



Connect and Manage PJM Package

Tim Horgler

Sr. Director, Forward Market Operations

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This slide deck provides a detailed overview of the PJM package including:

- Explain how PJM will define **New Large Load MW**.
- What qualifies for **Bring Your Own New Capacity (BYONC)**.
- Provides certainty on the interactions of RBP arrangement for new supply with C&M exemptions.
- Provides the Roles and Responsibilities.

What Is Connect and Manage?

Roles and Responsibilities

Trigger for Connect and Manage

Effective Date of Connect and Manage

Exemption – Bring Your Own New Capacity (BYONC)

Interactions Between Connect and Manage and Reliability Backstop Procurement

Quantity Determinations and Timeline

Assignment of Connect and Manage

Modeling

Operations

Cost Allocation

In the event of RPM/IA capacity shortages, PJM would require Large Loads MW be categorized as Connect and Manage (C&M) that do not elect to Bring Your Own New Capacity (BYONC). C&M load is interim RPM service.

Connect and Manage Load:

- No impact to RTEP or RPM (all load included)
- May be curtailed during pre-emergency conditions if there is a shortage before DR
- Transitional for delivery years where there is a shortage of available capacity to meet the PJM reliability requirement

EDC/TO will be responsible for ensuring load can be removed from the system, consistent with the operational requirements set forth.

A decorative graphic at the top of the slide consists of multiple thin, grey, wavy lines that create a sense of motion and depth across the upper portion of the page.

Connect and Manage *Roles and Responsibilities*

PJM's C&M package

Wholesale/Federal Jurisdiction:

- EDC/TO identification of Large Load Additions and BYONC UCAP MW
- PJM verifications of EDC/TO-identified Large Load Additions and BYONC UCAP MW
- PJM allocation of C&M MW to EDC/TO



Retail/State Jurisdiction:*

- Suballocation of C&M to individual Large Load Customers
- Enforceable primarily through states, may require new state tariff/laws



Connect & Manage Framework that is implementable at both the Federal (wholesale) and State (retail) levels

*Per the January 16, 2026, PJM Board Letter: "PJM does not have authority to direct individual retail loads to curtail demand."

- EDC/LSE submits Large Load Additions to PJM for inclusion in the load forecast (i.e. Table B9b)
- EDC submits to PJM identification of Bring Your Own New Capacity (BYONC).



EDC/LSE



Large Load



PJM verifies Large Loads included in forecast (by EDC)

PJM verifies BYONC UCAP MWs (by EDC) meet the Tariff definition

States have jurisdiction over enforcement at retail level and have a role in supporting the facilitation of Connect & Manage and the recognition of Large Loads that BYONC.



EDC



LSE/ Large Load

EDC works with LSE/ Large Load to determine individual Large Load assignments for Connect and Manage Load.

PJM identifies MW, not the actual Large Load customers that are assigned Connect and Manage.



Call for C&M reduction

Area MW quantity only

← Status quo Operational Awareness: EMS information and real-time telemetry via EDC/TO



EDC/TO

Instruction to curtail:
TO opens breaker within 10 minutes



Large Load

Key Points:

- PJM does not provide C&M directive to the Large Load
- EMS/telemetry from the EDC used for operational awareness only

Consistent with state laws and retail arrangements, EDCs will be expected to exclude the individual Large Loads from C&M that are associated with what that EDC provided to PJM for BYONC.*

*As FERC’s Co-Located Show Cause Order notes, the resolution of these issues “will require the involvement of both federal and state actors, including the Commission, state public utility commissions, and other state and local entities.” 190 FERC ¶ 61,115, at PP 66, 68 (2025).



Connect and Manage: Roles and Responsibilities

	PJM	EDC/TO	Large Load
Load Forecast	Final determination of load forecast	Submission of Large Load MW to PJM Load Forecast	Notice to LSE/EDC of load integration
BYONC	Final approval of BYONC MW quantity by Area	Submission of BYONC contract/agreement or RBP central auction identification of Large Loads for BYONC	Provide contract/agreement to EDC.
C&M Assignments	Provide EDC with total assignment of C&M MW that excludes EDC-identified BYONC MW.	Identify individual assignments of C&M excluding BYONC.	Verify assignment of C&M.
C&M Modeling and Curtailment Readiness	Status quo Operational Awareness: EMS information and real-time telemetry via EDC/TO	Status quo: The EDC/TO will provide to PJM any necessary telemetry. Develop operational procedures.	Operational readiness
C&M Emergency Procedure	When PJM issues this new Emergency Procedure Action, the applicable EDC/TOs will be sent a C&M reduction MW quantity only for the MW of shortage. This MW quantity will be updated on a periodic basis, as necessary.	When receiving a C&M reduction MW quantity, the EDC/TO will take action to initiate and complete the reduction within 10-minutes.	Reduce MW quantity as instructed by EDC/TO/LSE.



Connect and Manage *Trigger and Effective Date*

When will Connect and Manage Load be needed?

Connect and Manage Load will be an operational tool for PJM operators if there is projected capacity shortage in real time. PJM expects that there will be a transitional period where this will be necessary.

Delivery Year Trigger for Shortage

PJM RPM/IA Supply < RTO Reliability Requirement

- Determined after the 3rd Incremental Auction but before the effective RPM delivery year
- If Connect and Manage is not needed for a future delivery year, then all Large Load previously subject to Connect and Manage will no longer be subject to Connect and Manage for all future delivery years.
 - **Exception:** Large Loads utilizing DR/DER for Bring Your Own New Capacity (BYONC) will be subject to future Connect and Manage if there is a shortage unless Connect and Manage is not triggered for five consecutive delivery years.
- Generation/storage BYONC cannot submit a Must-Offer Exception while paired with Large Load that is still C&M.
- The Connect and Manage Tariff and manual language will not have sunset provisions.



Effective Date for Connect and Manage

Effective Date for Connect and Manage

- The cutoff for old vs. new Large Load megawatt quantities with respect to C&M will be any load that is not in-service and included in the summer 2026 peak contribution
- Connect and Manage will be effective for use in Operations on June 1, 2027.

What Large Load is included for Connect and Manage?

All New Large Loads (in megawatts) that are in the 2027 Load Forecast Table B9b for the 2027 year (includes RPM Large Loads expected in summer 2027) that are not in the actual Large Loads (in megawatts) for summer 2026 are counted in the quantity determination for Connect and Manage offset by BYONC.*

- The Large Loads actuals for 2026 will be finalized in the 2027 Load Forecast published in January 2027.
- Load that is part of a Fixed Resource Requirement (FRR) Alternative capacity plan is excluded from Connect and Manage.**

2027 Load Forecast
(includes expected Large Load for summer 2027)

Compare

Actual Large Loads
(summer 2026 identified in 2027 Load Forecast)

New Large Loads not included in the summer 2026 peak contribution are subject to Connect and Manage if there is a capacity shortage unless BYONC.

*Individual Large Loads are determined by the EDC and may include additional Large Loads not included in Table B9b.

Preliminary Connect and Manage information can be estimated based on 2026 and 2027 forecasted data from Table B9b in the 2026 LAS.

**A Party is eligible to select the FRR Alternative if it: (a) is an IOU, Electric Cooperative or Public Power Entity; and (b) demonstrates the capability to satisfy the Unforced Capacity obligation for all load in an FRR service area, including all expected load growth in such area, for the term of such Party's participation in the FRR Alternative.

Connect and Manage *Exemption – Bring Your Own New Capacity (BYONC)*

How To Avoid Connect and Manage

Connect and Manage Load can avoid being assigned to EDC if the Large Loads Bring Your Own New Capacity (BYONC).

What is BYONC eligible?

Supply	DR/DER
<p>1. Any new UCAP MW of supply included in the 2027/2028 3rd Incremental RPM Auction and later DY BRA/IA that has not cleared in a prior DY BRA/IA</p>	<p>1. New load management (emergency or pre-emergency DR/DER)</p>
<p>2. BYONC UCAP must be \geq Large Load (FPR% of load)</p> <ul style="list-style-type: none"> Large Loads can opt to cover part of their load and leave the remainder under C&M. 	<p>2. Any location that was not registered in DR Hub for either the 26/27 or 27/28 DY unless the location represents a large load that was registered in a zone where there was a large load adjustment for the 27/28 DY for the first time in the 27/28 DY or the incremental amount from any location registered in 26/27 or 27/28 which was the result of an investment in new generation or storage assets at the location.</p>
<p>3. Includes the following: new build, uprates (incremental ICAP/CIRs only), surplus interconnection (incremental only), repowering of deactivated generators that have retired as of April 10, 2026; CIRs transferred from a deactivated resource or a resource that has announced deactivation as of April 10, 2026; resources that undergo fuel-switching to another more efficient fuel type that results in a higher UCAP and/or CIR uprate (incremental only)</p>	<p>3. The UCAP is equal to the capacity committed through an RPM Auction.</p> <p>4. UCAP used to offset C&M will be calculated annually based on registrations that are approved for such DY by April 1 prior to the DY.</p>

Exclusions

- Restoration of previous DY capacity deficiencies (e.g., failed tests) do not qualify for BYONC.
- Existing resources operating in under either a Reliability Must Run (RMR) agreement or a Federal Power Act, Section 202(c) Order for continued operation beyond a planned retirement date do not qualify for BYONC.
- Delayed retirements do not qualify for BYONC.

Additional BYONC Notes

No locational requirement: BYONC supply already assumed to be deliverable through interconnection process.

BYONC quantity (initial and maintaining eligibility)

- ELCC evaluation for generation and storage: For a given resource type, BYONC UCAP must be \geq Large Load (FPR% of load) for initial year only. Cannot submit a Must-Offer Exception while paired with Large Load that is still C&M.
- Demand Response: BYONC UCAP must be \geq Large load (FPR%) for initial year. Maintaining: The BYONC ICAP MWs from the initial year only must be demonstrated all future years.

BYONC assignment

- BYONC cannot be transferred to a different New Large Load unless the original Large Load no longer exists.
- BYONC may be used for a portfolio of Large Loads. Large loads can use a portfolio of BYONC.
- Excess BYONC may be reserved for future Large Loads in a portfolio or for ramping (i.e., Large Load takes multiple years to ramp to full load).

BYONC verification

- Large Load must provide proof of BYONC (contract, etc.) to EDC. The EDC will provide this proof to PJM so that PJM can verify. E.g.: executed a Power Purchase Agreement (PPA) or similar contractual commitment with financial investment
- Final verification that the Large Load met BYONC criteria will be made by April 15 before the start of the effective DY.

Failure of BYONC to materialize at assignment phase

- Supply: subject to PJM capacity deficiency rules if applicable
- Large Load: subject to Connect and Manage if there is a capacity shortage

Failure of BYONC to materialize during a C&M event

- Supply: subject to PJM capacity rules and PAIs
- Large Load: not subject to Connect and Manage if previously identified as exempt



Connect and Manage *Interactions With Reliability Backstop Procurement*

RBP

- Supply from the Central Procurement will be eligible BYONC supply for Large Loads in the delivery years where that supply comes online.
- Bilateral Matching supply will be eligible for BYONC and subject to the BYONC verification process.

BRA/IA

RBP outcomes verified and any additional BYONC included.

Connect and Manage

Stopgap operational action until no capacity deficiencies (BYONC excluded)

Key Takeaway:

ALL verified supply arrangements from RBP will exempt load from C&M when they are in service.

Connect and Manage Interaction With Bilateral Matching

Load that participates and contracts through the bilateral matching will be able to use this supply as a showing for BYONC (assuming the supply contracted meets the BYONC criteria).

Supply must clear in the RPM/Incremental Auction for relevant DY to be eligible for BYONC. Loads that cannot close a bilateral contract before the 3rd IA for effective delivery year will be subject to C&M if there is a capacity shortage.

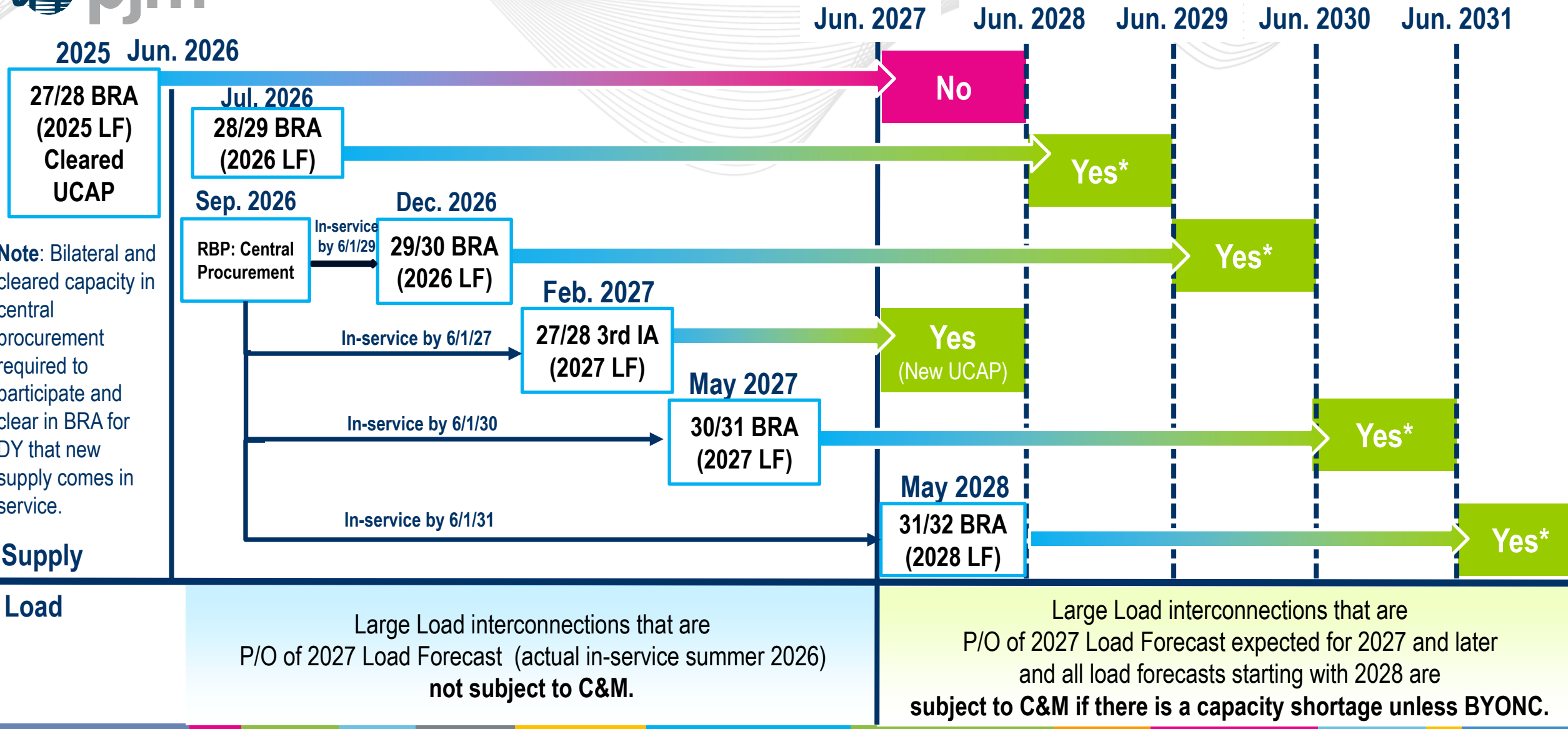
Connect and Manage Interaction With Central Procurement Mechanism

Supply that is procured through the central procurement will be megawatts “credited” to the EDC that will be considered a BYONC showing – how this is allocated to LL for Connect and Manage will need to be determined by the EDC based on contracts.

Once under contract, BYONC supply must clear in an RPM/Incremental Auction for relevant DY. Central procurement results do not retroactively exempt loads from C&M curtailment beginning June 1, 2027.

BYONC and Connect and Manage: Proposed Eligibility Timeline

Eligible for BYONC?



Note: Bilateral and cleared capacity in central procurement required to participate and clear in BRA for DY that new supply comes in service.

Supply

Load

Large Load interconnections that are P/O of 2027 Load Forecast (actual in-service summer 2026) **not subject to C&M.**

Large Load interconnections that are P/O of 2027 Load Forecast expected for 2027 and later and all load forecasts starting with 2028 are **subject to C&M if there is a capacity shortage unless BYONC.**

Connect and Manage *Quantity Determinations, Timeline and Assignments*

Determinations of Connect and Manage Quantities (Not Individual Large Load Identification)

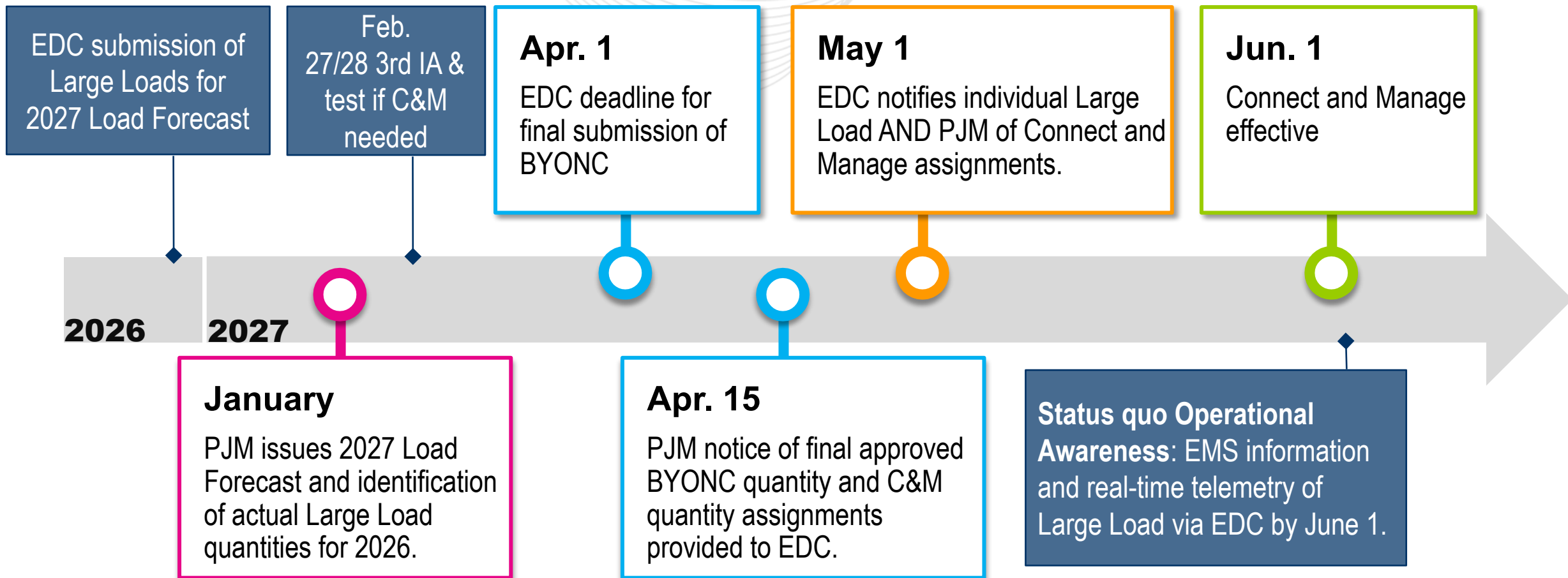
Delivery Year Total Megawatt Determinations

- If Connect and Manage is triggered, the Connect and Manage total quantity equals the sum of all New Large Loads not included in the 2027 Load Forecast as actual Large Loads (in-service summer 2026) minus BYONC. (See slide on effective date.)

Connect and Manage TO/EDC Allocations

- Assignments equals the total quantity of new LL (minus BYONC).
- The actual daily maximum allocated Connect and Manage is not limited to total RPM RTO shortage.
- Only megawatts needed in a real-time capacity shortage will be used. This may not be all Connect and Manage.
- No consideration of constrained LDAs. All Connect and Manage can be used.
- All PJM to TO/EDC allocations are in zonal megawatt quantities, **not customer specific.**

Timeline for Determinations of Connect and Manage Quantities (2027/2028 DY)



Similar timeline will apply to future delivery years.



Connect and Manage *Modeling and Operations*

Connect and Manage Modeling

RPM: Connect and Manage Load will be modeled in RPM.

Day-Ahead: C&M Load will not be modeled differently. Existing Manual 11, Section 2.15 (Maximum Emergency Generation in Day-ahead Market) procedures will be facilitated if necessary.

2.15 Maximum Emergency Generation in Day-ahead Market

If a day-ahead demand bid MW cannot be satisfied with all available generation at its economic maximum MW limit, the Market Clearing Engine (MCE) shall issue a Maximum Generation Warning message due to a shortage of economic generation in the Day-ahead Market. The MCE shall then perform the following steps to achieve power balance:

Step 1: Increase all online generation up to its maximum emergency MW limit. Increase generator MW proportionately by ratio of economic maximum, if power balance is achieved prior to reaching maximum limits. Set LMP values equal to the highest offer of all online generation.

Step 2: If generation is still not enough to achieve power balance after Step 1, load offline generation that is designated as available only for maximum generation emergency conditions, as required. The order of loading is based on economic offer data. Set LMP values equal to the highest offer of all online generation.

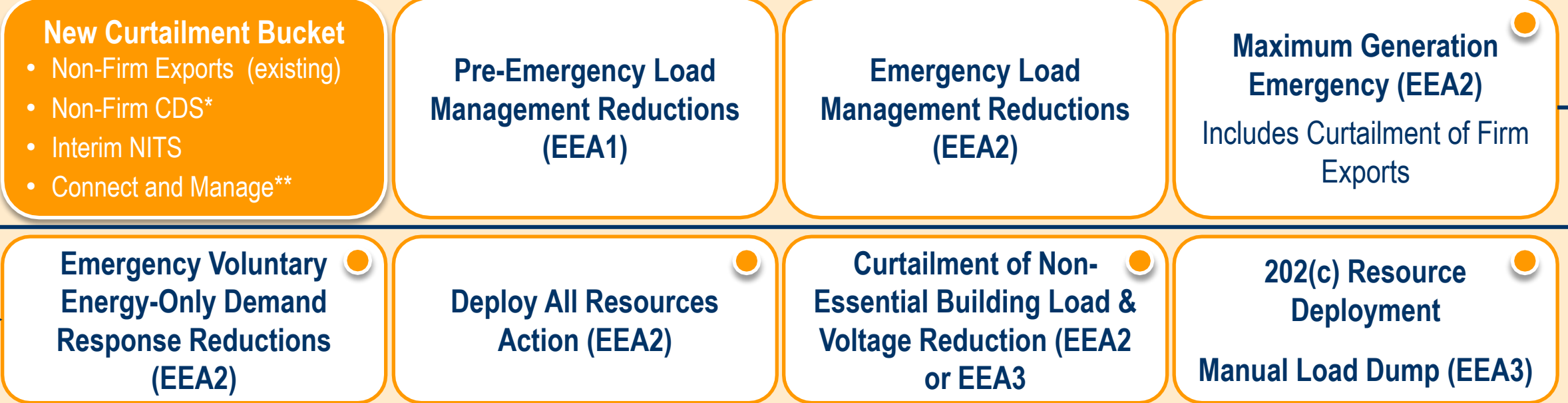
Step 3: If generation is still not enough to achieve power balance after Step 2, drop any remaining price-sensitive demand to zero MW. Set LMP values equal to the highest price-sensitive demand bid that was cut in this step. If no price-sensitive demand was reduced in this step, the LMP values are set equal to highest offer price of all online generation resulting from Step 2.

Step 4: If power balance is not achieved after Step 3, reduce all load proportionately (by ratio of load MW) until balance is achieved. Set LMP values equal to the highest offer price of all online generation, the price from Step 3, or the bid cap (presently \$2,000/MWh), whichever is higher.

Real-Time: Status quo: Pricing to reflect system conditions. Additional enhancements to utilize PJM tools, such as SCED, to be determined.

Telemetry: The TO/EDC notifies PJM the specific customer locations (EMS B1/B2/B3 name) that they have designated as C&M, along with any necessary telemetry.

EMERGENCY ACTIONS



● PAI trigger

	Product	Priority
New Curtailment Bucket	Non-Firm Interchange (existing)	Curtailed first (lowest priority) (EEA1)
	Non-Firm CDS (new)	Curtailed second (potential EEA1)
	Interim NITS (new)	Curtailed third (potential EEA1)
	Connect and Manage (new)*	Curtailed last (highest priority) (potential EEA1)

Note: PJM dispatchers have the flexibility of implementing the emergency procedures in whatever order is required to ensure overall system reliability. PJM dispatchers have the flexibility to exit the emergency procedures in a different order than they are implemented when conditions necessitate.

*Non-firm CDS is only used during times when the co-located generator is offline or outputting at a level below the Non-Firm CDS load.

**Firm CDS and NITS customers may be subject to curtailment in the new bucket under the Connect and Manage program as needed.

Connect and Manage Emergency Procedure (Definition)

New and/or existing Emergency Procedures (alerts and warnings) to be adjusted as appropriate to provide advanced notice C&M may be curtailed. This will be documented in Manual 13.

A New Emergency Procedure C&M Action to be developed and issued by PJM to curtail C&M Load as necessary to maintain required RTO/Zonal Primary Reserves and/or IROLs within limits if available economic generation is not sufficient. This will be documented in Manual 13.

- This procedure would be issued after curtailment of any Non-Firm Transmission Service products but prior to implementation of Pre-Emergency Load Management.

If not already initiated, PJM will declare an EEA1.

C&M Emergency Procedure (PJM Actions)

When PJM issues this New Emergency Procedure Action, the applicable TOs will be sent a C&M reduction megawatt quantity. This megawatt quantity will be updated on a periodic basis as necessary.

C&M Emergency Procedure (Members Actions)

When receiving a C&M reduction megawatt quantity, the TO will take action to initiate and complete the reduction within 10 minutes.

C&M Real-Time Load Usage

Load identified by the EDC prior to the DY that is not online or operating at a reduced output at the start of a C&M event will be treated as a credit to that EDC meeting its total load reduction obligation.

Connect and Manage Real-Time Allocation Method

RTO Energy Shortage

Allocations will be performed pro-rata by C&M Load ratio share across all TO zones.

Regional Energy Shortage

(i.e., IROL/transfer issues)

- Only TO zones where the C&M curtailment is effective at mitigating the regional shortage would be issued a curtailment.
- Allocations would be performed pro-rata by C&M Load ratio share across the TO zones where the curtailment is issued.



Connect and Manage *Cost Allocation*

Connect and Manage Load Will Not Be Removed From the RPM Auction

- Connect and Manage provides an opportunity for Large Load to interconnect regardless if they Bring Your Own New Capacity (BYONC) with a requirement to curtail (or switch to back-up onsite resources) under limited circumstances.
- Including Connect and Manage in the RPM Auction continues to provide price signals for new investment while providing an incentive for New Large Load to BYONC through new supply or DR/DER.

Cost Allocation:

- **Status Quo:** The EDC is responsible for uploading Obligation Peak Load data into Capacity Exchange for every LSE serving load in their zone/area during the Delivery Year.
 - EDCs may update their procedures. For example, The EDC may adjust the Daily Capacity Obligations to reflect reduced obligations for LSEs with C&M customers curtailed during events to reflect lower Capacity Obligations for those customers' LSEs, and distribution of those obligation reductions as increased obligations to the remaining LSEs in the EDC territory.

Tim Horger, Sr. Director, Forward
Market Operations

Market Services

Tim.horger@pjm.com



Member Hotline

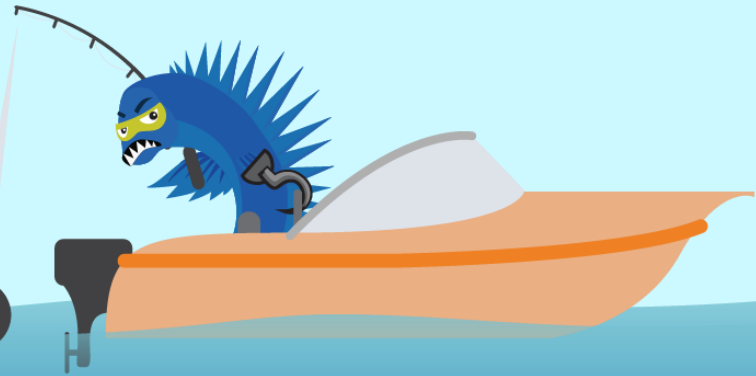
(610) 666-8980

(866) 400-8980

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