamilton
Delegate Rick Garcia
Delegate Kayla Young
Delegate Sean Hornbuckle