July 7, 2026

Ms. Paula Conboy
Chair of the PJM Board of Managers
PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403

Mr. David Mills
President and CEO
PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403

Dear Ms. Conboy and Mr. Mills,

The Public Utilities Commission of Ohio's Office of the Federal Energy Advocate and I appreciate PJM's efforts to preserve reliability in response to unprecedented regional load growth, driven primarily by new large loads (NLL) such as data centers. We support PJM's use of the expedited Critical Issue Fast Path (CIFP) process to derive solutions that can quickly implement both the Reliability Backstop Procurement (RBP) and a Connect & Manage (C&M) framework.

Having now reviewed PJM's CIFP Stage 4 proposals, including the significantly revised C&M proposal, along with a broad range of stakeholder proposals, we remain concerned that a final package that is based on the precepts in PJM's Stage 4 proposals may be insufficient to meet the moment. A robust regional response is necessary to ensure that large loads can quickly and reliably interconnect to the grid, set a framework to appropriately allocate costs and curtailment risks to the entities who caused them, and preserve affordability for those who did not.

Specifically, we are concerned that PJM's recent modifications to the C&M framework are inadequate to accomplish these goals. We understand the important role states must play in ultimately allocating curtailment risk to retail customers. However, relying solely on voluntary state programs will likely produce a patchwork of programs with differing expectations and obligations, depriving large loads of the certainty they need to make investment decisions and potentially pitting state policies against one another within the PJM region. Absent a PJM-managed C&M framework or regionally coordinated state response, curtailment risk could also unfairly shift from NLL to organic load. Such a shift would challenge traditional state regulations and limit individual state authority over local grid management and ratepayer protections, especially if the shift transcends state lines.

We encourage PJM to reconsider its earlier proposal for a mandatory, PJM-managed C&M program for NLL that have not brought new capacity to serve their new load. PJM should set a uniform allocation methodology across the footprint that assigns curtailment risk to the zones in which NLL are interconnecting and/or to the load serving entities responsible for serving these loads, while respecting state jurisdiction on necessary curtailment decisions. Importantly, this structure also serves to incent each NLL to bring its own new capacity to avoid curtailment, a mechanism vital to address the resource adequacy needs of the region. PJM should not shy away from this endeavor and should partner with states on necessary reforms.

We also recognize that, consistent with the Governors' *Statement of Principles*, PJM intends to hold the RBP no later than September 2026. Bringing new resources online is the objective of every RBP proposal, but significant variation exists in the methods and details seeking to attract new resources and secure any capacity shortfall. Given the narrow window to implement the RBP, we ask the PJM Board to consider whether its chosen RBP construct will be equally workable in restructured states as it is in fixed resource requirement or integrated resource planning states. In restructured states like Ohio, utilities do not own or plan generation resources to meet load. The market must deliver sufficient generation resources, and the RBP must be paired with strong incentives for NLL to bring new capacity.

We also emphasize the important role that bilateral contracting will play as NLL customers look to meet their needs in the marketplace. While the RBP may provide some immediate response, bilateral contracting between loads and resources at mutually agreeable prices and terms is a more durable model. We encourage PJM to continue efforts to facilitate bilateral contracting, as well as consider reforms that may be necessary to ensure PJM markets are stimulating the investments necessary to preserve reliability in the long term.

Thank you for your attention to this matter.

Sincerely,

Jenifer French
Chair, Public Utilities Commission of Ohio