



PJM Interconnection, L.L.C.  
2750 Monroe Boulevard  
Audubon, PA 19403-2497

Michael Bryson  
Senior Vice President, Operations  
michael.bryson@pjm.com

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*Via electronic submission ([AskCR@hq.doe.gov](mailto:AskCR@hq.doe.gov))  
For posting on PJM.com for purposes of service and public notice*

Secretary Christopher Wright  
United States Department of Energy  
1000 Independence Avenue S.W.  
Washington, D.C. 20585-1615

*Re: PJM Report in Compliance with Ordering Paragraph D of the Department of Energy's May 30, 2025 Order No. 202-25-4*

Dear Secretary of Energy Wright:

PJM respectfully submits this compliance report in accordance with Ordering Paragraph D of the Secretary of Energy of the Department of Energy's (DOE) Order No. 202-25-4 (the DOE Order), issued May 30, 2025, and to the extent applicable, 10 C.F.R. § 205.377. Ordering Paragraph D provides, in relevant part, that PJM must submit by June 15, 2025 to the DOE a report "with information concerning the measures it has taken and is planning to take to ensure the operational availability of the Eddystone Units consistent with the public interest."

PJM reiterates here its public comments issued on May 31, 2025. For over two years, PJM has repeatedly documented and voiced its concerns over the growing risk of a supply and demand imbalance driven by the confluence of generator retirements and demand growth. Such an imbalance could have serious ramifications for reliability and affordability for consumers. In light of these concerns, PJM supports the DOE Order. The DOE Order is a prudent, term-limited step that will retain the Eddystone Units for a 90-day period. This will allow PJM and DOE, in consultation with Constellation Energy Generation (CEG), to conduct further analysis regarding the longer-term need and viability of these generators.<sup>1</sup>

## **I. Background**

The DOE Order finds "that an emergency exists in portions of the electricity grid operated by PJM Interconnection (PJM) due to a shortage of facilities for the generation of electric energy, resource adequacy concerns, and other causes, and that issuance of t[he] Order will meet the emergency and serve the public interest." The DOE Order also determines that "operational availability and economic dispatch of the aforementioned Eddystone Units 3 and 4 (Eddystone

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<sup>1</sup> Executive Order 14262, *Strengthening the Reliability & Security of the United States Elec. Grid*, 90 Fed. Reg. 15521 (Apr. 14, 2025); *see also* Executive Order 14156, *Declaring a Nat'l Energy Emergency*, 90 Fed. Reg. 8433 (Jan. 29, 2025).

Units) is necessary to best meet the emergency and serve the public interest[.]”

The DOE Order directs PJM and CEG – the Eddystone Units’ owner – to “take all measures necessary to ensure that Eddystone Units are available to operate” and “[f]or the duration of th[e] order, PJM is directed to take every step to employ economic dispatch of the units to minimize cost to ratepayers.” And “[t]o minimize adverse environmental impacts, th[e] Order limits operation of dispatched units through the expiration of the Order.” Further, “PJM and Constellation Energy are directed to file with the Federal Energy Regulatory Commission any tariff revisions or waivers necessary to effectuate this order. Rate recovery is available pursuant to 16 U.S.C. § 824(a)(c).”

The DOE Order is in effect for a 90 day period, through August 28, 2025 at 5:03 p.m. EDT.

## **II. Measures PJM Has Taken and Plans to Take to Ensure the Operational Availability of the Eddystone Units**

Upon issuance of the DOE Order, PJM and CEG commenced engagement on an implementation plan. PJM also provided notice to its members and stakeholders of the DOE action.<sup>2</sup> PJM also convened an expedited stakeholder process in furtherance of DOE Order implementation.

PJM and CEG’s collaboration to date has led to the following measures:

- 1) PJM and CEG developed an Operations Memorandum that defines the operating procedure and parameters under which the Eddystone Units can be committed to run as a result of the DOE’s Order. A summary of this memorandum has been publicly posted on PJM’s website accessible at: <https://www.pjm.com/-/media/DotCom/committees-groups/committees/oc/postings/20250612-eddystone-3-and-4-unit-reporting-and-commitment-process.pdf>. Since the DOE Order’s issuance and through the time of this report’s submission, PJM has not had a need to dispatch the Eddystone Units consistent with the terms of the Operations Memorandum. It is PJM’s understanding that the Eddystone Units have been available to operate, consistent with the DOE Order, since the order’s issuance on May 30, 2025.
- 2) Consistent with Ordering Paragraph E of the DOE Order (and 16 U.S.C. § 824a(c)(1) and 10 C.F.R. § 205.376), and subject to necessary conditions described below, PJM reports that it and CEG find mutually satisfactory a rate for the compensation of the Eddystone Units pursuant to the DOE Order. Consistent with the regulations, which “encourage[s] entities] to utilize the rates and charges contained in approved existing rate schedules[.]” PJM and CEG agree that the Facility will be compensated at a rate that is equivalent to the Deactivation Avoidable Cost Credit (“DACC”), determined in accordance with relevant provisions of Tariff, Part V, Sections 114, 115, 116, 118 and 118A (the “DACC Terms”), provided, however, that PJM’s payment obligation shall be contingent on Federal Energy Regulatory Commission (FERC) approval of a cost allocation

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<sup>2</sup> On May 30, 2025, Order No. 202-25-4 was served on members and posted at <https://www.pjm.com/library/filing-order.aspx>.

methodology that allows PJM to collect CEG's compensation from market participants. PJM also understands that it is CEG's intent to make an informational filing with the FERC, which is not subject to approval, offering additional information about the rate.

- 3) As noted above, on June 9, 2025, PJM initiated the Critical Issue Fast Path stakeholder process (the CIFP Process) to develop with stakeholder input a cost allocation methodology that allows PJM to collect CEG's compensation from market participants. Materials relating to the CIFP Process are accessible at: <https://www.pjm.com/committees-and-groups/cifp-doe-ca>. To date, PJM has held stakeholder meetings on June 10, 2025 and June 12, 2025. Additional meetings are scheduled for June 16, 2025 and June 18, 2025 to advance the issue. As soon as practicable following the conclusion of the CIFP Process and upon direction from the PJM Board of Managers, PJM plans to promptly file at the FERC a proposed cost allocation methodology.<sup>3</sup>
- 4) PJM and CEG have coordinated, pursuant to existing generation outage coordination practices and procedures, outages needed by the Eddystone Units to ensure their operational availability consistent with the public interest. Such action is consistent with good utility practice, existing regulatory and legal requirements (including an effective Interconnection Service Agreement<sup>4</sup>), and the DOE Order's directives.

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<sup>3</sup> Who PJM is to bill for the compensation of the Eddystone Units pursuant to the DOE Order, the cost allocation methodology issue, is distinct from the level of compensation the units will collect. PJM underscores that the cost allocation methodology issue to be presented to FERC pursuant to a prospective section 205 filing relates strictly to the allocation of costs for the compensation of the Eddystone Units pursuant to the DOE Order. The actual rate reflects PJM and CEG's agreement that the Facility will be compensated at a rate that is equivalent to the Deactivation Avoidable Cost Credit ("DACC"), determined in accordance with relevant provisions of Tariff, Part V, Sections 114, 115, 116, 118 and 118A. This agreement obviates the need for FERC to address the rate and compensation level itself pursuant to the terms of 16 U.S.C. § 824a(c), 10 C.F.R. § 205.376, and DOE Order, Ordering Paragraph E.

<sup>4</sup> PJM Service Agreement Tariff, Service Agreement No. 1412 (filed and accepted in FERC Docket No. ER06-482-000).

PJM respectfully requests that the DOE accept this information on compliance with Ordering Paragraph D in the DOE Order and 10 C.F.R. § 205.377. Please contact the undersigned if you have the need for additional information or have other questions about the contents of this report.

Respectfully submitted,

/s/ Michael Bryson

Michael Bryson

Senior Vice President, Operations

PJM Interconnection, L.L.C.

2750 Monroe Blvd.

Audubon, PA 19403

Ph: (610)-666-4659

Fax: (610) 666-8211

[Michael.Bryson@pjm.com](mailto:Michael.Bryson@pjm.com)

Craig Glazer

Vice President, Federal Government Policy

PJM Interconnection, L.L.C.

1200 G Street, N.W.

Suite 600

Washington, DC 20005

Ph: (202) 423-4743

Fax: (202) 393-7741

[Craig.Glazer@pjm.com](mailto:Craig.Glazer@pjm.com)

Cc: Mason Emmett ([Mason.Emmett@constellation.com](mailto:Mason.Emmett@constellation.com))

Adrien Ford ([Adrien.Ford@constellation.com](mailto:Adrien.Ford@constellation.com))