

PJM Connect & Manage CIFP Proposal Stage 4

Executive Summary

The PJM Connect & Manage (C&M) proposal is an important first step in realizing an operational tool (reduction of load) that will facilitate accelerated large load growth while preserving system reliability during periods of capacity shortage.

PJM's proposal leverages FERC's transmission jurisdiction and already-approved-governing document constructs to expand upon PJM's existing data access rights. In doing so, PJM States and relevant industry partners (e.g., Eligible Customers/Network Customers that are EDCs/LSEs) will be given key information upon which they can take critical actions at the state level to implement retail load reduction priorities among classes of retail load customers and interruptible retail load tariffs, among other reforms. Such state developments can then become inputs into PJM's operational toolkit to drive load reductions and interruptability protocols in a manner that respects federal and state jurisdictional roles.

Absent state and industry partner action on implementing these types of state level reforms, residential customers (as opposed to large load customers) may be disproportionately impacted by costs and manual load shed directives issued as part of PJM's emergency procedures. Action by state and industry partners is a critical component of making C&M a durable and valuable operational tool during emergency conditions.

PJM's C&M proposal provides the states, industry partners, and United States hyperscalers and AI companies an opportunity to effectuate promises made in the Ratepayer Protection Pledge. In that pledge, companies agreed to "negotiate new, separate rate structures with their utilities and relevant State governments wherever they build data centers. Importantly, they will pay these rates for the power and related infrastructure that are brought online to service their data centers, whether they use the electricity or not."

PJM's enhanced data collection will also help the states and industry partners assess whether companies are, as the Pledge commits, "build[ing], bring[ing], or buy[ing] the new generation resources and electricity needed to satisfy their new energy demands" and "add[ing] more capacity that serves the broader public by increasing supply" in order to "protect[] Americans from higher prices."

Companies also committed to "coordinate with grid operators to contribute to a more reliable grid[.]" Consistent with this promise, and pending necessary state action, PJM will facilitate any and all voluntary commitments to participate in a pre-emergency procedures C&M construct.

Why did PJM Update the Proposal?

PJM's updated Connect & Manage proposal replaces PJM-mandated load reduction with a transparent Large Load Registry. A number of stakeholders raised issues associated with PJM's jurisdictional authority to implement its proposal. PJM recognizes that extended litigation over its authority could cloud and potentially delay the needed reforms outlined in PJM's proposal. Accordingly, PJM believes it prudent to move forward with this revised proposal which will accomplish the same goals as its original proposal while avoiding unnecessary litigation. By replacing PJM's mandated connect and management concept with a transparent large load registry, PJM will provide the relevant state regulatory bodies with critical data transparency needed to establish their own load reduction priorities for their retail customers. Ultimately, PJM will partner with these state-led programs by using the registry as an informational and operational tool in managing the grid during stressed system conditions.

1. Core Objective

The proposal facilitates timely interconnection of large loads while mitigating reliability risks by:

- Providing states and relevant industry partners with data to facilitate procedures that align with their policies, reliability risks, and costs.
 - Providing operational flexibility during shortage conditions.
-

2. Large Load Registry & Transparency Framework

A central enhancement is the implementation of a formal, public Large Load registry, which serves as the backbone of the construct. PJM will maintain this registry.

Registration Requirements

- Large Loads are required to register via appropriate entities.
 - Large loads are defined as End-use customer load that has a cumulative peak load quantity ≥ 50 MWs at each delivery point or Point of Interconnection
- Registration required before in-service date of new Large Load
- Existing Large Loads in-service prior to 6/1/27 must register by 3/1/27.

Registry Content (Posted on PJM.com)

- Eligible Customer/Network Customer for Large Load (typically, the EDC and LSE)
- Description of Large Load
- Location (Control Zone)
- In-service date
- Delivery point
- Load quantity (MW)
- State identified programs or exclusions (For example, if Large Load brought new capacity).
- Control Zone participation decision in voluntary pre-emergency procedures.
- Additional details as necessary (e.g., ramping schedule)

Operational Role of Registry

The registry functions as an informational public dataset for:

- Providing States and relevant industry partners with a list of Large Loads and relevant information.
 - Supporting periodic tracking and validation of Large Loads.
 - Providing a transparency on PJM.com.
-

3. Connect & Manage (C&M) Construct

- States will be given data to implement necessary retail constructs (e.g., load reduction priorities and interruptible tariffs)
 - Voluntary option for those that subscribe pending state action (Requires 10-minute load reduction capability via ED/TO)
 - Key characteristics:
 - No change to RPM or RTEP inclusion
 - Subject to pre-emergency load reduction if chosen by the relevant ED/TO
-

4. RPM Impacts

- No impact on modeling or cost allocation for RPM
 - Large loads included in RPM Auctions
 - Continue to provide price signals for new investment.
 - No change to RPM UCAP obligations. All load included in RPM assigned RPM UCAP obligation for cost allocation purposes.
 - Large Load Registry is informational only.
-

5. Roles, Responsibilities, and Jurisdiction

Federal – PJM

- Maintains and publishes the Large Load registry.
- Verifies:
 - Large Load registrations
- Facilitates C&M and emergency procedures in Operations.

State (Retail) – Critical Role

- States have jurisdiction over development of retail constructs like load reduction prioritization and interruptible load tariffs.

Eligible Customer/Transmission Customer/EDC/TO/LSE

- Register (or coordinate registration of) Large Loads
- Allocate C&M to individual customers based on state retail constructs.
- Execute load reduction actions.
- Notify PJM whether they will participate in the voluntary pre-emergency procedure pending state action.

Large Load Customers

- Register
- Comply with load reduction requirements.

6. Operational Model

Load Reduction Execution

- PJM issues Control Zone-level MW reduction instructions
- EDC/TO executes load reduction within 10 minutes.
- PJM does not directly instruct retail customers.

Pre-Emergency Participation

- Participation in voluntary pre-emergency procedures is tracked and disclosed.
 - Registry identifies which Control Zones have voluntarily participated.
-

7. Key Policy Enhancements

The package introduces several critical improvements:

- Transparency
 - Public registry with load, location, and State
 - Accountability
 - Clear assignment of registration responsibilities
 - Traceability
 - Verifiable linkage between load growth and capacity support
 - Operational clarity
 - Defined process for identifying large loads and State impact.
 - State integration
 - Explicit role for states in facilitation
 - Participation visibility
 - Disclosure of voluntary pre-emergency program participation
-

8. Board-Level Considerations

Strengths

- Enables continued economic growth via load interconnection.
- Improves data transparency and planning integrity.
- Aligns capacity responsibility with load growth.
- Respects jurisdictional boundaries between PJM and states

Risks / Dependencies

- Reliance on state-level enforcement frameworks
- Operational risk tied to load reduction execution reliability
- Need for clear tariff specification and stakeholder alignment

In conclusion, this Connect & Manage proposal is a transparent, registry-driven, and jurisdictionally coordinated reliability construct that:

- Tracks large load growth with granular, publicly available data.
- Allocates reliability risk at the Control Zone level with verifiable inputs.
- Relies on state-facilitated enforcement and participation mechanisms.

Appendix A: Background Information on Authority

- Under section 201(b) of the Federal Power Act (FPA), FERC has jurisdiction over the transmission of electric energy in interstate commerce and the sale of electricity at wholesale in interstate commerce. 16 U.S.C. § 824(b).
- “There is no language [in the FPA] . . . limiting FERC’s *transmission* jurisdiction to the wholesale market[.]” *New York v. FERC*, 535 U.S. 1, 17 (2002).
- The FPA denies to FERC jurisdiction over retail electricity *sales*.
- PJM’s existing governing agreements grant PJM authorities to request and obtain data relating to load additions.
- PJM’s Open Access Transmission Tariff already requires Network Customers to “provide the Transmission Provider with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to the Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application.” Tariff, Part III, section 31.2; *see also* Tariff, Part III, section 31.6 (“Annual Load and Resource Information Update”).
 - Pursuant to this existing authority (Tariff, Part III, section 29.2), Eligible Customers must, among other things, provide the following information as part of such application:
 - A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer’s best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission voltage level. The description should include a ten (10) year forecast of summer and winter load and resource requirements beginning with the first year after the service is scheduled to commence.
 - The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 10 year load forecast provided in response to (iii) above.
- PJM’s Operating Agreement also obliges PJM Members to “provide, as reasonably requested [by PJM], data (excluding transactional data), documents, or records, to the Office of the Interconnection required for the following purposes: . . . , (iii) coordination of operations, . . . (vi) coordination of planning, including those data required for capacity accounting under the Reliability Assurance Agreement; . . . (ix) such other purposes, including those set forth in Operating Agreement, Schedule 2, as will contribute to the reliable and economic operation of the PJM Region and the administration by the Office of the Interconnection of the Agreement, the PJM Tariff and PJM Manuals[.]” Operating Agreement, section 11.3.1(a).
 - *See also* Operating Agreement, section 11.3.1(b) (requiring all PJM Members to “Provide such recording, telemetering, revenue quality metering, communication and control facilities as are required for the coordination of its operations with the Office of the Interconnection and those of the other Members and to enable the Office of the Interconnection to operate the PJM Region and otherwise implement and administer this Agreement, including equipment required in normal and Emergency operations and for the recording and analysis of system disturbances.”).

- PJM's Operating Agreement also already requires Electric Distributors to “Provide to the Office of the Interconnection all System, accounting, customer tracking, load forecasting (including all load to be served from its System) and other data necessary or appropriate to implement or administer this Agreement, and the Reliability Assurance Agreement[.]” Operating Agreement, section 11.3.3(h);
- Recent FERC precedent recognizes, pursuant to federal transmission jurisdiction authority:
 - Registration requirements by market participants for High Impact Large Loads. See *Sw. Power Pool, Inc.*, 194 FERC ¶ 61,031 (2026).
 - The right to request information/telemetry from and about Eligible Customers relating to large load interconnections. See *PJM Interconnection, L.L.C.*, 193 FERC ¶ 61,217 (2025) (co-located load order); *Sw. Power Pool, Inc.*, 195 FERC ¶ 61,196, at P 89 (2026) (recognizing as just and reasonable separate telemetry and billing because it “will allow SPP to maintain reliable operation of its transmission system by increasing SPP’s visibility, providing necessary data, and imposing real-time operational safeguards”).
 - A definition of “Large Load” that is defined as 50 MW when interconnecting to the Transmission System. See *Sw. Power Pool, Inc.*, 194 FERC ¶ 61,031 (2026).