

Critical Issue Fast Path – Large Load Additions

Maryland OPC Package

Bill Fields
Maryland OPC

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Objectives

- **Least regrets:** Given uncertainty, PJM's approach to addressing LLA should concentrate only on verifiable or highly likely LLA.
- **Skin in the game:** New entrants must share in the burdens they are creating and make demonstrable commitments.
- **Do no harm:** No degradation of service quality, reliability, or affordability as a result of new large load accommodation.

Load Forecasts

- Original Proposal Elements:
 - Probabilistic Forecast Bands: Develop multiple forecasts that distinctly account for uncertainty regarding large load additions. Tie the uncertainty tolerance level to the intended response period of the PJM market construct (e.g., 3 years for RPM, 7 years for RTEP).
 - Large Load Verification Factor: Discount load forecasts if submitting TO doesn't have a retail large load tariff or equivalent process to review and approve the interconnection of large loads. Review and approval processes must address specific completeness and documentation requirements (e.g., evidence of adequate financial commitment).
- Timing: Current load cycle

Load Forecasts

- Additional Proposal Elements:
 - Require [uniform, transparent, and] verifiable commitments (contracts, credit, capital investment) and “reality check” before forecast inclusion. – (Joint Stakeholders; DC Coalition & Governors; LS Power; EKPC; Vistra; Silverman & Glatz; PSE&G)
 - Align forecasts with approved transmission projects in TEAC. – (LS Power; Silverman & Glatz)
 - Requirements addressing duplicative requests. – (PJM Stage 3; EKPC; Silverman & Glatz)
 - State review of load forecasts. – (PSE&G; EKPC; PJM Stage 3)
 - Independent third-party review to verify data center load growth. – (PSE&G; PJM Stage 3)

Broad alignment among parties on many load forecast improvements that go beyond Load Analysis Subcommittee efforts

Necessary, but not sufficient

BYO Capacity or Load-Offset Demand Response

- Original Proposal Elements:
 - New large loads (NLL) must meet one of the following two requirements as a precondition of interconnection:
 - Bring Your Own Capacity (BYOC)
 - Commit to offering its entire peak load through a CSP/LSE/EDC as a Load-Offset Demand Response (LODR) resource in BRAs
 - NLL's load is included in the PJM reliability requirement; NLL's BYOC or LODR supply is included in the RPM supply stack
 - Price offers associated with BYOC and LODR need to be restricted (e.g., self-scheduled, below a certain threshold) to ensure that they clear the RPM auction.

Similarities to Eolian & Brattle, NRDC, Silverman & Glatz, and IMM proposals.

BYO Capacity or Load-Offset Demand Response

- Option 1. BYOC that is:
 - Additional: New build / new resource requirement (i.e., cannot have cleared in previous RPM auction)
 - Sufficient: Meets NLL's peak capacity on a UCAP basis + reserve margin (allowing for ramp)
 - Local: Within the smallest applicable LDA
 - Alternative: co-locate at the constraint as identified through state review process (i.e., load/generation deliverability tests as a gating factor)
 - Timely: Synchronized in time (new load and generation come online together)
- Flexibility regarding type of new build / new resource, but must be RPM eligible and meet requirement in aggregate

BYO Capacity or Load-Offset Demand Response

- Option 2. Load-Offset Demand Response (LODR):
 - Created as a transitory demand response product available only to NLLs
 - LODR procedures:
 - LODR gets activated when PJM calls on DR and other resources in the applicable LDA after pre-emergency resources but before/simultaneous with emergency resources
 - NLL can meet its LODR obligation by activating BTM generation and/or by reducing load. Restricted sources (e.g., diesel generators) are acceptable up to limits. Thereafter, alternative means required.
 - NLL's LODR obligation is to reach and stay at zero metered load (gross load minus BTM generation) during the duration of the event (e.g., PAI).
 - LODR non-compliance penalties structured to be similar to non-compliance penalties under the capacity performance construct

BYOC or LODR: Questions

- What does “local” mean for BYOC?
 - If not separately studied, then the smallest applicable LDA. If the LLA goes through a state review process that assesses deliverability, then BYOC can co-locate at the point of constraint (i.e., load/generation deliverability tests as a gating factor)
- When does the “transitory” period end for LODR?
 - When LODR customers can meet BYOC obligations via organic or contracted capacity additions.
- Are BYOC and LODR available to FRR entities?
 - FRR entities assumed to have met BYOC.

Equitable Load Shed Allocation

- Original Proposal Element:
 - Update the manual load dump allocation process to reflect the capacity contributions of newly connected large loads, assigning higher load-shed obligations to areas with larger proportions of new large load that is not accompanied by new, local capacity.
 - Applicable when deficiency spans multiple zones or subzones after deployment of LODR.

Simplified Process:

- Pre-shedding steps / emergency escalation
- PJM determines deficiency & calculates MW to shed per zone
 - **Allocation accounts for share of NLL that do not meet BYOC requirement**
- Utilities (TOs) receive allocation & activate plans (shed on instruction)

Similarities to Silverman & Glatz
and NRDC proposals.

Other solution elements under consideration

- Expedited interconnection
 - Create a standalone, state-sponsored 10-month expedited interconnection track for BYOG (new gen. or uprates) projects over 100 MW UCAP (any fuel type) seeking CIR. Resources must be commercially operational in 3 years and interconnect transmission system. State sponsorship required. – (PJM Stage 3)
- Reinstating the RPM Holdback for Planned Resources. – (NRDC)
- Follow-up initiative to evaluate LLA paying upfront for network upgrades to access accelerated interconnection, subject to reimbursement [if/]when those upgrades later benefit other users. – (DC Coalition & Governors)
- Extend the current price collar – (DC Coalition & Governors)