

Bipartisan PJM State Legislators Collaborative

November 7, 2025



NCSL Data Center Power Generation & Grid Resiliency Resolution



The National Conference of State Legislatures urges the federal government to...

“Work with states to create cost allocation methods that help ensure large-scale energy users are paying their fair share of costs using the ‘cost causation’ and ‘beneficiary pays’ principles.”

“Recognize opportunities for data centers to contribute to grid stability and resiliency while mitigating the impact of data centers on ratepayers and communities, as well as protect local consumers’ need for power when disruptions limit the amount of available power.”

<https://www.ncsl.org/in-dc/standing-committees/natural-resources-energy-and-environment/policies>

US Legislators

Congress of the United States

Washington, DC 20515

November 5, 2025

David E. Mills
Chair, PJM Board of Managers
PJM Interconnection, L.L.C.
2750 Monroe Boulevard
Audubon, PA 19043

Dear Chair Mills:

We write as Members of Congress representing tens of millions of Americans in states within the PJM Interconnection (PJM) territory to express our concern with PJM's proposed approach to managing rapidly increasing energy demand and skyrocketing electricity costs for our constituents. The projected increase in energy demand within PJM in the near future, driven almost entirely by new large data center loads,¹ is a serious concern for future grid reliability, and our constituents are already feeling the impacts on their wallets. Therefore, it is critical that PJM put forward innovative proposals to ensure that it can continue to fulfill its mission² to provide affordable and reliable electric service that our constituents depend on, while charting a responsible pathway for data center grid interconnection that does not force our constituents to shoulder the financial and risk burden for wealthy megacorporations.

Data center energy demand has added over \$16 billion in costs for our constituents in the last two PJM capacity auctions,³ and capacity costs alone could amount to \$163 billion through 2033 as new data center demand growth exceeds available capacity, keeping prices at the market's price cap.⁴ Capacity costs are only one component of what influences the price our constituents pay for energy; data center energy demand will also drive up wholesale costs in energy markets,⁵ and the costs from increased electric transmission buildout to serve data centers are already being passed onto our constituents.⁶ These troubling trends will continue unless PJM takes action to hold existing customers harmless from data center-related costs and ensure that reliability is not diminished.

We will be closely monitoring the next steps and outcome of the CIFF process and appreciate the Board's attention to these critical issues, which are inextricably linked to the energy reliability and affordability our constituents both expect and deserve. As the ultimate decisionmakers within the CIFF process, we urge the Board to give full and fair consideration to the reliability and affordability implications of any final proposal, and to place the public interest at the forefront of its decision-making. Thank you again for your consideration in this process.

Sincerely,

Chris Van Klee

Chris Van Hollen
United States Senator

Tr 12.

Tim Kaine
United States Senator

Angela D. Ashbrook

Angela D. Alsobrooks
United States Senator

Rafael

Donald S. Beyer Jr.
Member of Congress

J. C. B.

Cory A. Booker
United States Senator

Eleanor H. Norton

Eleanor Holmes Norton
Member of Congress

¹⁰ As PJM itself noted, “[e]vidence exists to develop and support criteria that are not unduly discriminatory in order to distinguish between types of wholesale load for various purposes.” Mark P. Stanisz, *Jurisdictional and Legal Principles relating to CTFP – Large Load Additions* (September 15, 2025), <https://www.pjm.com/media/DotCom/committees-groups/sfp-lla/2025/20250915/20250915-items-08--jurisdictional-and-legal-principles-relating-to-sfp-large-load-additions--gjm-presentation.pdf>.

Jens Holbek

Member of Congress

1974 was

Dwight Evans
Member of Congress

S. H. N. B. L.

Sarah McBride
Member of Congress

[Signature]

Kwesi Muniu
Member of Congress

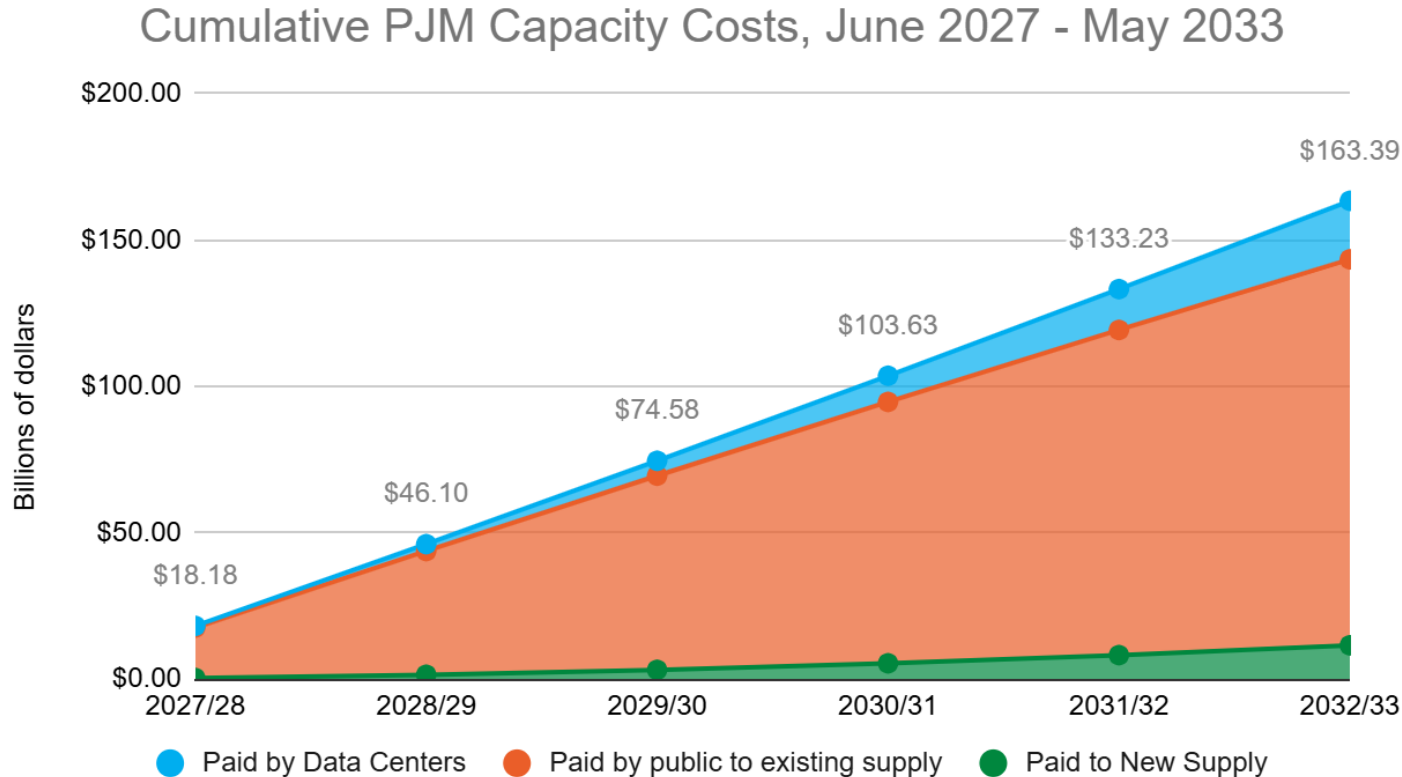
Gen. 11

Gerrit Ivey
Member of Congress

[Signature]

Sahas Subramanyam
Member of Congress

Large Loads impose cost and reliability risks



What's at risk:

Rising power bills that stay high for the next decade

Declining reliability and increasing risk of blackouts

Unreliable power for data centers

Governors, DCC, Exelon have shown a promising path forward

1. Load forecasting enhancements
2. Enhanced Demand Flexibility
3. Voluntary Limited BYOG Pathway
 - a. Customer-Enabled Capacity Commitment
 - b. Acceleration of Load & Generation Interconnection***
 - c. State Siting & Permitting Collaboration
 - d. Increased Large Customer Risk Mitigation (Cost Allocation Deposit)
 - e. Volatility Control During Market Transition

The Coalition has shown great leadership.

We support many aspects of the joint proposal.

We appreciate clarification of the jurisdictional lines.

What happens if data centers don't choose a voluntary option?

- The 4 Governor's & Data Center Coalition's proposal needs a "Plan B."
- If data centers do not choose to bring their own supply, or if the load forecast still shows data center demand outpacing supply, the public would still be left with reliability and cost risks.

We need a ratepayer reliability & affordability component.

ENDORSE 4 Governor's & DCC Coalition **+PLUS**

1. Load forecasting enhancements
2. Enhanced Demand Flexibility
3. Voluntary Limited BYOG Pathway
 - a. Customer-Enabled Capacity Commitment
 - b. Acceleration of Load & Generation Interconnection
 - c. State Siting & Permitting Collaboration
 - d. Increased Large Customer Risk Mitigation (Cost Allocation Deposit)
 - e. Volatility Control During Market Transition

PLUS:

4. Ratepayer Reliability & Affordability

5. Ratepayer Transmission Protection

Component 4: Reliability & Affordability

We need a reliability & affordability component to protect the public in the event that DCs do NOT choose voluntary pathways.

Proposed Addition to 4 Governor + DCC proposal: Data centers can join PJM, but will be “interrupted” during grid emergencies until they bring their own new supply.

- Reliability and cost risks will be placed on the data centers, not the public.
- Use pathways outlined in existing options to “BYOC” or be considered interruptible.
- Allow data centers to join PJM quickly, while protecting the public.
- Provide flexible pathways for new data centers to get new firm capacity.

Component 4: Works w/ Voluntary Approaches

Component 4 complements voluntary approaches in 4 Governor + DCC proposal.

- Reliability protection provision fades to the background & does no harm if voluntary approaches work
- Reliability protection provision provides essential protection for ratepayers if voluntary approaches don't work

Reliability protection provision is essentially low-cost insurance.

Component 5: Transmission Ratepayer Protection

- We need to protect consumers from paying transmission costs caused by new large loads. This proposal endorses & incorporates these approaches:
 - **Local Network Upgrades:** Support network upgrade stakeholder process from 4 Governor + DCC proposal
 - **PJM Regional Upgrades:** Reducing speculative transmission spending during regional planning by updating the load forecast

Clarification of Existing Components

1. Load forecasting enhancements
2. Enhanced Demand Flexibility
3. Voluntary Limited BYOG Pathway
 - a. Customer-Enabled Capacity Commitment
 - b. Acceleration of Load & Generation Interconnection***
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Any commitment to accelerate load interconnection shall apply only to the extent allowed and enabled by state law. Nothing in the CIFP process alters the existing jurisdictional framework where load interconnections are state-jurisdictional.

Any accelerated generation interconnection process should minimize harm to the existing interconnection queue.

Any capacity for the voluntary BYOG/BYOC pathway must be new.

Summary

Endorse Governors/DCC/Exelon proposal

+PLUS:

4. Ratepayer Reliability & Affordability

5. Ratepayer Transmission Protection

The reliability and affordability of energy for over 67 million Americans served by PJM is ESSENTIAL.

Bipartisan PJM Legislators

Delaware

- Senator Stephanie Hansen
- Representative Frank Burns
- Representative Debra Heffernan

Maryland

- Senator Benjamin Brooks
- Senator Brian Feldman
- Senator Katie Fry Hester
- Senator Ben Kramer
- Senator Karen Lewis Young
- Delegate Brian Crosby
- Delegate Kym Taylor
- Delegate Lily Qi
- Delegate Mark Chang
- Delegate Greg Wims
- Delegate Nick Allen

New Jersey

- Assemblyman Robert Karabinchak
- Senator Bob Smith
- Assemblyman David Bailey Jr.

Virginia

- Delegate Richard Sullivan
- Delegate Michelle Maldonado
- Senator Saddam Salim

Illinois

- Senator Sue Rezin
- Representative Joyce Mason

West Virginia

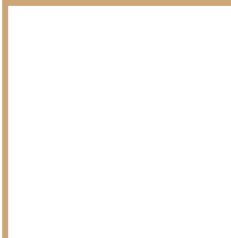
- Delegate Evan Hansen

Pennsylvania

- Representative Ben Waxman
- Senator Bob Smith
- Representative Lisa Borowski

District of Columbia

- Councilmember Charles Allen



Questions?

