ITI Promoting Innovation Worldwide

November 5, 2026

Paula Conboy
Chair, Board of Managers
David Mills
President and CEO
PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403

Via E-mail to: Jennifer Tribulski, Members Committee Secretary

Dear Chair Conboy, Mr. Mills, and the PJM Board of Managers,

The Information Technology Industry Council (ITI) writes to commend PJM on its work to address the Federal Energy Regulatory Commission's (FERC) Large Load Show Cause Order, and to encourage PJM to continue to implement ambitious reforms to ensure timely access to electricity for all customers while protecting existing customers from reliability and affordability impacts from large load demand growth. ITI asks PJM to consider several sensible principles as it deliberates on reforms advanced through its stakeholder process and in its work to address large load growth on an ongoing basis, to ensure that its reforms achieve the greatest practical benefit for the region.

ITI is the premier global advocate for technology, representing the world's most innovative companies. We promote public policies and industry standards that advance competition and innovation worldwide. Our diverse membership includes a broad spectrum of stakeholders across the U.S. energy ecosystem, including data center developers, owners, operators, end-users, technology providers, power purchasers, energy distributors, and more. Our members contribute to the United States' continued AI leadership, represent a significant share of the PJM regional and national economy, and support innovation that drives economic growth. The technology sector represents around 9 percent of the U.S. Gross Domestic Product, directly employs nearly 10 million Americans, and accounts for roughly 40 percent of the S&P 500's market capitalization. ITI recognizes that long-term thriving of technological innovation depends on affordable, reliable energy infrastructure, and wholeheartedly supports PJM's efforts to meet unprecedented load growth.

ITI seeks to ensure that reforms to address FERC's Show Cause Order significantly improve speed to power and access to reliable and affordable electricity for existing and computational loads alike, while benefiting all customers. The following principles are needed to ensure that PJM's reforms are commercially workable, drive significant new investments, and thereby achieve widespread impact on outcomes in the region. Specifically, ITI urges PJM, in finalizing and implementing these reforms, to:

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1. Preserve customer options,
2. Maintain technological neutrality,
3. Allocate costs transparently, and
4. Incentivize the utilization of advanced solutions with proportionate compensation for grid services and avoided infrastructure costs.

Requirements placed upon customers for interconnection should not be one size fits all but rather reflect, to the greatest degree feasible, the service requested, the facility's operating characteristics, and its economic development impacts, with fair grandfathering principles for projects already approved for development.

In addition to these high-level principles, we recommend adoption of reform frameworks that:

1. Provide clear rules that allow all capable customers to make commercial decisions about whether to make flexibility commitments.
2. Create voluntary, usable, and defined non-firm service options.
3. Allow hybrid generation and load studies to provide measurable benefits.
4. Require meaningful evaluation, standardized inclusion in study processes, and a practical route to deployment of Grid Enhancing Technologies (GETs).
5. Accommodate proximate generation in addition to other forms of load flexibility as solutions for reducing grid withdrawals.
6. Provide accreditation certainty for resources serving facility-specific needs.

We expand on these recommendations in the attachment to our letter. While deliberating on a path forward for the region, we emphasize that PJM should carefully consider whether its reforms to implement non-firm transmission services provide the clarity, usability, and predictability that will enable significant, voluntary uptake of these services, and the degree to which proposed reforms to implement a combined load and generation interconnection process will provide measurable benefits.

ITI appreciates PJM's work on these important reforms and the opportunity to share the perspective of our members. ITI looks forward to continuing to engage with PJM and its stakeholders as these reforms are finalized and implemented, and we would welcome the opportunity to discuss these recommendations further.

Sincerely,

Jason Oxman
President & CEO, ITI

ITI Recommendations to Support Timely, Affordable, and Reliable Large Load Integration

1. **Provide clear rules that allow all capable customers to make commercial decisions about whether to make flexibility commitments.**

While not all loads can operate flexibly, load flexibility can provide significant value to the grid. To provide for robust non-firm service enrollment, with attendant grid benefits, PJM's non-firm service paradigm should define flexibility broadly and in a technologically neutral fashion, provide requisite specificity to inform decisionmaking, and compensate flexibility for the grid services it provides.

ITI supports FERC's directives to define non-firm service eligibility with reference to performance capability—i.e., ability to reduce withdrawals during grid peaks, whether achieved through on-site or proximate storage, on-site or proximate generation, compute shifting, workload management, cooling and building controls, investing in distributed energy resources off site, or other innovative solutions—rather than a single technology or operating model. FERC's direction to allow loads to take a mix of firm and non-firm contract demand service will also maximize flexibility commitments by allowing loads to maintain firm service for a portion of their critical operations. PJM should implement these directives faithfully.

In addition, PJM should:

- **Compensate and account for the value that flexibility provides to the grid.** Voluntary flexibility commitments should translate into identifiable customer benefits, driven by earlier interconnection, avoided need for network upgrades, cheaper service, and proportionately reduced financial security requirements. Without such recognition of the value provided by flexibility commitments, loads will under-enroll, and load flexibility may not translate to savings for other customers by avoiding unneeded infrastructure buildout. These conditional-service benefits should be distinguished from compensation for eligible demand response, energy, ancillary services, or other market products provided by loads taking firm service or their eligible proximate or behind-the-meter resources. PJM should preserve opportunities for such compensated participation while distinguishing incremental services from curtailment already required as a condition of faster energization or non-firm service and avoiding double counting.
- **Establish clear, practical rules to guide commercial decisions.** Telemetry, verification, testing, cybersecurity, and communications requirements should be proportionate to the flexibility commitment, thus scaling with complexity of the site's configuration. Rules should address recovery and reconnection so that simultaneous restoration of curtailed loads does not create another reliability problem. Rules should be clear to facilitate commercial decisionmaking and not more burdensome than needed to ensure system reliability.

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Moreover, flexible loads can provide value to the grid through mechanisms beyond taking non-firm service. PJM should consider the interactions of various flexibility value streams, including via demand response, peak shaving programs, and transmission service netting, to maximize the grid services that load flexibility can provide to the extent operationally possible.

2. **Create voluntary, usable, and defined non-firm service options.**

In addition to clearly defining the contours of non-firm service eligibility, PJM should establish non-firm service terms and conditions that are manageable for loads and therefore facilitate participation.

As an initial matter, ITI supports FERC's directive to provide both interim and permanent non-firm service options. Customers should have options to select interruptible service as a bridge while infrastructure upgrades are completed or as a longer-term arrangement based on their operational needs. Permanent service options are needed to allow loads willing and able to make long-term flexibility commitments to reduce the need for new infrastructure to serve them.

ITI supports further efforts by PJM to establish these services in a manner that provides for improved visibility about grid conditions to help inform flexible load management and limits that loads need to make flexibility commitments.

- **Define non-firm service with sufficient certainty to support investment decisions.** Tariffs and agreements should establish the firm and interruptible megawatt (MW) quantities, curtailment triggers and priority, notice and response requirements, restoration procedures, and consequences of non-performance. Where reliably supportable, the services should also cap the hours of discrete service interruptions to reduce uncertainty and enable load participation, while separately specifying emergency authority and the treatment of service once a cap is reached.
- **Unbundle bases for non-firm service interruptions.** Service agreements should separate service that is interruptible based on transmission constraints from service interruptible for capacity constraints to give customers more options to enroll in the service that makes the most sense for them—and thereby increase participation. SPP's CHILLS framework offers a useful example: its study pathways distinguish sufficient designated resources with pending transmission upgrades from planned or other qualifying resource support, and its operating rules separately identify curtailment when supporting-resource capacity falls below the conditional load. Both configurations retain broader reliability and emergency restrictions. PJM should similarly identify the binding constraint, affected MW, supporting resources, and conditions for lifting each restriction throughout applications, studies, and agreements. Resource adequacy (RA) sufficiency assessments should also account for applicable state rules governing what counts toward RA and transparently reconcile those rules with PJM qualification and accreditation requirements, without conflating resource qualification with transmission deliverability.
- **Account for flexibility commitments in transmission planning and interconnection studies.** Permanent non-firm service commitments should reduce the infrastructure

needed to serve those customers where studies demonstrate that the commitments relieve the relevant constraints. To the extent that PJM establishes rules for integrating load-generation interconnection studies, those studies should allow non-firm service commitments to avoid the need for network upgrades and expedite interconnection. In addition, Cost Recovery Agreements for large loads must account for non-firm service customers' lesser system impacts, including through lower minimum contributions and financial security to the extent supported by demonstrated avoided costs and obligations. The framework should transparently identify costs that remain necessary to serve that customer reliably.

- **Align capacity charges with non-firm service.** PJM should not procure capacity for, or allocate associated capacity procurement charges to load serving entities for, large-load MW accepting non-firm RA service and the corresponding enforceable curtailment obligations during emergency conditions. Consistent with PJM's stated approach, those MW should be excluded from capacity obligations and billing determinants. For mixed-service sites, the exclusion should apply to the non-firm portion. PJM should separately explain the treatment of any elected RA coverage retained alongside transmission-related conditional access.
- **Provide a clear transition to firm service.** Interim customers must understand the milestones, additional studies, costs, and timing implicated in the transition from non-firm to firm service, separately identifying the transmission upgrades and resource-support requirements needed to remove each restriction. Taking non-firm service should not impact the processing of a customer's interconnection request or require unnecessary restudies or other delays.

3. **Allow hybrid generation and load studies to provide measurable benefits.**

Large loads that pair with on-site or nearby generation and storage may be able to reduce their impact on the grid and accelerate their own timelines for interconnection. Study processes that evaluate associated generation, storage, and load together can recognize those reduced impacts. ITI therefore supports FERC's directive to provide a coordinated study process for electrically proximate generation, storage, and load. PJM's proposed combined study and Fast Energization process should implement these principles with clear timelines and configuration-specific results.

To that end, ITI recommends that PJM:

- **Provide for coordinated studies for associated generation, storage, and load.** Study processes should evaluate the combined effects of a load and associated resources and identify opportunities to reduce redundant analysis and avoid unnecessary upgrades.
- **Allow customers to realize practical advantages from hybrid pairings.** Customers will only use these pathways if they offer measurable benefits. Integrated studies should provide for earlier energization, reduced upgrade requirements, clearer project timelines, lower costs, or reduced financial security requirements.
- **Use digital modeling to improve study speed and accuracy.** PJM should continue to enhance its modeling processes, adopt digital innovation, and establish clear data

requirements for interconnection customers, which should allow PJM to reuse study inputs and reduce avoidable resubmissions.

- **Coordinate resulting approvals and agreements.** PJM should provide for interconnection customers to receive transparent information about the impact of integrated generation and load interconnection, non-firm service commitments, and other operational requirements on the network upgrades assigned to an integrated load-generation pair.

4. **Require meaningful evaluation, standardized inclusion in study processes, and a practical route to deployment of GETs.**

Better utilization of existing infrastructure is essential to improving speed to power and reducing customer costs. GETs and other alternative transmission technologies can increase the capability of the existing system and, in appropriate cases, may resolve constraints faster or at lower cost than conventional upgrades. Realizing those benefits requires that these technologies be evaluated consistently within the study process, and that there is a clear path to deploy them where the analysis shows they offer a better outcome. ITI therefore supports FERC's directive to require evaluation of GETs in transmission service studies and demonstration of cost-efficacy when network upgrades are selected over GETs to address transmission constraints.

In implementing this requirement, ITI recommends that PJM:

- **Standardize how solutions are evaluated.** PJM should adopt and apply common, published methods for modeling and evaluating GETs alongside conventional upgrades. That includes consistent assumptions for capability, availability, and performance verification, including the ability of several GETs in combination to resolve constraints. Customers should not have to request assessments on a case-by-case basis. Identifying GETs opportunities requires robust, auditable modeling that evaluates diverse solutions to identified constraints, individually and in combination. PJM should commit in its Tariff to using these study processes and verifying their consistent application, including documented assumptions, alternatives, and results, rather than leaving their selection, use, or verification solely to electric distribution companies.
- **Compare cost, timing, and reliable capability.** Study results should explain the alternatives considered, expected deployment dates, lifecycle costs, operating requirements, and capacity benefits. As required by FERC's order, decisions to require conventional network upgrades should explain why GETs are not sufficient or cost-effective to address the relevant constraint.
- **Support deployment where the analysis demonstrates value.** Reforms should convey clear responsibility for GETs procurement, installation, operation, maintenance, and cost recovery. Evaluation requirements will have limited effect if there are not clear accountability structures for implementing a selected solution.
- **Include the digital infrastructure needed to deliver the benefit.** Monitoring, communications, analytics, cybersecurity, and control systems should be treated as integral implementation needs.

- **Measure results.** PJM should report appropriate aggregate metrics on technologies evaluated and deployed, capacity enabled, time saved, and costs avoided. These results can inform improvements to future studies and planning.

5. **Accommodate proximate generation in addition to other forms of load flexibility as solutions for reducing grid withdrawals.**

Linking a new large load with supporting generation nearby can be an effective approach to enable quick access to grid power and is another valuable arrangement that may allow loads to limit net withdrawals from the broader transmission network. Examples include a co-located "energy park" facility at a single site or loads sited separately with generation proximate in nearby substations. Such arrangements serve the dual purpose of (1) meeting the large load's RA needs (without relying on existing generation capacity on the grid) and (2) accelerating transmission connection by utilizing existing transmission, reducing or eliminating the need to rely on slow and potentially costly transmission upgrades. PJM should give equal consideration to proximate generation as to other forms of load flexibility, such as co-location of generation and load curtailment, particularly in both load and generator interconnection studies.

6. **Provide accreditation certainty for resources serving facility-specific needs.**

Outside of the show cause context, large load customers may seek to mitigate procurement price impacts for other customers by bringing their own new capacity to the market. These customers need confidence, however, that the value of those investments will not unpredictably erode thereafter. Stable, transparent accreditation and market treatment will encourage these investments, which can in turn support reliability and reduce the need for infrastructure paid for by other customers. Accordingly, ITI supports reforms to provide for more stability in resource accreditations to the greatest extent possible without harming reliability, including potentially holding values in place for defined periods so that changes in methodology do not undermine investment cases after the fact. PJM could also include reforms to grandfather resources already under development to serve a facility when new rules or valuation methods are adopted.